# GREATER**LONDON**AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2293

## Corporate roll-out of the Open Project System (OPS)

### Executive Summary:

In 2016, the Mayor signed MD2007, approving expenditure to build a new grant and project management IT system for Housing & Land (H&L) and the Regeneration Unit. This IT system, now known as the Open Project System (OPS), has been successfully implemented and is supporting 14 programmes, providing officers working in H&L and Regeneration and their external partners with a much-needed digital tool to ensure effective project and programme management and to make and track grant payments.

Since implementing OPS, various teams across the GLA have identified similar needs. Given the system's success, there is an opportunity to meet these needs by rolling OPS out corporately as the GLA's primary digital tool for managing grants. This will have the benefits of streamlining processes, embedding best practice, driving efficiencies and capturing grant information in a single database. This decision therefore seeks approval to procure a development supplier to support the corporate roll-out of OPS to the rest of the GLA and updating/developing OPS as required to fit the different departments' needs.

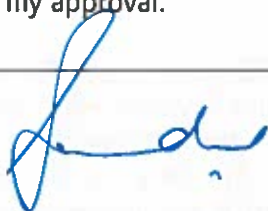### Decision:

That the Mayor approves:

1. Expenditure of up to £1,000,000 for financial year 2018-19 to be allocated as follows:

   - up to £188,000 to extend the scope of the development work under the current contract with Keytree Ltd to allow development services to continue until an ongoing development supplier has been procured; and

   - up to £812,000 for a development supplier to support the corporate rollout of OPS.

2. Expenditure of up to £1,000,000 for financial year 2019-20 for a development supplier to continue to support the corporate rollout of OPS.

### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Date: 17/6/10

## PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

### Decision required – supporting report

### 1. Introduction and background

1.1 In 2016, the Mayor signed MD2007, approving expenditure of up to £2.5m to build a new grant and project management IT system for Housing & Land (H&L) and the Regeneration Unit. This followed notification from Homes England that the Project Control System (PCS), a shared IT system used for managing land projects, was being decommissioned in 2017 and analysis work showing the aging Investment Management System (IMS) was no longer meeting business needs.

1.2 A competitive procurement exercise using TfL's IT Solutions Framework was conducted and Keytree Ltd was appointed as the supplier to help GLA build the new IT system. The contract with Keytree for these services (the "**Keytree Contract**") was entered into pursuant to a call-off contract from the TfL digital framework agreement dated August 2015 that was procured in accordance with the Public Contracts Regulations 2016 in accordance with the GLA's Contracts and Funding Code. This call-off contract covered an initial term up to 17ᵗʰ August 2019, with the option to extend by a further 24 months to 2021.

1.3 A delivery team was then set up at City Hall consisting of internal GLA staff and members of Keytree who worked from City Hall offices ("**Delivery Team**").

1.4 Using the Agile delivery approach (an iterative approach to software delivery that builds software incrementally from the start of the project), the new system, now known as the Open Project System (OPS), developed by the Delivery Team, has successfully replaced both PCS and IMS, eliminated a number of spreadsheets and offline processes and is supporting 14 programmes across Housing & Land and Regeneration. The system was also used to manage the bidding process for the London Borough of Culture, a programme managed by the GLA's Culture Team.

1.5 Among its many features, the OPS system is primarily used to:

- Create and submit new bids for grant funding
- Assess and approve bids
- Monitor project progress (both internal GLA projects and those submitted by partners)
- Report on key milestones, outputs and risks
- Make payments and issue reclaims
- Monitor budgets, expenditure and forecasts
- Audit changes and record delegated decisions
- Submit and approve recycled grant annual returns

1.6 GLA users can also configure and launch new programmes and projects types quickly and easily. Previously all new funding programmes had to be set up and configured by Homes England developers so the ability for this to be done 'in-house' by GLA staff using OPS is a significant saving, expected to reduce maintenance costs (development time to solve any bugs and make small improvements) from £150,000 to £120,000 by financial year 2019-20. In addition, whereas it previously took 3 to 6 months for new grant programmes to be set up and launched, this can now be down in-house within hours.

1.7 Given the early successes of OPS, the Mayor signed MD2182 in late 2017, approving further expenditure of up to £500,000 to extend the contract for development work by three months to 30 June 2018. This allowed for additional enhancements to the OPS system by Keytree including self-registration of external organisations and the ability to set payment authorisation limits against individual officers. MD2269 was also signed in spring 2018, confirming an option set out in the

Keytree Contract to extend the contract term for an additional 24 months which was exercised for the Business As Usual or Run Phase services (covering data storage, licenses, bug fixes and day-to-day maintenance).

