

1 June 2024

<b>Report Title:</b>	<b>DIGITAL TRANSFORMATION PARTNER APPOINTMENT</b>
<b>Report of:</b>	<b>ASSISTANT DIRECTOR OF DIGITAL, DATA AND TECHNOLOGY</b>

## **REPORT SUMMARY**

On 21 November 2023, the Policy and Resources Committee approved the procurement of a Digital Transformation Partner, with delegated authority being given to the Director of Finance to appoint the successful bidder. This report details the appointment of the Digital Transformation Partner.

The report affects all ward within the borough. It is a key decision as the value of the contract is more than £500,000.

Appendix 1 and 3 of this report is exempt from publication pursuant to paragraph 3 of the part 1 of Schedule 12 A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) because it contains or refers to information relating to the financial and business affairs of Microsoft and the Council and the public interest in maintaining the exemption outweighs the public interest in disclosure.

## **RECOMMENDATION**

1. The Director of Finance is recommended to approve the appointment of Microsoft Ltd pursuant to a call off contract under the Crown Commercial Services G-Cloud 13 framework for the provision of a Council wide digital transformation programme to modernise services as summarised at paragraph 3.3 of the attached report for a terms of 3 years with an option for a further year at a total contract value of up to £5,000,000 based on a 4 year term.
2. That the above recommendations be deemed urgent and therefore not subject to the procedure for re consideration.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATIONS**

- 1.1 Digital Transformation provides the opportunity to modernise how the Council delivers its services, enabling them to be delivered in a more efficient and effective manner.
- 1.2 Digital Transformation is fundamental to the Council delivering its Medium-Term Financial Strategy (MTFS) and providing financial sustainability.
- 1.3 The council does not have the digital capacity or capability in house to support such a large transformation.
- 1.4 The Digital Transformation Partner will be required to develop a business case for all projects that will require approval, prior to commencement of any work, of the Investment and Change Board (ICB), which is made up of the Strategic Leadership Team (SLT).

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Not to appoint a Digital Transformation Partner has been considered but discounted as the Council does not have the capacity or the capability in house to support the work required around digital transformation.
- 2.2 To recruit staff to the council on permanent contracts to be able to fulfil the work. This option has been discounted on the basis that full time permanent posts are not required.
- 2.3 To engage external staff on short, fixed term or agency contacts as an when required. This option will provide the resources to deliver against defined deliverables but with the requirement to identify opportunities and the scale of change required, a partner with a breadth of skills is the preferred option.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Over the past few years the Council has increased its adoption of digital technologies to modernise services which directly link to the prioritise of the Wirral Plan or indirectly improve services for residents including:
  - 130,000 people have created a MyWirral account, providing a single front door to multiple online Council Services
  - Introduction of kiosks in OneStop shops to enable residents to have video calls with relevant Council services.
  - Integration of the Council IT and CCTV network, providing for increased network coverage across the borough enabling over 40 additional CCTV cameras to be installed without an increase in network costs. This integrated network is starting to utilise the Liverpool City Region Full Fibre Network (LFFN and now called the LCR Connect) in which the Council is a partner.

- Adoption of Microsoft Teams and other digital technologies to enable hybrid work which facilitates the reduction in council's physical office estate.
- Improved protection against Cyber Security attacks, for example the use of Multi-Factor Authentication, which further protects residents' information.

3.2 Digital transformation needs to be delivered on a secure, resilient, and compliant platform and the method of delivery needs modernising. Last year, in conjunction with Microsoft, the Council implemented changes to ensure this foundation is in place. This includes:

- Adoption of an Agile methodology for the delivery of projects.
- Enhancement of the Council's Cyber Security technologies and internal capabilities.
- Adoption of digital information governance features to help ensure the ongoing compliance of council information against regulatory requirements.
- Improving engagement with staff for the adoption of new digital technologies.
- Modernising how the council delivers IT Service Management and increasing the governance around change management.

3.3 Over the next 4 years the Council faces significant savings that need to be found to enable a balanced medium term financial strategy. These savings will be achieved in numerous ways with digitalisation and automation being one of the highest value areas, with opportunities including:

- Automated data entry and case creation for current paper-based forms.
- Channel shift to online enabling staff and residents to self-serve, reducing the number of telephone contacts, while providing residents with a single integrated front door for Council services.
- Virtual assistants to sign-post residents to online information and services for repetitive queries, providing access 24\*7\*365.
- Automating of manual processes.
- Increased integration of online forms with backend systems.
- Development of a data platform to support predictive analytics utilising Artificial Intelligence (AI).
- Introduction of smart city technologies to improve efficiency of services.

