

Report for: Cabinet, 20 October 2015

Item number: 11

Title: IT Resourcing Plan

Report

authorised by : Tracie Evans, Chief Operating Officer

Lead Officer: Priya Javeri, Interim Head of IT Services
Tel: 020 8489 3470
Email: priya.javeri@haringey.gov.uk

Ward(s) affected: ALL

**Report for Key/
Non Key Decision: Key Decision**

1. Describe the issue under consideration

1.1. This report seeks the approval from the Cabinet of the Council to procure a specialist organisation as the Council's partner for the provision of additional skilled IT staff. This partner would provide the additional resources required to deliver the technology elements of the Council's transformation programmes that are being delivered in the council over the next 12-18 months.

2. Cabinet Member introduction

2.1. A large part of the Council's transformation will be technology-driven. In order to implement this enabling technology, the Council will need additional specialist staff. The demand for extra resources will, however, vary month by month and the skills required will vary through the project phases. The average requirement across all the deliverables over the 18 months in scope is currently estimated at approximately 16 additional FTE IT staff.

2.2. It is therefore proposed that we seek an IT resourcing partner who can share with us the task of assessing, mobilising and managing the IT resources required.

2.3. The addition of flexible skills through a partner will provide a greater chance of successfully meeting the programme timescales and delivering the business benefits on time.

2.4. The cost of procuring these additional skilled staff over the 12-18 month period is estimated at a maximum of £1.70m, and is already funded in the budget as part of the capital cost of delivering IT programmes.

3. Recommendations

- 3.1. It is recommended that the Cabinet approve the IT Staffing Resource Plan outlined, including procurement of a specialist IT resourcing partner with a total contract value not exceeding £1.70m.

4. **Reasons for decision**

A decision is required as the size of the requested contract is over delegated authority limits for officers

5. **Alternative options considered**

- 5.1. **Do nothing**, i.e. use the existing IT teams to deliver the transformation and priority work.

The current level of resources will not be able to meet the current timelines set by the priority outcome and transformation programmes.

- 5.2. **Buy in contractors piecemeal** from the marketplace as and when each specific requirement occurs.

Buying in contractors from agencies on a piecemeal basis will not be cost effective or efficient. Our requirements will need flexibility where contractors may come in for a few days at the beginning of a project and then 3 days per week for a period (for instance). Contractors are normally hired for minimum periods of 3 months, anything less than this and there would be a significant premium to pay as you would need to pay a retainer.

6. **Background information**

- 6.1. The council is currently undertaking several large transformation programmes including Priority Outcome programmes. The two main transformation programmes currently driving demand on ICT resources are; the Customer Service Transformation (CST) Programme and the Business Infrastructure Programme (BIP). Both programmes require significant technology implementations to underpin the transformational changes. These two programmes are summarised below:

6.1.1 **Customer Service Transformation**

- *Consolidation* – bringing all our customer contact into one part of the organisation
- *High performing staff, highly trained* – making sure that all the staff are skilled to deliver these services, and that quality is monitored rigorously
- *The right infrastructure for excellent customer service* - we know our technology platform needs to be much better to equip our staff to deliver great customer service as efficiently as possible, and for our customers to 'self-serve'
- *Driving take up of self service* - once we have developed a web self service portal with easy to use transactions, we will need to encourage our customers to use them and even follow them up if they are not

6.1.2 Business Infrastructure Programme

- *Self-service for staff:* Self service will transform the way all staff access support services, by removing the reliance on paper based systems and providing them with the opportunity to do more themselves.
- *Technology working for us:* It's more accurate and takes less effort when systems talk to each other rather than people having to enter information into systems from paper or from one system to another. We want to make sure we get the most out of our support systems
- *Working differently:* By bringing support services together, this improves processes, provides a consistent and standardised service provision and provides clear roles and responsibilities between service users and providers.

6.2. Without the large transformational programmes taking place, the IT Services team normally have sufficient people to handle the volume of work that can be termed 'Business As Usual' (BAU), i.e. maintaining the security, performance and integrity of the current IT landscape in the council.

6.3. In addition to the known volumes of BAU work, there is also a 'typical' volume of IT project and change work which occurs, through required upgrades and obsolescence, legislative changes and continuous improvement activities. While it is more difficult to predict, it is certainly more efficient and cost-effective to maintain a suitably-skilled internal team who can implement the typical volume of change that occurs.

6.4. However, over the next 12-18 months the transformation and priority outcome programme activity is predicted to drive a significantly higher than usual requirement for skilled IT staff to deliver the projects. Each project will cover the cost of those resources within their business case, but a service-wide approach is required to ensure that the right resources are available for all projects at the greatest efficiency and lowest possible cost to the Authority.