1.8 The OPS system is intuitive and easy to use as demonstrated by its high usability scores.[1] It has also been built in iterations using feedback from real users, meaning the features delivered have been validated through real-use case scenarios. This has brought about a fundamental improvement in programme and grant management and has eliminated many of the pain points identified in legacy systems and offline processes.

1.9 In addition to building in iterations based on feedback from users, the success of OPS is owed to an approach taken whereby similarities in business processes across teams are identified first. This has allowed the Delivery Team to focus its work on the commonality across teams and programmes, resulting in generic but configurable features which can more easily be used to support future programmes and business requirements going forward.

1.10 Since introducing OPS, the Delivery Team, Digital Team and Technology Group have been contacted by a number of other units across the GLA who are also looking to put in place a similar IT solution to manage their grant programmes. However, although most features in OPS are configurable, they have been specified based on requirements of H&L, Regeneration and, to a smaller degree, the Culture Team. This represents only 7 of the GLA's 25 units. Without further development work, it is not likely OPS will meet the need of every team and programme.

1.11 The Delivery Team has already identified additional features which if built would streamline business processes and allow more teams to take advantage of the system. Examples include investigating:

- Ability to manage loan and revolving fund projects through OPS
- New feature to allow users to submit and claim against a single payment schedule
- Improved interface with TfL's SAP system and additional anti-fraud controls to enable OPS to make payments to individuals
- New interface with the financial system operated by the Metropolitan Police Service to allow the automation of grant payments initiated by the Mayor's Office for Policing and Crime. Third party access to allow contracted partners who are managing programmes on behalf of GLA to use the OPS system (creating a single data source)
- Support for micro-grants
- Enhancements to support adult education procurement
- Further enhancements to site accessibility

1.12 There are also a number of team-specific requirements which have been identified in early discussions with interested units.

1.13 The development phase of work is now scheduled to end in July 2018, after which Keytree will have met their obligations under the Keytree Contract. Under procurement rules, the services under the contract may be extended for a further £188,000 worth of development work; however, this is not sufficient to support the corporate roll-out of OPS to the GLA's remaining directorates.

1.14 If a supplier is not procured to support rollout, development will be limited to bug fixes and only those enhancements which are small enough to be covered by the 0.4 FTE developer post provided by the managed services team who are responsible for day-to-day maintenance. These very small enhancements would also be contingent on the number of bugs at any one time making it very unlikely even the basic needs of teams could be met.

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[1] Scored 91 out of 100 in a System Usability Scale survey involving both internal and external users.

1.15   The need for a digital tool to help with project and grant management is not unique to H&L and Regeneration. The processes enabled for these teams by OPS are similar to those used by the wider GLA, as shown by discovery work already carried out with the Culture, Environment and Skills team. As such, this decision seeks approval to procure a development supplier under a single contract to support the full roll-out of OPS to the wider GLA.

1.16   Corporate roll-out and designation of OPS as the GLA's primary digital tool for grant management will have the following benefits:

| | |
|---|---|
| **Cost savings** | • OPS infrastructure, permissions and payment model is already in place. New teams would get this for free. |
| | • The features built for H&L, Regeneration and the Culture Team can be re-used immediately. They can also be tweaked at a cheaper rate to be made more configurable for use by other teams. |
| | • Conversely, any new feature built for new teams would be available to H&L, Regeneration and the Culture Team. |
| | • Reduces the need for multiple licenses or separate data storage accounts. |
| | • Reduces the reliance on systems provided by third party contractors who are managing programmes on behalf of the GLA. Mandating the use of OPS could reduce the cost of using these suppliers. |
| **Staff time** | • Eliminates the need to conduct separate procurement exercises. |
| | • Reduces the number of offline processes and spreadsheets. |
| | • Allows changes and enhancements to be prioritised into a single product backlog. |
| | • Helps ensure development speed is maintained without interruption and that business requirements can be picked up quickly. |
| | • Creates a 'single source of the truth' for monitoring grant allocations and payment. This will make it easier for staff to ensure funding is fully allocated to maximise outcomes. |
| **Audit** | • Introduces a clear audit record of grant allocations, changes to those allocations, output and payments. |
| | • Helps ensure teams are compliant with best practice and adhering to the GLA's risk management framework. |
| **Reporting** | • All project and grant management data will be stored in a single database. This will enable GLA Governance to more easily report against all grant payments, regardless of which department they originate. |

1.17   The OPS system has been delivered to date as a project. This has meant seeking an approval for a specific piece of work to be delivered within a given timescale and the on-going hosting, maintenance and reporting services. This model was appropriate for the initial phase of development as the scope of the work (replacement of the legacy systems) was specific enough to size and estimate in terms of time/costs in advance. It is not an appropriate method for maintaining OPS on an ongoing basis as it does not allow for ongoing iteration based on continuous feedback. It is also

not an appropriate method for corporate roll-out as most teams are not able to accurately size and estimate works without some analysis work which itself comes with a cost.

