

Birmingham City Council

Report to Cabinet

7th June 2022



Subject: Call off framework to accelerate digital transformation

Report of: Director, Digital and Customer Services

Relevant Cabinet Member: Councillor Jayne Francis, Cabinet Member for Digital, Culture, Heritage and Tourism

Relevant O & S Chair(s): Councillor Aikhlaq

Report author: Cheryl Doran, Assistant Director of Information, Technology & Digital Services

| | | |
|---|---|---|
| Are specific wards affected? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No – All wards affected |
| If yes, name(s) of ward(s): | | |
| Is this a key decision? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, add Forward Plan Reference: | | |
| Is the decision eligible for call-in? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, provide exempt information paragraph number or reason if confidential: | | |

1 Executive Summary

- 1.1 The Council's Digital Strategy 2022-25 was approved by Cabinet on 22 March 2022. The Strategy sets out clear ambitions for the Council which will change how services are delivered. Meeting the digital aspirations and needs of our citizens, improving services whilst becoming leaner and more efficient.
- 1.2 The Council has significant financial challenges over the next three years as set out in the Medium-Term Financial Plan. Digital initiatives will be a key enabler for the Council to deliver within the budget and significant increases in project demand is forecast.

- 1.3 We are developing our own digital skills and this is our preference but this will not be sufficient to meet project demand within the timescales that are required. This is likely to have a significant negative impact on the MTFP.
- 1.4 Available routes to augment digital skills gaps are proving difficult due to current market conditions and existing partnering arrangements are due to expire imminently.
- 1.5 The call off framework will be an enabler for capacity to support savings initiatives in 2022-23, and 2023-24, to align with the drivers within the MTFP and large-scale corporate programmes.

2 Recommendations

- 2.1 To establish a £3m call-off framework for strategic partners to support business cases that deliver improved outcomes enabled by digital funded as per section 7.3
- 2.2 Agrees the procurement approach as per section 7.4
- 2.3 Delegates authority to the Director of Digital and Customer Services (or their delegate) in conjunction with the Interim Assistant Director, Procurement (or their delegate), Director of Council Management (or their delegate) and the City Solicitor (or their delegate) to award the contract following completion of the procurement process.
- 2.4 Delegates authority to Assistant Director, Information, Technology and Digital Services to award call-off contracts under a Delegated Award Report once the Framework is established as set out in this report.

3 Background

- 3.1 The Council's Digital Strategy 2022-25 was approved by Cabinet on 22 March 2022. The Strategy sets out clear ambitions for the Council which will change how services are delivered. Meeting the digital aspirations and needs of our citizens, improving services whilst becoming leaner and more efficient.
- 3.2 The Council has significant financial challenges over the next three years as set out in the Medium-Term Financial Plan as well as bold ambitions to improve services for residents. Digital initiatives will be a key enabler for the Council to deliver within the budget and significant increases in project demand is forecast.
- 3.3 Analysis has been done of the incoming demand through programmes and the MTFP and we do not have sufficient capacity in IT&D to meet that demand.
- 3.4 The IT and Digital Service is currently going through a redesign and in accordance with the Digital Strategy Delivery plan, skills and training is planned for the service to upskill in specialist digital roles. This plan will take two years plus to move the service from existing "analogue" IT roles to the digital enabling roles we require.
- 3.5 As part of the service re-design we have completed a maturity assessment which has concluded that we are lacking in some of the specialist digital skills that will be called upon now to deliver the service improvements and savings in the Medium-Term Financial Plan.
- 3.6 To support delivery of digital initiatives, a similar partnership has delivered good outcomes for the Council. This arrangement has supported the development of our digital strategy and the data programme.

- 3.7 Through this partnership, a number of our own people have grown into digital roles through experience and skills transfer from working alongside the partner.
- 3.8 This contract will be spent by July 2022 therefore a new arrangement for the provision of digital skill and skills transfer is needed to support delivery of business-critical projects.
- 3.9 At Birmingham's current level of digital maturity, it is advisable to have a diverse range of suppliers to select from to support in delivering projects and services, so that we get the benefit of working with, and learning from, multiple styles of delivery whilst maintaining a consistent approach in line with our Digital Strategy and our commitment to the Local Digital Declaration. It also gives the best chance of having access to highly skilled people pre-briefed and bought into the Council's goals and aspirations at short notice when this is needed.

