

**Chief Executive's Office**

Chief Executive: CJ Bull

**To: All Members of Cabinet:**  
**RJ Phillips (Chairman)**  
**LO Barnett**  
**AJM Blackshaw**  
**H Bramer**  
**JP French**  
**JA Hyde**  
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8th October 2008

Dear Councillor,

**MEETING OF CABINET**  
**THURSDAY 16 OCTOBER 2008 AT 2.00 PM**  
**THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

**AGENDA (08/07)**

**HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 15 OF THE LOCAL  
 AUTHORITIES (EXECUTIVE ARRANGEMENTS((ACCESS TO INFORMATION) REGULATIONS  
 2000 (AS AMENDED)**

Notice is hereby given that the following reports contain key decisions. When the decisions have been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notices and given the opportunity to call-in the decisions.

<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>Included in the Forward Plan Yes/No</b>
5	Data Centre/Modern Records Unit (MRU) Relocation & Corporate ICT Strategy Update	ICT, Education and Achievement	Strategic Monitoring Committee	No
6	Herefordshire Connects Programme	ICT, Education and Achievement	Strategic Monitoring Committee	Yes

**1. APOLOGIES FOR ABSENCE**

**Putting People First Providing for our Communities Preserving our Heritage Promoting the County Protecting our Future**

Herefordshire Council, PO Box 239, HEREFORD, HR1 1ZU  
 Main Switchboard (01432) 260000 - www.herefordshire.gov.uk

To receive any apologies for absence.

## **2. DECLARATIONS OF INTEREST**

To receive any declarations of interest by Members in respect of items on the Agenda.

### **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

The Council's Members' Code of Conduct requires Councillors to declare against an Agenda item(s) the nature of an interest and whether the interest is personal or prejudicial. Councillors have to decide first whether or not they have a personal interest in the matter under discussion. They will then have to decide whether that personal interest is also prejudicial.

A personal interest is an interest that affects the Councillor more than most other people in the area. People in the area include those who live, work or have property in the area of the Council. Councillors will also have a personal interest if their partner, relative or a close friend, or an organisation that they or the member works for, is affected more than other people in the area. If they do have a personal interest, they must declare it but can stay and take part and vote in the meeting.

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room.

## **3. MINUTES**

To approve and sign the minutes of the meeting held on 2 October 2008. (*Minutes to follow*).

## **4. COMPREHENSIVE EQUALITY POLICY AND ASSOCIATED EQUALITY SCHEMES**

To note progress on the work that the Council has done in regards to its Comprehensive Equality Policy and associated equality schemes. (*Pages 1 - 10*)

## **5. DATA CENTRE/MODERN RECORDS UNIT (MRU) RELOCATION AND CORPORATE ICT STRATEGY UPDATE**

To approve the phased relocation of the data centre currently at Thorn Office Centre and the relocation of the Modern Records Units currently at Merchant House and Blueschool House to a co-located facility at Wallbrook Court, Rotherwas. (*Pages 11 - 38*)

## **6. HEREFORDSHIRE CONNECTS PROGRAMME**

To update Cabinet on the progress of the Herefordshire Connects evaluation of ICT system



solutions, which has been managed in compliance with the Council's Procurement Policy. It also recommends a new system for Environment and Planning.

The technology choices will support the Council's delivery of service improvements and efficiencies through the Connects Programme, in partnership with Herefordshire PCT.  
(Pages 39 - 54)

Yours sincerely,



**CJ BULL**  
**CHIEF EXECUTIVE**

Copies to: Chairman of the Council  
Chairman of Strategic Monitoring Committee  
Vice-Chairman of Strategic Monitoring Committee  
Chairmen of Scrutiny Committees  
Group Leaders  
Directors  
Assistant Chief Executive





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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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# COMPREHENSIVE EQUALITY POLICY AND ASSOCIATED EQUALITY SCHEMES

## PORTFOLIO RESPONSIBILITY: CORPORATE & CUSTOMER SERVICES & HUMAN RESOURCES

CABINET

16 OCTOBER 2008

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### Wards Affected

County-wide.

### Purpose

To note progress on the work that the council has done in regards to its Comprehensive Equality Policy and associated equality schemes.

### Key Decision

This is not a Key Decision.