1.18    This decision therefore proposes expenditure of up to £1,000,000 per annum for financial years 2018-19 and 2019-20 to corporately fund a development supplier in order to provide a sustainable and speedy solution for grant management as needed.

1.19    The annual budget represents costs in terms of time and materials for both discovery and development work to bring the remaining GLA teams on board. These costs have been worked out by comparing the project roadmap with the costs, velocity and output of the initial implementation phase of discovery and development work carried out between summer 2016 to spring 2018. Although future role out will involve a larger number of teams, costs are expected to be lower than the initial phase of work as the basic infrastructure and reporting tools are already in place and many features are configurable for reuse and will not require further development.

1.20    £188,000 of the 2018-19 funding will be used to extend the development services under the Keytree Contract until end of September 2018 to allow time for procurement. Teams will be expected to reimburse the corporate budget for any unit specific developments over £30,000, for which they will need to obtain relevant approvals. Adopting such a model will ensure development velocity is maintained and that the business analysis and development services provided by the team remains responsive to the GLA's changing needs.

*Implementation of roll-out*

1.21    As OPS is already being used to deliver grant programmes for H&L and Regeneration, roll-out will essentially come with a completed vertical slice, i.e. the basic end-to-end components needed to grant manage a programme have been tested and validated. Using a proven model, based on government digital best practice and working closely with officers, the Delivery Team will expand upon this vertical, identifying needs across the GLA and building each new feature in a configurable and generic manner for future re-use and sharing.

1.22    Each team will be given an overview of OPS where they will be introduced to the system's vision, its features and what can be configured without development work. If further works are required to meet team needs, these will be documented as 'user stories' in the product backlog and sized. Although most small changes will be covered through the funds made available by this decision, teams will be required to reimburse the corporate budget for large or otherwise expensive pieces of work.

1.23    All grant funding teams will be encouraged to use the OPS system; however, it is recognised not all programmes are of sufficient size to warrant costs in terms of staff time for in-house programme management. As such, the Delivery Team will investigate making the OPS system available to third-party suppliers who are managing grant programmes on the GLA's behalf. This would enable the GLA to mandate the use of OPS to third-party contractors in future, thus creating a consistent user experience for external partners and a single source of grant and project management data which is more easily assessible to GLA officers. Mandating the use of OPS is also expected to reduce the costs of using contractors as they will no longer be required to provide an IT system.

1.24    It is envisioned that the development supplier in the first year of development will work to extend the OPS service more widely within the Regeneration Unit and to support grant programmes identified within the Skills, Education & Youth, Environment teams and Mayor's Office for Policing and Crime (MOPAC). The Delivery Team will also engage with all other teams across the GLA producing a prioritised list of works for year two.

1.25    The second year of development will build on the first, whereby the development supplier will assist in rolling the system out to the remaining teams. This will involve teams in the following units: Health, Sports & Team London, Communities & Social Policy and Culture & Creative Industries. It is

expected that less and less development work will be required as more is made configurable and available to other teams. After year two it is envisaged that most relevant GLA teams will be supported by OPS and/or additional teams can be supported through configuring features already developed. It is envisaged that the OPS system will then move to a managed service model, where only smaller developments are required through a value for money maintenance contract which will be procured separately.

1.26    The GLA has entered into contract with Groundwork and Rocket Science as an interim measure to provide grant managements services until the OPS digital tool is roll-out corporately. GLA teams will continue to have access to these services over the two-year period but will be expected to move onto OPS at their earliest opportunity.

1.27    As grant funding accounts for a significant portion of GLA work, a trebling of the number of teams currently using the system is expected. Value for money and return on investment assessments will be conducted on a rolling basis throughout the period.

