



[REDACTED]

26 February 2021

Dear [REDACTED],

Freedom of Information request: FOI2021/00019

Thank you for your Freedom of Information request received on the 16 January and clarified on 31 January in which you requested the following:

Your request:

I would like to make a freedom of information request on two topics, your new platform IFS (Innovation Funding Service) and your Dynamic Purchasing System DPS.

IFS

Please provide the annual cost of IFS since embarking on its design and roll out, its ongoing cost of implementation and day-to-day operations. Please specify the dates to which the costs relate, which we hope would be broken out on a year-by-year basis. However, if they are available on a monthly or quarterly basis, that too would be fine, as long as that is clear. Where full year or quarter costs are unavailable, please clarify those.

I would also like to request information of the impact on your staff and on the organisations that you support through IFS. For example, in terms of the delay and frustration caused for organisations at not being able to make grant claims (or contract claims in the case of SBRI programmes, for example), the additional staff, FTE-equivalent, that have been recruited or diverted from other work to assist with IFS and its issues.

As we would like to compare the costs and impact of IFS with your previous _connect platform, please provide equivalent information over the same time frame that IFS was procured, designed and rolled out.

Please provide the annual license and maintenance costs of both IFS and _connect, and the names of the two organisations from which they are procured. For useful comparison, please use the same time periods mentioned above, viz., the time frame that IFS was procured, designed and rolled out. If you have direct cost comparisons, that would be welcome.

DPS

Similar to the above, please provide the annual cost of design, implementation and ongoing operation of DPS, its license cost and the company from which it is procured. We would like to know the impact on your staff, e.g., the number of FTE staff diverted from other work or recruited, and, where possible, the impact on your suppliers tendering under the DPS. We would also like to know the cost savings that Innovate UK has generated through using a competitive tendering system for its monitoring suppliers. Annual, quarterly or monthly figures are fine., although annual or quarterly is preferred, commencing from when DPS started.

Please provide a statement on the effectiveness of the DPS in terms of the savings to Government and the taxpayer after taking into account any increased costs due to the implementation and operation of the DPS; ideally, this should include the satisfaction of the DPS by Innovate UK stakeholders and your suppliers. By stakeholders, we mean all those involved in the operation of the DPS, including the assessment of the submitted tenders by suppliers, and associated senior managers. We would welcome a statement on how the quality of

service from suppliers has been impacted / affected by the DPS.

Where requested information on either of the above topics implies information not directly requested, we would hope that you supply that also to save you and us making a further request. We are not expecting a "dump" of data, rather information that clearly seeks to answer, and answers, the above. Please get in touch if you have any queries.

Clarification:

your ref: FOI2021/00019

Thank you for your e-mail.

We are interested in both the Innovation Funding Service (IFS) and IFS post award (PA). We believe our main interest is in IFS PA, as we requested information relating to the impact of the system internally and externally, i.e., to the organisations that receive funding from Innovate UK. As part of your response, we would also like to request information that explains the difference between the two systems, and why Innovate UK has implemented two separate systems rather than combining the functionalities. We are wondering if public money could be saved through one system by, for example, streamlining Innovate UK operations and making them more effective, as well as providing a better service to grant-funded organisations.

As we believe that our main interest is IFS PA (do correct us if our understanding is incorrect given the above), we are happy if the information on IFS followed a few days later, if that helps.

We note your comment below about timescales. We expect that the request for information on the DPS is proceeding, as no clarification for that part of our request has been requested

Our response

I can confirm UK Research and Innovation (UKRI) hold some of the information relevant to your request. Please see the information below. For ease of reference your questions have been numbered.

1). Please provide:

- a. the annual cost of IFS [and IFS PA] since embarking on its design and roll out,
 - b. its ongoing cost of implementation and day-to-day operations.
- Please specify the dates to which the costs relate, which we hope would be broken out on a year-by-year basis. However, if they are available on a monthly or quarterly basis, that too would be fine, as long as that is clear. Where full year or quarter costs are unavailable, please clarify those.

Q1a. Table 1. the annual cost of IFS [and IFS PA] since embarking on its design and roll out: (Project Implementation costs) All figures are inclusive of VAT

Financial Year	Cost (IFS)
FY14/15	£176,814
FY15/16	£1,627,056
FY16/17	£5,751,898
FY17/18	£4,318,736
FY18/19	£2,709,921
FY 20/21	£2.5 million (this includes additional work for COVID response work) with approximately £1.7 million of that committed to date as follows: Q1 £ 256,860.00 committed Q2 £ 683,701.00 committed Q3 £ 698,385.00 committed Q4 £ TBC

Financial Year	Cost (IFS PA)
FY17/18	£528,964
FY18/19	£3,204,923
FY19/20	£3,574,085
FY20/21 up to hand over to business as usual team	£1,610,125 (this includes additional work for COVID response work)

