

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 April 2022

<b>TITLE</b>	Digital Transformation Plans		
<b>Ward(s)</b>	City wide		
<b>Author:</b> Sian Houdmont	<b>Job title:</b> Change Business Partner		
<b>Cabinet lead:</b> Cllr Cheney	<b>Executive Director lead:</b> Mike Jackson		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b> This report seeks Cabinet approval to continue the digital journey, including award of contracts for our telephony infrastructure which will be a critical enabler for improving our citizen contact handling offering, as well as securing a contract for a Digital Strategic Partner to support us in delivering our digital ambitions. This report also sets out the latest roadmap for digital transformation and context for the upcoming Digital Strategy refresh and next stage of digital transformation work, expected for June 2022.			
<b>Evidence Base:</b>  <b>Context and Background</b> For Bristol City Council, digital transformation means the use of technology to solve traditional problems. It seeks to fundamentally change how the council operates and engages with citizens and partners. It goes beyond basic improvements to current systems and working practices as it enables services to be delivered in more effective ways and provides the opportunity to reflect citizens' preferences.  In 2018, Cabinet was briefed on the low starting baseline for the IT service, but through the investments and changes delivered through the subsequent IT Transformation Programme, a great deal has been achieved to date in both the technology foundations and developing an information architecture that will support more effective and timely decision making across the council.  Additional approvals in September 2021 and October 2021 have allocated further funds to progress expansion of the data and insight platform and update our core telephony and website platforms (amongst others).  <b>Evidence to support recommendations</b>  <b>1 - Digital ambitions</b> Although significant progress has already been made to the council's technology foundations, the scale of the desired transformation for Bristol (and required savings) means there is still more to do. The next phases ultimately look to maximise the potential benefits to service users and the organisation.  Given the above, work is now underway to review and refresh the Digital Strategy and reassess the roadmap of IT change work for the coming years. This will be underpinned by four critical ambitions: <ul style="list-style-type: none"><li>- Engaging the citizen</li><li>- Empower the employee</li></ul>			

- Optimise operations
- Transform the service

**Appendix A1** provides more information about the work completed to date, the emerging roadmap of work and associated principles.

The Digital Strategy is targeted to be brought to Cabinet for approval in June 2022, building on the outline above. Additionally, the business case (and request for funding) for the next tranche of digital transformation work will also be sought.

## **2 - Digital Strategic Partner**

To support and progress the council's digital ambitions at the pace desired, and to build on what is already in place, there is a need to have quicker access to wider IT/Digital skills and expertise which can be adjusted up or down depending on funding availability.

This paper seeks to agree the procurement of a 'Digital Strategic Partnering' arrangement to enable this, which will put in place much needed flexibility to sustainably manage changing peaks and troughs of future project and initiative activity, responding to funding opportunities more quickly, thereby reducing over time the use of more ad hoc contractor support and achieving more sustainable outcomes for residents and the city.

It is expected that the partner will provide a variety of support, the majority of which will be focused towards delivering of IT /digital change and transformation work, including for example consultancy and advice, business case shaping and feasibility assessments, as well as delivery/implementation of projects. Standard decision-making practices will apply for these change projects, with all key decisions being brought to Cabinet for approval. It is expected that the first drawdowns of the partner arrangement will be to support some elements of the previously agreed IT change work (approved in Sep 2021) as well as the upcoming Digital Transformation Programme (pending Cabinet approval in June), as referenced above.

In addition to supporting IT change and transformation work, the Council may also look to utilise the partnership in future to take on or support targeted and specialist 'business as usual' functions. However, although the contract will be set up to allow for this flexibility, there will be no contractual obligation to do this, and any future organisational appetite to implement this would require a business case and subject to separate Cabinet decision.

The totality of the support provided by the partner is expected to be up to £35m over 7 years, however the contract will be on a no obligation/£0 commitment basis. Projects will need to be signed off by the Council on case-by-case basis.

**Appendix A2** provides further information about why a partnership is needed, the scope of the partnership arrangement, and how work would be funded.

## **3 – Telephony contract**

This paper also seeks to confirm the intention to contract for the replacement contact centre omni-channel solution and connecting infrastructure for staff telephony through Teams, which had one-off costs (£0.6m) outlined and approved as part of the Digital Transformation Programme cabinet paper in September 2021. Further approval is being sought for the intended contracting process in relation to the ongoing costs of the contract, estimated to be in the region of £3.9m over the proposed 7-year period. (See Appendix A3 for further information).

The total cost (one off and ongoing) is currently estimated at circa £4.5m, however, there is a risk, following receipt of bids, the on-going contract cost bids will be greater than current forecast, with any variations being funded through the Digital Transformation general fund budget and put at risk any proposed general fund savings delivered through the Telephony Project.

