

1. Summary

We are putting in place a long-term strategic partnership to enable us to plan, access and manage the capacity necessary to fully deliver the scale of our digital ambitions. The partnership will do this by fully leveraging the capacity and expertise that exists, both within the Council and with a strategic partner, significantly accelerating the pace of delivery of our IT strategy and digital priorities.

2. What do we mean by ‘Digital Strategic Partner’?

When we refer to ‘**Digital Strategic Partner**’ we are describing a contracted relationship with an expert Technology based supplier with skills and expertise across IT and digital. The partner will be flexible in nature, allowing Bristol City Council to access additional capacity and capability at pace which will help us in delivering and supporting our digital transformation ambitions. We expect this type of partnership arrangement to provide us with a long term, stable and sustainable solution.

3. Why do we need a ‘Digital Strategic Partner’ – where are we now/drivers for change

Our IT and digital ambitions currently outweigh our capacity and capability to deliver. There is a need to build increased resilience to maximise confidence in achieving these goals.

In terms of current internal capacity there is only sufficient IT staff to support business-as-usual (BAU) activities, leaving little available resource on-site to support transformation and change work.

Most change activity is dependent on ad-hoc and/or one-off funding sources. Given that we cannot be confident about this funding going forward it is not appropriate to increase our own internal permanent staffing levels, even if was possible to secure the necessary specialist staff in a highly competitive labour market.

At present, IT services bring in ad-hoc contractor support as and when required, alongside one-off ‘commissions’ of consultancy support. Often this is time consuming for managers and is challenging to access the right levels of expertise at the required pace. The market for IT resources is competitive and there is a lead time to train up new people and for them to become familiar with BCC’s complex IT estate. Alternatively, commissioning one-off packages of work requires tender time which can delay the start to work. Often there is a need for multiple resource types, and it is therefore challenging to coordinate and time this when progressing it by different managers and roles or suppliers.

Over the last few years there has been more significant spend with fewer external IT/technology organisations. These have been considered positive and successful commissions, proving to BCC that a longer-term relationship with a single supplier would help solve some of the challenges outlined.

4. Where do we want to be / what are our desired outcomes?

A longer-term arrangement with a strategic partner will enable us to plan and manage our external support more efficiently and bring wider benefits in terms of skill and knowledge transfer (in both directions) and career development opportunities.

We expect the partnership to work in an integrated way with our internal teams, maximising and leveraging both the partnership and internal BCC knowledge and expertise.

A strategic partnering arrangement will therefore 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 ad-hoc contractor support and achieving more sustainable outcomes for residents and the city.

Also, it will be easier and quicker to access 'up-to-date' skills, knowledge and experience and have better/more awareness of the latest digital innovations and access to people who do horizon scanning, ultimately ensuring BCC can remain well informed about the fast-moving, specialised digital markets without needing to directly employ these skills.

Longer term there may be potential to use the partnering relationship to support some elements of BAU delivery, where this stacks up financially and supports Council ambitions.

5. *What is the anticipated scope of the Digital strategic partner?*

The scope of the strategic partner is expected to cover the following elements:

- a) **Support for the upcoming Digital Transformation Programme** – The Programme is currently being scoped and is targeting June Cabinet. Funding is assumed from the approved 22/23 budget. It is anticipated that a hybrid team will be set up, drawing skills and capacity from a strategic partner complementing internal resources and working as an integrated team. The Programme is anticipated to be approximately 12 - 18 months of work.
- b) **Support for future IT/digital change and transformation work** - This relates to accessing support from a strategic partner for possible future IT/digital projects. These are yet to be defined and will be dependent on funding availability. Each project will be agreed on a case-by-case basis as standalone business cases are developed. The range of support is likely to extend from early business case and strategy development through to implementation activities.
- c) **BAU functions** - There is a desire that the partnership contract will be set up to also allow the flexibility to take on or support BAU targeted and specialist functions in future if required. There would be no contractual obligation for this and any future organisational appetite to implement this would require a business case and would be subject to a separate Cabinet decision.

In addition to the above, it is expected that the strategic partner also brings an external and informed perspective to both setting and directing IT/Digital strategic plans. This would include, but not be limited to:

- Challenging conventional thinking;
- Exploring the boundaries around the 'art of the possible';
- Bringing ideas and innovation;
- Giving consideration of whole system thinking;
- Applying solution focus to practical outcomes;
- Providing an informed confidential environment as a 'critical friend' to test ideas and concepts; and
- Bring a wider up to date knowledge across a range of related strategic challenges.
Examples include, but are not limited to: *Cloud Modernisation, License Optimisation, Cyber Security, Office 365, Dynamics 365, Internet of Things & Smart City*

6. *How does this support our digital transformation ambitions and align to the Corporate Strategy?*

As described in **Appendix A1** we have made significant progress to date with investments in core technology infrastructure and are now in a far better position to enable services to transform and make use of the platforms available. The digital strategic partner is expected to significantly accelerate the pace of delivery of our digital ambitions as well as the Corporate Strategy priorities and One City Plan. We also recognise that the technology/digital market is ever-changing with constant innovation, and we will need support to respond to this continuous need to evolve.

Additionally, an emerging key digital transformation principle for BCC is 'Use of a commissioning approach' for which a partnership arrangement would directly support. The refreshed IT Strategy is targeted for June Cabinet approval.

7. How and when will we procure a Strategic Partner?

The scoping work is underway, and a tender process is targeted to start in April 2022, using a compliant route to market, anticipated to be a framework-based competition, agreed with Legal and Procurement teams.

It is our ambition to have a partner in place by summer 2022 to support delivery of the anticipated upcoming 'Digital Transformation Programme' which is pending Cabinet approval in June 2022.

8. What will the contract value be and how will this be funded?

The contract would be set up with a no obligation/£0 minimum contract, providing BCC with maximum flexibility. This also ensures BCC can test the support from the partner and prove the relationship without making longer term financial commitments. If the partner is not deemed to provide us with the best value for money option or does not have the required specialist expertise for a particular activity, then that work can be procured from the market as per usual.

The contract length is anticipated to be no more than **7 years** (with a shorter initial term). The maximum contract value will be no more than **£35m** over the total 7-year contract period, although with no obligation to spend any of this. The maximum contract value has been estimated based on the following components and associated funding assumptions:

- i. **Estimated costs for the upcoming Digital Transformation Programme** - There is £5.8m funding set aside in the **draft 22/23** budget to support digital transformation (pending Full Council approval) alongside other corporate change reserves, which could be used to fund the Digital Strategic Partner costs.
- ii. **Average spend on IT change** – All change activity remains subject to business cases and ad-hoc funding sources. There is no funding source set aside explicitly for this, but work is regularly funded from sources such as corporate Change & Transformation Reserves and/or flexible use of capital receipts. In some instances, there are capital funds set aside. This will be subject to budget setting each year and the presentation of costed/funded business cases (including costs of the partner's support where applicable).
- iii. **Average spend on running costs of IT BAU** – IT resources are funded from revenue service base budgets, confirmed each year via budget setting at Full Council. Any potential future decisions to work with a partner to support IT service delivery must demonstrate costs are fully covered by the available base budget, as well as ensure a value for money for offer. It is anticipated that the costs of a partner, over the life of the contract, would be met primarily via turnover and vacancy management.