### Recommendations

THAT:

- (a) progress in implementing the Comprehensive Equality Policy and associated schemes be noted;
- (b) the continued work of the Corporate Diversity Team and its implementation of the Equality Standard and the transition to the new Equality Framework be endorsed; and
- (c) the importance of maintaining the progress and commitment to equality schemes to ensure compliance with its statutory requirements be recognised.

### Reasons

- 1 The Comprehensive Equality Policy and associated equality schemes state the Local Authority's commitment to equality and diversity. They set out the specific actions that the Authority is going to take to ensure that it fulfils its statutory responsibility and legal obligations and continues to demonstrate community leadership.
2. Since the last report there have been significant changes both organisationally and nationally. Over the last 5 years we have been working towards the Equality Standard for Local Government, and are currently declared at Level 3 and about to undertake external peer evaluation. There is now a move to a more simplified "Equality Framework" that will sit alongside the new Comprehensive Area

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Further information on the subject of this report is available from  
Carol Trachonitis on 01432 260616

Assessment (CAA) based performance framework for local government. There will be 3 levels instead of the 5 in the current Equality Standard. These are: Emerging, Achieving and Excellent, and this will significantly reduce the number of prescribed actions. The new equality framework will be introduced in April 2009.

3. This move away from a very prescriptive approach means that Local Authorities can use the new Framework to determine local needs, priorities and actions (in line with what is being expected by the CAA). However, there is a need to ensure that the legal public duties are not overlooked, and the need for all levels of the organisation to understand their responsibilities in delivering them are paramount.

## **Considerations**

### **4. Equality schemes – headline achievements (in the last 12 months)**

#### **Comprehensive Equality Scheme (CEP)**

- Declared at Level 3 of the Equality Standard in March 2008 (external assessment to be confirmed for November 2008).
- Completed year 4 of the rolling programme of Equality Impact Assessments (EIAs).
- Year 5 underway with EIAs being completed in Resources, Environment and Culture Directorates and the services provided by the Deputy Chief Executive's Office.
- Training provided on equality and diversity issues at all levels of the organisation including elected members, Joint Management Team, senior managers and staff.
- Joint central induction developed to be delivered in October 2008 with a specific mandatory diversity session for Council staff.

#### **Race Equality Scheme (RES)**

- The new Race Equality Scheme (RES) approved by Cabinet on 1 May 2008.
- Herefordshire Council has supported the formation of four national associations; Malayalee, Polish, Lithuanian and South African. These four community-based groups, which are run by volunteers, contribute greatly towards the development of community cohesion, a priority of the new scheme.
- Events have been delivered for Black History Month (BHM), including a football campaign with schools, BHM talk, working with libraries on BHM events.
- Race equality training continues to be delivered through a number of different routes. These include team meetings, community meetings and EIA training.
- Continued promotion of the MeWe film. Elected members, members of the JMT, service managers, staff in the council, schools and community groups, have seen the film.
- Working with a number of local groups supporting migrant and seasonal workers. This is part of the community cohesion priority in the RES.
- Targets and objectives continue to be achieved for tension monitoring and complaint aid work .

#### **Disability Equality Scheme (DES)**

- A Disability Equality Training session developed and, so far, delivered to 121 delegates.
- Corporate communication and consultation guidelines now take account of accessibility issues.

- Council website now details more information which is important to disabled people in Herefordshire, eg. accessible venues guide, accessible public toilets, planned works to roads and pavements.
- All council job adverts placed on a disability-specific website in addition to usual channels, and much work done on developing more accessible recruitment processes.
- Concessionary bus travel now available for companions of disabled people.

#### **Gender Equality Scheme (GES)**

- Gender-specific issues continue to be highlighted in Herefordshire Council's EIA process.
- On-going support for Herefordshire's Women's Aid.
- Through the Rainbow Forum, working to support the "right to privacy" for Herefordshire's trans community.
- Helping to support female seasonal workers who feel vulnerable. This gender-specific issue has been highlighted through consultation and focus group discussions and requests for help.

### **5. Organisational Targets related to the Equality Standard**

#### **To Reduce Under-Representation Of Females In Senior Management Posts**

- The internal target for 2007-08 was 42% and we achieved this. The target for 2008/09 remains 42%. A recruitment show case event, was held for council employees aspiring to senior management roles. Current senior female managers were invited to speak openly about their experiences and to offer advice and guidance. Further events are to be planned.