4 Options considered and Recommended Proposal

- 4.1 Several options have been considered to meet the challenges:
 - 4.1.1 Use in house teams only: This would give limited capacity to deliver both the digital strategy and the projects outlined in the MTFP. It would mean throttling project demand which would in turn mean that savings would not be delivered within time putting pressure on the Council's budget.
 - 4.1.2 Use current agency and interim arrangements: current experience shows that we cannot achieve the levels of assurance and consistency through single hires. Hiring of single individuals for short terms projects is also time consuming and has high administrative overheads. Day rates for individual interims are increasing with the level of quality subsequently not improving and in a lot of cases dropping or not available. They also bring limited opportunity for new innovations to the council.
 - 4.1.3 Go to market for support per business case: Whilst this would give us a range of suppliers, this would create an administrative overhead in additional procurement activity as well as a lead in time of 6-12 weeks to select a provider. Also as these will be smaller engagements, the day rate is likely to be higher than a strategic arrangement over a longer period.
 - 4.1.4 With clear definitions of the digital skills we need for the new Digital Strategy, go to market for multiple delivery partners, across multiple lots under the compliancy of a singular call-off arrangement, with such delivery partners chosen by BCC to include SME's.
- 4.2 4.1.4 above is the preferred option as it will ensure the consistency, quality and accountability of the people brought in to augment our team. This option further supports the delivery of the strategy through skills transfer and, following initial set up, reduces administrative overheads by default of bringing people in to increase our digital capacity and capability and delivering the best value in terms of day rates. *(See section 7.4 for the Procurement Implications and mechanism)*

5 Consultation

- 5.1 The Digital Strategy which this framework supports was designed following extensive citizen and internal consultation.
- 5.2 In determining the most appropriate route to market, we have consulted informally with suppliers and reviewing best practice from other local authorities.

6 Risk Management

- 6.1 The recommendations in this report seek to mitigate risks around insufficient skills and resources to support the Council's transformation needs,
- 6.2 There are low level risks in the implementation of the framework. The process will be supported by Procurement professionals to mitigate this risk.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The recommended decisions are consistent with the Council's priorities, plans and strategies, supporting the Council's stated mission and commitments to ensure we are a truly customer centric organisation. The digital strategy works alongside other programmes of change to maximise the opportunities to embed digital and innovation to support the Council's outcomes, addressing inequalities and striving for continuous improvement that will accelerate our ambition to be the best digital Council.

7.2 Legal Implications

- 7.2.1 The Council is under a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council has a duty under Section 135 of the Local Government Act 1972 to make standing orders for the supply of good and services or the execution of works.
- 7.2.2 The City Council will carry out this work under the General Powers of Competence Section 1 of the Localism Act 2011.

7.3 Financial Implications

- 7.3.1 All spend called off against this framework must be approved spend i.e.
 - 7.3.1.1. MTFP commitment and within the revenue budget of the service
 - 7.3.1.2. A sponsored capital programme.
 - 7.3.1.3. Approved project and funding from the Invest to Deliver Board.
- 7.3.2 The funding for call off will be applied in the order of existing service budgets, investment already provided in the MTFP or the capital programme and lastly the Invest to Deliver Fund as defined in the business case.
 - 7.3.2.1. The maximum limit of the call off arrangement will be £3m over a period of three years.
- 7.3.3 £3m will be set aside from the Invest to Deliver fund with delegated approval given to the Director of Council Management to draw this down for projects as defined in the business case.