Q1b. Table 2: ongoing cost of implementation and day-to-day operations. (Live/Business as Usual Costs)

Financial Year	Cost (IFS)
FY 20/21	£2.5 million (this includes additional work for COVID response work)
Financial Year	Cost (IFS PA)
FY20/21	forecasted costs £450K with £100K committed

2). I would also like to request information of the impact on your staff and on the organisations that you support through IFS [and IFS PA]:

- For example, in terms of the delay and frustration caused for organisations at not being able to make grant claims (or contract claims in the case of SBRI programmes, for example),
- the additional staff, FTE-equivalent, that have been recruited or diverted from other work to assist with IFS [and IFS PA] and its issues.

Q2a. The legacy systems such as _connect did not allow Innovate UK to maintain the level of service needed. Whilst there were some startup problems dealing with claims initially in IFSPA, they have now been resolved, and the new systems have allowed Innovate UK to provide better services to our customers especially in the Covid-19 response including monthly claims and pre-payments.

Q2b. The claims team had 8 Temps onboarded in total to support Claims backlog, some issues of which were directly attributable to IFSPA issues. The Business Change team also provided 10 resources for a 5-week period. Business Change resources were diverted on the 26 October 2020 and returned to post on the 1 December 2020. Since December 2020, 7 contingent resource have been brought into the IFSPA product team, who are anticipated to remain until May 2021 (bringing the total product team size to 11 FTE).

3). As we would like to compare the costs and impact of IFS [and IFS PA] with your previous _connect platform, please provide equivalent information over the same time frame that IFS [and IFS PA] was procured, designed and rolled out.

Q3. The Annual cost of _Connect was £1,200,000 per year. The _connect also covers a small number of other legacy IUK competition services for which we do not hold the breakdown.

4). Please provide the annual license and maintenance costs of both IFS [and IFS PA] and _connect, and the names of the two organisations from which they are procured. For useful comparison, please use the same time periods mentioned above, viz., the time frame that IFS [and IFS PA] was procured, designed and rolled out. If you have direct cost comparisons, that would be welcome.

Q4. Table 3: Annual license and maintenance costs of both IFS [and IFS PA] and _connect, and the names of the two organisations from which they are procured

	Maintenance Costs	Licence Costs	Names of Companies from which IFSPA and _Connect Procured
IFS	Approximately £1.5 million per annum ¹	Hosting: £22,466.97 per month x12 = £269,603.64 a year ³ Gluster: £6,207.00 Premium Openshift: £5,227.58 Standard Openshift: £15,876.00	Bespoke grants system for Innovate UK

	Maintenance Costs	Licence Costs	Names of Companies from which IFSPA and _Connect Procured
		Test Tooling: Uses Organisation wide tools and open source	
IFS PA	Approximately £110K per month ²	Hosting: leverages the open shift platform already established for IFS so no extra cost Gluster: Not applicable Salesforce Service Cloud Payment: £593,485.92 per year. This is for all Salesforce projects, not just IFSPA and would be difficult to apportion this to IFSPA platform costs specifically. Premium Openshift: Covered via IFS costs Standard Openshift: Covered via IFS costs Test Tooling: Uses Organisation wide tools, open source and Provar. Provar licenses for IFSPA only (covers 5 fixed licences, 5 execution only licenses and premium support): £32,007.31	Developed using the Salesforce platform
_Connect	The bulk of the £1.2 million is fixed cost, there is some variable cost for maintenance and smaller enhancements	£1,200,000	OrangeBus and Worth

¹ To support the platform in total for staff and licences

² IFSPA has only just moved out of Project into BAU so Maintenance costs are based on extrapolated estimates.

³ (Note this can flex i.e. for Covid then it was upscaled greatly but have taken the January cost of this year as the basis. Also note there are other costs that would be involved such as data transfer and certification etc but are a few hundred dollars for the year which are not covered here)

5). As part of your response, we would also like to request information that explains:

- the difference between the two systems [IFS and IFS PA], and
- why Innovate UK has implemented two separate systems rather than combining the functionalities.
- We are wondering if public money could be saved through one system by, for example, streamlining Innovate UK operations and making them more effective, as well as providing a better service to grant-funded organisations.

Q5a. Innovate UK (formed as Tech Strategy Board 2007) operations were traditionally split into pre and post award teams. The end to end process was largely based on paper forms. Initially the grant claim section in 2011 was replaced with new online platform called Grants_Connect. The front-end forms were replaced by Innovation Funding Service (IFS) in 2017 simplifying the application process to a new digital service only requiring information to be submitted once, with third party data lookups to streamline the process, automatic application status updates and feedback in one place. Completing the claim and monitoring process on the _Connect platform. We then piloted in 2018 a replacement of the post award system which has now rolled out to host all grants and have then decommissioned the _Connect platform as of Jan 2021.