1.28    The contract with any future supplier will be based on time and materials to ensure the GLA is not charged should a period arise where development work is not required. Downtime, however, is not expected at any time over the next two years. The OPS Board will also ensure processes are in place to ensure only those features delivering business value are committed to development. This will include a requirement for the OPS roadmap to be approved at Board level. The costs for corporate-wide features will also be reviewed on a quarterly basis by the Executive Director represented on the Board. In addition, individual teams will be required to seek approval from their respective executive directors for features exceeding £50k in costs.

1.29    The successful supplier will be awarded a contract for services to support the corporate roll-out following a procurement process that will be supported by TfL Commercial. £188,000 of the funding approved in this MD will not be part of a new procurement, but will be used to extend the scope of the development services under the Keytree Contract up to the limits of the contract.


## 2.    Objectives and expected outcomes

2.1    The scope of the development services of OPS under the Keytree Contract will be extended to September 2018 to allow the development services to continue until an ongoing development supplier to support the roll-out of OPS has been procured. This will be done by a change control note in the form set out in the Keytree Contract.

2.2    It is expected that the supplier appointed to support the roll-out of OPS will have demonstrated a commitment to the Agile approach and a willingness to co-locate with GLA staff to maintain this approach. They will also come with experience delivering IT projects collaboratively with other third-party suppliers as they will be required to work closely with the Keytree managed services team who will retain responsibility for the day-to-day maintenance of the system and bug fixes per MD2269.

2.3    The objective of this decision is to make the benefits of OPS available to the wider GLA. The expected outcomes of the corporate roll-out of OPS (as supported by the development supplier) are to:

- Increase the number of customisable features available to GLA staff, saving development costs as time goes on.
- Create 'one version of the truth', which will enable better and more robust reporting on key outputs across the GLA.
- Help streamline business processes and reduce the administrative burden placed on GLA partners.
- Ensure adherence to good governance and audit practices.

2.4    The OPS system has already been built for H&L and Regeneration; however, this accounts for only 7 of the GLA's 25 units. The corporate roll-out of OPS will come with additional costs but is expected to be significantly cheaper were each individual unit or directorate to procure their own system.

## 3.    Equality comments

3.1    Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:

- eliminate unlawful discrimination, harassment and victimisation; and
- advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

3.2    The public sector equality duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) and to set out how the duty is being addressed.

3.3    Individual teams will identify and evaluate the likely impact of new programmes on those with protected characteristics. This will be documented in the approval document produced for each programme in accordance with the GLA's Decision Making Framework. The OPS Delivery Team will also consider those with protected characteristics when analysing business requirements and system design. The minimum requirement for the OPS system is for the site to meet WCAG 2.0 level A accessibility. Any future development will comply with this requirement.

## 4.    Other considerations

*a) key risks and issues*

4.1    The key risks associated with this decision are as follows:

| Area | Risk/Issue | Description | Mitigation |
|------|-----------|-------------|------------|
| **Funding model** | Risk | Unless a new service model is put in place, any new work will require a separate decision and procurement exercise. This will require significant staff time and delay the speed at which new enhancements can be introduced for individual teams. | Conduct a single procurement exercise to procure a supplier to support the corporate roll-out of OPS. Teams will be required to reimburse the corporate budget for costs exceeding £30,000. |
| **Team velocity** | Risk | The provision of development work under the Keytree Contract ends in July 2018. It is not likely procurement will be concluded by then. If the team is disbanded, no development work will take place and it may take several months for a new team to match current velocity. | Expenditure is sought by this decision to extend the scope of development services under the Keytree Contract until end of September 2018 by which time procurement would have concluded. |
| **Business Change** | Risk | The corporate roll-out of OPS is an opportunity to review processes, streamline and ensure compliance with | Roll-out of OPS will involve integrating staff into the Delivery Team as 'subject area experts'. |

| | | best practice. Business change may not be welcomed from all members of staff. | Officers designated as such will attend discovery workshops and feed into the features being built for their respective teams. They will also be asked for feedback as new features are released.

Regular contact in this manner will increase the likelihood of buy-in.  In addition, the benefits of OPS will be highlighted in team meetings and corporate Show & Tells. Delivery Team, Digital Team and the Technology Group will promote the tool when advising and consulting with teams. |
|---|---|---|---|

b) links to Mayoral strategies and priorities

4.2     This decision links to Mayoral and Corporate strategies across the following areas:

Governance –

4.3     The GLA currently uses multiples systems and third-parties for managing grant payments.  In some cases there is no proper digital solution.  A procurement exercise was recently concluded to put in place a framework agreement with two suppliers to support rationalisation.  This is, however, an interim solution.  Further consolidation on a GLA-owned platform would improve the GLA's ability to implement common standards across projects and support fraud prevention and comprehensive reporting of grant funding payments across all business units.