7.4 Procurement Implications

- 7.4.1 The recommendation of this report is to run a procurement exercise to establish a call off framework.
- 7.4.2 The proposed route to market will be a compliant direct award to Insight UK Limited (as the ranked 1 provider) under the HealthTrust Europe ICT Solutions Framework Agreement (ComIT) whereby all pre-selected and approved delivery partners (and lots) will be

specified under this singular agreement. Insight UK Limited will be instructed to 1). award directly to a delivery partner or 2). carry out a further competition, free-of-charge - per engagement - to evidence value for money. The reseller uplift has been agreed and capped to a maximum of 2.5%, which represents a nominal charge for administration and processing.

7.5 Human Resources Implications (if required)

7.5.1 There are no direct HR implications of this report,

7.6 Public Sector Equality Duty

No adverse impacts were identified. A copy of the report is attached.

8 Background Documents

Report to Cabinet 21st March 2022 – Digital Strategy 2022-2025

List of appendices accompanying this report:

Appendix A – Equality impact assessment [EQUA893](#)

Title of proposed EIA

Call-off framework to accelerate digital transformation

Reference No

EQUA893

EA is in support of

New Service

Review Frequency

Two Years

Date of first review

11/04/2024

Directorate

Digital and Customer Services

Division

IT&D

Service Area

ITD Programmes

Responsible Officer(s)

James E Gregory

Quality Control Officer(s)

Cheryl Doran

Accountable Officer(s)

Cheryl Doran

Purpose of proposal

To provide access to resources to deliver digital transformation

Data sources

relevant reports/strategies

Please include any other sources of data

Digital Strategy; Cabinet Report for approval to procure call-off contracts for digital transformation specialists

ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS

Protected characteristic: Age

Not Applicable

Age details:

It is judged that there is no impact on age. Typically, suppliers will recruit and be able to provide a range of people with a range of ages. Age will not be a criteria for using a particular resource from the contract.

Protected characteristic: Disability

Service Users / Stakeholders ;Employees

Disability details:

One of the positive principles of service design is to design for everyone. The resources we would call-off from this proposed contract will be experts in user centred design and in designing services that are useable by anyone regardless of ability. This will have positive benefits for both staff(where we are designing and delivering digital services for staff); and for our citizens and businesses for our outward-facing services. The same applies to all other protected characteristics

Protected characteristic: Sex

Not Applicable

Gender details:

See 'Disability' section

Protected characteristics: Gender Reassignment

Not Applicable

Gender reassignment details:

See 'Disability' section

Protected characteristics: Marriage and Civil Partnership

Not Applicable

Marriage and civil partnership details:

See 'Disability' section

Protected characteristics: Pregnancy and Maternity

Not Applicable

Pregnancy and maternity details:

See 'Disability' section

Protected characteristics: Race

Not Applicable

Race details:

See 'Disability' section

Protected characteristics: Religion or Beliefs

Not Applicable

Religion or beliefs details:

See 'Disability' section

Protected characteristics: Sexual Orientation

Not Applicable

Sexual orientation details:

See 'Disability' section

Socio-economic impacts

There is no direct impact, but designing services that are easy to use will support the early support and intervention approach which will have positive socio-economic impacts
Please indicate any actions arising from completing this screening exercise.

No actions

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Guided by Digital Strategy/. User research conducted as part of the strategy found a need to build better digital services that are accessible by all. It also found that digital skills in BCC are not mature enough to achieve this alone. A digital partner will help us to achieve these aspirations

Consultation analysis

As above

Adverse impact on any people with protected characteristics.

None

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

N/A

How will the effect(s) of this policy/proposal on equality be monitored?

BCC will introduce service assessments to ensure that prior to services being made live they are assessed for accessibility and equality

What data is required in the future?

Service Assessment data

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

no

Initial equality impact assessment of your proposal

The recruitment of a number of digital specialist agencies to provide call-off support to the council in designing and delivering digital services will have a positive impact on equalities. Digital services are designed with equality at their heart and are 'designed for everyone'. There is judged to be no negative impact of this proposal

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

There is no negative impact of this proposal - only likely positive impacts.

QUALITY CONTROL SECTION

Submit to the Quality Control Officer for reviewing?

Yes

Quality Control Officer comments

Decision by Quality Control Officer

Submit draft to Accountable Officer?

No

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

13/04/2022

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Content Type:

Item

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