3.4 The Digital Transformation Partner will be required to develop a business case for all projects that will require approval, prior to commencement of any work, of the Investment and Change Board (ICB), which is made up of the Strategic Leadership Team (SLT).

## **4.0 FINANCIAL IMPLICATIONS**

4.1 The contract with the Digital Transformation Partner is up to £5,000,000.

4.2 There is currently a reserve established to fund digital transformation which will be used to fund part of the contract with the remainder being funded from capital, where

appropriate and within the capital guidelines, and from capital receipts under the Flexible Use of Capital Receipts (FUCR) eligibility.

- 4.3 The cost of any work carried out under the proposed contract will be determined on a per project basis and detailed within a business case following an initial discovery stage and would be monitored in line with any agreed budget position.
- 4.4 Therefore at this stage, it is not possible to fully understand how much the cost of digital transformation will be. It is planned that the cost of any new IT systems to support the digital transformation will be funded from savings achieved through efficiencies.
- 4.5 Each project will have a benefits realisation plan to deliver on the benefits detailed within the business case. Progress of the delivery of these benefits will be monitored and, where cashable, will contribute to closing the budget gap.
- 4.6 The digital transformation will be incorporated into the ongoing service reviews within the Enabling Service Review programme of work. This will help ensure an overarching programme of work focussed on delivering a more efficient, effective, and accessible Council.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Digital Transformation Partner was procured through the Crown Commercial Services G-Cloud 13 framework.
- 5.2 G-Cloud 13 facilitates the purchase of cloud-based services, through a 6-step buying process.
- 5.3 The 6-step buying process is as follows:
  - Step 1 - Prepare: Understand what is looking to be purchased via the G-Cloud framework.
  - Step 2 - Search and Longlist: use search criteria to create an initial list of providers for the service being procured.
  - Step 3 – Develop the long list into a short list: using specific requirements reduce the long list of suppliers down to a short list.
    - Appendix A details the long list of suppliers and how they were reduced to the short list.
  - Step 4 – Evaluate and select supplier: Each supplier on the short list is evaluated and a supplier selected based on pre-agreed criteria.
    - A Statement of Requirements (Appendix B) was provided to each supplier on the short list, against which they all presented as to how their G-Cloud offering delivered against the requirements.
  - Step 5 – Award and Buy: Award contract to the selected supplier.
    - Appendix C details the scoring and evaluation for each supplier on the shortlist against the Statement of Requirements.
  - Step 6 – Benefits: Complete G-Cloud benefits form.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 Staffing, ICT and Asset considerations will be built into the business case for each individual project and will be considered as part of the approval process.

## **7.0 RELEVANT RISKS**

- 7.1 The risks relating to the Council not progressing with the appointment of a Digital Transformation Partner are that the opportunities identified within Section 3.3 will not be realised and the efficiencies to be delivered through digital transformation will need to be delivered by alternative means.
- 7.2 An Executive Steering Group will be setup as part of the partnership with representatives from both the Council and Digital Transformation Partner which will oversee the performance of the contract. The Finance Working Group will provide oversight of the engagement.
- 7.3 The Digital Transformation will be delivered as part of the Enabling Service Review Programme, and risks will be managed through the Enabling Service Review Programme Board.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The appointment of a Digital Transformation Partner was approved at Policy and Resources Committee on 21 November 2023
- 8.2 The Council's Strategic Leadership Team have been engaged in and have agreed the proposed commission.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 No direct equality implications from this report, however, equality implications of any solution implemented as part of this programme will be considered in each individual business case by completing a Equality Impact Assessment.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 Moving to Cloud technologies will reduce Wirral Council's own carbon emissions by reducing the amount of computing power the Council requires, however, consideration needs to be given to the credentials of the cloud provider.
- 10.2 Microsoft are committed to only using renewable energies by 2025, being water positive by 2030 and to be carbon negative by 2030. These pledges fall in line with Wirral's own Environment and Climate Emergency pledges, and action plan to be carbon neutral by 2030.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 Opportunities for Community Wealth building will be considered as part of each business case.
- 11.2 Social value associated with this contract may also provide opportunities for Community Wealth building.

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## **APPENDICES**

- Appendix One – Digital Transformation Partner – G-Cloud Evaluation - EXEMPT
- Appendix Two – Digital Transformation Partner – Statement of Requirements
- Appendix Three – Scoring booklet for the evaluation of the Digital Transformation Partner Tender - EXEMPT

## **BACKGROUND PAPERS**

Digital Transformation Partner – Policy and Resources Committee – November 2023

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Policy and Resources Committee	21 November 2023