Q5b. The structure of Innovate UK Operations has been brought under a new deputy director of operational delivery that works across both parts. For our customers the IFS platform should feel the same, as a continuous journey across both parts, however behind the scenes the IFS (pre-grant offer letter) section is hosted on AWS, the second part IFSPA is hosted on Salesforce, this has much more functionality and is much more stable as it leverages this out of the box software as a service (SaaS).

Q5c. The Business Systems & Insight team in Operations are driving the improvement across the platforms to help combine the functionality. To be compliant with Government Digital Standards (GDS) and Technology Code of Practice guidelines we originally opted for an open source code based platform, however as the service has grown from 10s to 1000s of projects, the need for low code platform SaaS became more urgent with Salesforce

being the successful tool chosen, this enables significantly faster value for money delivery. The stability of a cloud platform over the previous system is also a significant leap forward. With the volumes we have delivered in recent months the previous platform would certainly have failed as it was never designed for that scale.

The service has been delivered in an iterative manner, aligning the cost of delivery with need as the business has grown in scale. The team very carefully evaluate the cost of improvement versus the benefit as we try to minimise costs and ensure the maximum amount of funding can be delivered to the business that need it.

Dynamic Purchasing Service (DPS)

6). *Similar to the above, please provide the annual cost of design, implementation and ongoing operation of DPS, its license cost and the company from which it is procured.*

Q6. Table 4: Annual cost of design, implementation and ongoing operation of DPS, its license cost and the company from which it is procured.

Financial Year	Project Implementation Costs	Annual License	Name of Company from which DPS Procured
FY17/18	£168,550	n/a	Proactis
FY18/19	£39,690	n/a	Proactis
FY19/20 onwards	n/a	£25,000	Proactis

7). *We would like to know the impact on your staff, e.g., the number of FTE staff diverted from other work or recruited, and, where possible,*

Q7. Implementation of the service was completed within the Project Management office, so no staff were diverted except some subject matter experts where required for input.

8). *the impact on your suppliers tendering under the DPS.*

Q8. We do not hold any relevant information in scope of this part of your request.

9). *We would also like to know the cost savings that Innovate UK has generated through using a competitive tendering system for its monitoring suppliers. Annual, quarterly or monthly figures are fine., although annual or quarterly is preferred, commencing from when DPS started.*

Q9. Please note the use of a competitive tendering system for monitoring suppliers was adopted for compliance regulations not cost saving benefits. Updated Terms & Conditions and Contract include: anti modern slavery, GDPR, cyber security and conflicts of interest. This will bring Innovate UK Monitoring Services Procurement (MSP) in line with the latest government contract terms and conditions - an essential business requirement to ensure Innovate UK compliancy with latest regulations / legislation.

Financial Benefit:

1. Travel and Subsistence (T & S) costs will be included in total MSP work bid, thus reducing ad-hoc finance administration Annual Saving £6,519.84

Nonfinancial benefits:

1. Streamlined and consistent approach to monitoring service provision including standard templates, MSP handbook and standardised reporting across all Innovate UK projects / competitions
2. Introduction of key performance indicators (KPIs) to ensure performance excellence and consistency across the pool of Monitoring Officers.

10). *Please provide a statement on the effectiveness of the DPS in terms of the savings to Government and the taxpayer after taking into account any increased costs due to the implementation and operation of the DPS; ideally, this should include:*

a. the satisfaction of the DPS by Innovate UK stakeholders and your suppliers. By stakeholders, we mean all those involved in the operation of the DPS, including the assessment of the submitted tenders by suppliers, and associated senior managers.

b. We would welcome a statement on how the quality of service from suppliers has been impacted / affected by the DPS.

Q10. Cost savings are included in the answer above. See [here](#)¹ for the public contract regulations on DPS for further information.

We do not hold any relevant information in scope of parts a and b of your question above.

If you have any queries regarding our response or you are unhappy with the outcome of your request and wish to seek an internal review of the decision, please contact:

Head of Information Governance


Email: foi@ukri.org or infogovernance@ukri.org

Please quote the reference number above in any future communications.

If you are still not content with the outcome of the internal review, you may apply to refer the matter to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the review procedure provided by UKRI. The Information Commissioner can be contacted at: <http://www.ico.gov.uk/>

If you wish to raise a complaint regarding the service you have received or the conduct of any UKRI staff in relation to your request, please see UKRI's complaints policy: <https://www.ukri.org/about-us/policies-and-standards/complaints-policy/>

Yours sincerely,


Information Governance
Information Rights Team
UK Research and Innovation
foi@ukri.org | dataprotection@ukri.org

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560265/Guidance_on_Dynamic_Purchasing_System_-_Oct_16.pdf