### **Cabinet Member / Officer Recommendations:**

That Cabinet:

1. **Note** the emerging digital narrative, and that the next phase of Digital Transformation activity and refreshed IT strategy is underway and is targeted for June 2022 Cabinet decision.
2. **Authorise** the Chief Executive in consultation with the Cabinet Member for Finance, Governance and Performance and Director for Policy, Strategy and Digital to take all steps necessary, (including procuring and awarding a contract), for securing a 'Digital Strategic Partner' with a maximum contract value of £35m, and maximum contract length of 7 years.
3. **Note** that any decision to utilise the 'Digital Strategic Partner' contract for supporting 'business-as-usual' functions will be subject to a further Cabinet report and decision, regardless of the value.
4. **Authorise** the Chief Executive in consultation with the Cabinet Member for Finance, Governance and Performance and Director for Policy, Strategy and Digital to take all steps necessary, (including procuring and awarding any relevant contracts), for delivering the telephony project/solution at a total estimated cost of £4.5m.

#### **Corporate Strategy alignment:**

Digital transformation work supports and enables the [22-27 Corporate Strategy](#) ambitions, in particular:

- Development Org - "The council is larger than most of its counterparts and not always more efficient or effective. We need to consider what the right size, shape and scale is for the city's future needs, streamline processes and target our limited resources to those most in need given the financial pressure we face."
- ED02 One Council - "We need to work more smartly and intentionally together as 'One Council'."
- ED03 Employer of Choice - "Support them with improved digital tools and technology"
- EDO4 Data Driven - "We own a wealth of information and data, and through an ongoing programme of digital transformation we are able to do more with it"
- EDO5 Good Governance - Resilience theme – "We must keep a good financial grip and manage things effectively without making things too bureaucratic and unwieldy, because part of being resilient means being able to be fast, flexible and adaptable in what we do"
- Resilience - "Build Bristol's city resilience through early intervention, minimising our contribution to future environmental, economic or social shocks and stresses. Build our ability to cope by learning from our past, taking a preventative approach and planning for long-term outcomes that support resilience"
- "Make sure that we are financially competent and resilient, offering good value for money."

#### **City Benefits:**

- As the leading Smart City in the UK Bristol citizens and users of our services rightly expect a digital experience comparable to other areas of their lives. Excellence in digital service delivery frees up staff to be able to spend more time answering phones and conducting face to face meetings in order to support people more effectively.
- As described in our Corporate Strategy the way in which the council will interact with its citizens will need to change, delivering quicker and better outcomes, helping the council to be more efficient whilst making things easier for citizens.
- Our digital ambitions have a critical part to play in achieving the future vision of a council that encourages inclusion, independence and enablement of all its citizens.
- Our digital implementation plans are being designed to achieve the right balance of minimising operations cost whilst maximising the quality and effectiveness of our services.

#### **Consultation Details:**

Internal officer and Cabinet member engagement (via Digital Transformation Board).

#### **Background Documents:**

- [IT Strategy 18-23](#) - this was [\(approved at Cabinet July 2018\)](#)
- Network & Telephony Contract extension [\(approved at Cabinet July 2021\)](#)
- Digital Transformation Programme – 1<sup>st</sup> tranche of work [\(approved at Cabinet Sep 2021\)](#)

<b>Revenue Cost</b>	1) £0.6m p.a. - Telephony  2) Revenue element of £35m (less capital element) in total across 7 years - Digital Strategic Partner	<b>Source of Revenue Funding</b>	1) Digital Transformation annual Revenue budget  2) Cross-BCC Revenue project budgets. Funding is anticipated to be identified from individual project business cases, as they arise. Funding will be dependent on the type of work and the service area impacted.
<b>Capital Cost</b>	2) Capital element of £35m (less revenue element) in total across 7 years - Digital Strategic Partner	<b>Source of Capital Funding</b>	<ul style="list-style-type: none"> <li>• Digital Transformation Invest To Save (Pending) Capital budget 22/23-23/24 - £5.8m</li> <li>• Digital Transformation Network Improvements (Pending) Capital budget 22/23-23/24 - £6.78m</li> <li>• Cross-BCC Capital project budgets</li> <li>• Change Reserve (Business Transformation)</li> <li>• Flexible Use Of Capital Receipts</li> </ul>
One off cost <input type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/>		Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/>	

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** This report covers three separate items, two of which require decision.