6.5. A Demand Workshop was held with the programme teams to assess the detailed skill and resource requirements for each month of the programmes. This was matched against the existing team's skill profile in order to assess where the shortfall might occur. The detail has been further updated with the latest forecasts as projects are completed and business priorities change.

6.6. The estimated total requirement is for:
Up to the equivalent of 16 technical staff with an estimated potential cost of up to £1.70m over a 12 to 18 month period.

Note however that some future business projects that have yet to be scoped and approved will need to continue to ensure that the IT technical implementation costs are included in their full business case in order to best manage resources in the future. If demand continues to exceed available resources as a result, then a further procurement and approval may be required.

- 6.7. It is therefore proposed that to ensure best value we undertake a single procurement of a flexible resourcing partner who possesses a team with the right mix of technical and project/programme skills available, that we can work with 'on demand' throughout the transformation period. This should allow the council to negotiate the lowest overall day rates, ensure the right people are available at the right times, and just use the precise quantities that are needed without having expensive under-utilised people employed throughout the entire term of the programme.
- 6.8. While the total estimated amount of the procurement may seem to be a high cost, each constituent project across the transformation and priority outcome programmes already has an underlying business case that bears scrutiny under the programme governance arrangements. This is not a request for additional funding outside those programmes.
- 6.9. These IT implementation costs are invariably a one-off spend at the time of implementation, and therefore can usually be considered to be part of the capital costs of a system implementation alongside the hardware and software elements.
- 6.10. It is therefore proposed that capital funding from the appropriate sources (BIP, CITB, CST, Evergreening and Corporate Priority Programmes) is used to fund these implementation costs. An outline estimated summary of these projects is as below.
- BIP Projects - £400K
 - CST (Face to Face Programme) - £400K
 - CITB Projects - £300K
 - Evergreening Programme - £300K
 - Corporate Priority Programmes - £300K.
- 6.11. It is important to be clear exactly how many people are required to run BAU IT Services, how many are required for typical change volumes and therefore how big the shortfall is to deliver the transformation workload.
- 6.12. IT Services are committed to minimising the additional requirement as follows:
- Ensuring that during the transformation period the volume of BAU tasks is minimised through a risk-based approach, meaning that some of our most skilled staff can be released to work on transformation implementations.
 - Similarly, analysing in detail the scope and priority of any non-transformational change requests and small projects that are requested over this period will allow experienced project delivery people to be released onto the transformation programmes before any external resources are considered.
 - IT are already undergoing process review using resources from the BIP programme to improve efficiency and free up BAU resources
 - IT recently commissioned external consultants to review our BAU activity with Infrastructure services and are now implementing their recommendations in order to free up our BAU resources

- IT are delivering self service capability for some aspects of our service to free up IT resources

6.13. These initiatives will go some way to minimise the total additional resource that is required from the new partner.

6.14. There are a number of existing compliant procurement frameworks that could be used to acquire a suitable partner, each with specific advantages and disadvantages, including the G-Cloud 6 and the Digital Services framework via the government's Digital Marketplace. This would ensure best value to the council for this procurement.

7. Contribution to strategic outcomes

7.1 The report seeks approval to procure resources which are required to support council wide transformation programmes and priority programmes.

7.2 The resources procured through this exercise will allow ICT to effectively manage demand across all priority outcome projects.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities

8.1 Finance and Procurement

No additional funding will be required as the cost of the additional resources have already been agreed through the transformation business cases.

There are a number of compliant frameworks that provide LBH a route to market. These are established frameworks and will offer the Council best value for money.

- The Digital Services Framework – This framework has a further competition option which will allow an organisation to build digital services in an agile way. Through a further competition this framework can be used to commission bespoke digital services.
- G—Cloud 6 – This framework allows an organisation to choose and purchase cloud services. It is for commodity based pay as you go cloud services.
- ConsultancyOne – This framework allows for a further competition evaluation process by inviting suppliers to participate. In exceptional circumstances there is a direct award facility where a single supplier can be invited to submit a quotation.
- Contingent LabourOne – This framework allows customers to procure a complete range of contingent labour services. This framework is intended to reduce the cost and timescales involved in procuring

contingent labour from the customer call-off on boarding process through to the delivery and performance management of the contract.

The project is for 12-18 months with an estimated maximum contract value of £1.70million.

8.2 Legal

The Assistant Director of Corporate Governance notes the contents of the report and confirms there are no legal reasons preventing Cabinet from approving the recommendations in the report. Legal advice should be sought at the appropriate stage of the procurement.

8.3 Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

This report seeks approval to procure a specialist organisation for provision of additional skilled IT staff. The contract specification will clearly set out the supplier's responsibilities under equalities legislation, including a requirement to have in place up to date equalities policies. The contractor will have to demonstrate compliance with relevant equalities legislation through the tendering process.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985

Transformation Programmes – Summary of ICT Budgets.