Technology Group –

4.4     GLA-OPS is developed using: 1) an agile approach, 2) is built using a public cloud environment and 3) is built and managed using open source technologies. The solution therefore addresses the Technology Group's (TG's) strategic objectives of supporting scalable cloud based services which meet end user needs whilst achieving value for money by drawing upon open source technologies. These objectives are articulated within TG's "GLA IT Strategy 2016". In addition this proposal addresses the following TG priorities as articulated within the current GLA business plan (The Greater London Authority's Business Plan 2015-17).

- To deliver new services faster making greater use of cloud based services and 'Agile' delivery methods
- To reduce costs by consolidating contracts and continuing to replace existing propriety systems with open source and cloud-based alternatives

c) impact assessments and consultations.

4.5   The recommendations in this decision have resulted from input and discussions between the OPS Delivery Team, the Digital Team and the Digital Board, the Technology Group, and GLA Governance & Finance. Feedback has also been received from individual users of OPS on an ongoing basis and officers in teams who would like to use the system. All consulted are in agreement with this decision.

## 5.   Financial comments

5.1   This Mayoral decision requests the Mayor to approve up to £812,000 of expenditure for 2018/19 and £1m of expenditure for 2019-20 on the corporate roll out of the Open Project System (OPS), plus an additional £188,000 of expenditure in 2018/19 to extend the scope of development work under the current contract with Keytree Ltd.

5.2   The expenditure will be funded in 2018-19 by £500,000 from the development reserve and £500,000 from the Corporate contingency budget. The 2019/20 expenditure of £1m will be funded during the 2019/20 budget submission.

5.3   The system will enable all parts of the GLA to operate on the same grant and project management system. The Delivery team will identify needs across the GLA and build any new features required in a configurable and generic manner. Under the Agile project management process the development costs will not be known until initial scoping has been completed. Any individual unit development costs over £30,000 will be subject to a separate approval which will demonstrate value for money and will be funded by the benefiting unit.

5.4   Value for money and return on investment assessments will be conducted on a rolling basis as the actual costs are not known at this stage, any unutilised funding will be returned to the Corporate contingency budget.

5.5   The system can be configured by GLA users, rather than by third party developers. The ability for this to be done 'in house' is expected to reduce maintenance costs from £150,000 per annum to £120,000 per annum from 2019-20.

## 6.   Legal comments

6.1   The foregoing sections of this report indicate that:

(a)   the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and

(b)   in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

-   pay due regard to the principle that there should be equality of opportunity for all people;
-   consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
-   consult with appropriate bodies.

6.2   In taking the decisions requested, the Mayor must have due regards to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion) or share it and foster good relations between persons who share a relevant protected characteristic and

persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regarding to section 3 (above) of this report.

6.3     The services required must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code.

6.4     Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.

6.5     Officers must ensure that appropriate contract variation documentation is put in place and executed by Keytree and the GLA before the provision of development services comes to an end under the Keytree Contract.

## 7.     Planned delivery approach and next steps

| Activity | Timeline |
|---|---|
| Extension of development services under the Keytree Contract to September 2018. | June 2018 |
| Procurement of supplier to support corporate roll-out of the OPS system. | May–June 2018 |
| Announcement of successful supplier | August 2018 |
| Start date of digital grant service | October 2018 |

## Appendices and supporting papers:

There are no appendices or supporting papers to this decision.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note**: This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral**:

**Is the publication of Part 1 of this approval to be deferred? YES**
If YES, for what reason:

Publication of this decision could bias procurement which will take place over summer 2018.

Until what date: 1 August 2018

**Part 2 Confidentiality**: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

| ORIGINATING OFFICER DECLARATION: | Drafting officer to confirm the following (✓) |
|---|---|
| **Drafting officer:** Heath Pritchard has drafted this report in accordance with GLA procedures and confirms the following: | ✓ |
| **Sponsoring Director:** Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. | ✓ |
| **Mayoral Adviser:** David Bellamy has been consulted about the proposal and agrees the recommendations. | ✓ |
| **Advice:** The Finance and Legal teams have commented on this proposal. | ✓ |
| **Corporate Investment Board** This decision was agreed by the Corporate Investment Board on the 18 June 2018. | |

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature *M. J. Elle*　　　　　　Date *18-6.18*

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature *D. Bellamy*　　　　　　Date *18/6/2018.*