1) One request here relates to BCC's telephony infrastructure. Initial one-off investment of £0.6m for this has previously been approved at Cabinet as part of a £3.7m Digital Transformation Programme of works (14 September 2021). The request here is to award contracts for the delivery of telephony-associated ongoing Revenue expenditure of £0.6m p.a. This spend is in line with Digital Transformation current annual Revenue budget spend.

2) The second request here is to award a contract for a Digital Strategic Partner to BCC. At this early stage the Revenue/Capital split for this contract is not confirmed, however the total spend (Revenue and Capital combined) is expected to be £35m across a 5years+2years maximum contract period. Contract award does not constitute financial commitment. Costs stated are indicative and not to exceed. This spend is not in addition to approved Budget spend but is to come from approved budget sources such as those identified above. Any subsequent commitment to spend would be subject to separate approval via the decision-making process and relevant budget availability.

**Finance Business Partner:** Jemma Prince Finance Business Partner , 07 March 2022

**2. Legal Advice:** Whenever the council procures supplies, works or services over certain financial thresholds, it must comply with the council's Procurement Rules and the Public Contracts Regulations 2015 (PCR 2015), unless an exemption is available.

Both the selection of a strategic partner and the procurement of the telephony contract will need to comply with these requirements. Regarding the former it is noted that the nature of the contract is a broad based partnership across a range of activities, where the value is indeterminate, but where a maximum term (7 years) and value over that term (£35m) is being prescribed. The actual value will be determined by the nature and scale of work actually delivered through the partnership. Particular care will be needed in addressing this aspect in the contract terms. Given the nature of the recommendations, it is anticipated that specific legal advice will be needed in respect of elements of the procurement process, and in particular the preparation of suitable contract terms. In particular, the broad and flexible scope of the Digital Strategic Partner requirement suggests a combination of

transformational consultancy advice, project delivery and integration services, as well as the option of the partner providing [subject to Cabinet approval] business as usual (BAU) services following the completion of transformational workstreams. The requirement poses particular challenges in terms of developing clear and robust service specifications, pricing requirements and service levels and KPIs (including savings, efficiency gains and best value) where the partner is both recommending, delivering and potentially managing / providing specific BAU solutions under a single contract. Further, if the procurement route is through use of an existing compliant framework agreement (e.g. CCS Tech Services 3) the requirement will need to be carefully adapted around the call-off terms and the scope of such framework, including any limitations in respect of additional contract terms that may be included in order to achieve the required flexibility.

**Legal Team Leader:** Eric Andrews; Legal Service; 10/3/22

**5. Implications on IT:**

This is the enabler for BCC to build on the platforms implemented under ITTP and to maximise the capabilities and opportunities they offer BCC to build further on the new and more flexible ways of working available to colleagues now. To develop and deliver more products that further facilitate this, enabling colleagues to spend even more time focussed on Service Delivery to our Citizen. The new telephony platform is an excellent example of this, it will offer much greater stability and functionality than the existing platform, it also offers multiple routes for citizens to engage with us. Digital Transformation are fully supportive of engaging a Digital Strategic Partner as the most appropriate approach for us to maximise our ability to deliver both new services and ensure they are appropriately supported and maintained.

**IT Team Leader:** Gavin Arbuckle – Head of Service Improvement and Performance (03/03/2022)

**4.HR Advice:**

Digital services have been heavy users of ‘contractors’ (agency workers) in recent years. These have been supplied predominantly through the Council’s contractor Guidant and have been managed in-house. It is understood that the proposal to implement a new telephony system will follow this approach.

The proposal to establish a strategic partner for digital services would provide a welcome, legally-compliant framework through which additional expertise can be procured as and when needed. The potential for the partnership to deliver services currently undertaken by Council staff opens up the prospect of transfer (‘service provision change’), for which there are statutory consultation requirements and other legal obligations and protections. Early engagement with the trade unions is recommended if and when a proposal to engage this option is made.

**HR Partner:**

James Brereton (HR Business Partner), 8<sup>th</sup> March 2022

<b>EDM Sign-off</b>	<b>Resources EDM</b>	09/02/2022
<b>Cabinet Member sign-off</b>	<b>Cllr Cheney</b>	24/02/2022
<b>For Key Decisions - Mayor’s Office sign-off</b>	<b>Mayor’s Office</b>	17/03/2022

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>No</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>No</b>
<b>Appendix D – Risk assessment</b>	<b>No</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – <a href="#">Eco-impact screening/ impact assessment of proposal</a></b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>No</b>
<b>Appendix H – Legal Advice</b>	<b>No</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>

<b>Appendix J – HR advice</b>	<b>No</b>
<b>Appendix K – ICT</b>	<b>No</b>
<b>Appendix L – Procurement</b>	<b>No</b>