#### **Seek To Improve Data Capture To Better Understand Access To Work Barriers**

- Data capture will be improved as part of the Connects programme. Any software that is implemented will be required to have an improved system of data capture in relation to the equality and diversity requirements.

#### **Awareness Of Responsibilities On Sexual Harassment**

- A refreshed Dignity at Work policy has been agreed by Joint Management Team on September 15<sup>th</sup> 2008 and will replace the existing policy on Bullying and Harassment giving a much more comprehensive set of guidelines.

#### **To Achieve The Investor In People Standard**

- Currently working towards the accreditation. A preliminary assessment for IiP was commissioned from the West Midlands Quality Centre and undertaken in October 2007. The results of this assessment have informed the different improvement initiatives currently on-going within the Council. An action plan is currently being developed with the overall aim of a formal assessment taking place sometime in the summer of 2009.

## **Legal Implications**

6. As a public authority we have general and specific duties to:
  - Eliminate unlawful discrimination
  - Promote equality of opportunity
  - Promote good relations between people of different groups

The specific duties relate to ensuring that we have our equality schemes in place with actions that demonstrate practical changes that impact on individuals' life choices.

As an employer, the equality legislation makes it unlawful to discriminate against employees or job applicants on the grounds of the six strands of diversity and specifically in relation to:

- Recruitment
- Terms and conditions
- Training
- Promotion
- Benefits
- Dismissal

If we do not have a robust system in place to ensure compliance we would be open to litigation.

## **Financial Implications**

7. Any reduction of resources would mean that we would be unable to implement the Action Plans associated with the Council's equality schemes and reduce our effectiveness and influence in partnership working/responsibilities.

## **Risk Management**

8. If we do not continue to drive the equality and diversity agenda, act on the findings of Equality Impact Assessments, and demonstrate actions taken, we are unlikely to fulfil the criteria required for Level 3 of the Equality Standard or the higher levels of the new Framework, and may fail in our statutory duties.

## **Alternative Options**

9. There are no Alternative Options.

## **Consultees**

10. Diversity groups.

## **Appendices**

11. Appendix 1 – CEP Action Plan.

## **Background Papers**

- Comprehensive Equality Scheme (CEP)
- Race Equality Scheme (RES)
- Disability Equality Scheme (DES)
- Gender Equality Scheme (GES)

# Herefordshire Council Comprehensive Equality Policy (CEP) Action Plan 2007-2010

## Introduction

The Comprehensive Equality Policy (CEP) is the umbrella document that sets out the Council's commitment to achieving excellence and meeting its responsibilities to promote and implement equality when it is:

- Providing services
- Purchasing services
- Employing staff or
- Working in partnership with other organisations

The CEP provides the focus to ensure that the Council meets the criteria needed to reach Level 5 of the Equality Standard for Local Government by 2010.

This Action Plan is the document that sets out how we are going to achieve this. It is the action plan that brings all the strands of the diversity agenda together. It should be noted that the Race Equality Scheme (RES), the Gender Equality Scheme (GES) and the Disability Equality Scheme (DES) are sub-sections of the CEP and therefore their action plans sit as appendices to this Plan.

It should also be noted that both the RES and the DES are driven by single focus steering groups where performance and progress is monitored. These steering groups make reports to the Diversity Group, which has overall responsibility for progress on mainstreaming diversity issues through the Council, and achievement of the Equality Standard for Local Government.

This document sets out specific actions to achieve corporate objectives based on service need. It is a tool that will be used to monitor progress and report on levels of achievement. It will focus on ensuring that the Council has mechanisms, processes and procedures in place to achieve Level 5 of the Equality Standard.

The Equality Standard is split into four main areas, and this action plan has been designed to reflect this:

1. Leadership and Corporate Commitment
2. Consultation, Community Development and Scrutiny
3. Service Delivery and Customer Care
4. Employment and Training

<b>Key</b>	
<b>BV:</b>	Best Value
<b>BVPI:</b>	Best Value Performance Indicators
<b>CDT:</b>	Corporate Diversity Team
<b>CEP:</b>	Comprehensive Equality Policy
<b>DES:</b>	Disability Equality Scheme
<b>EIA:</b>	Equality Impact Assessment
<b>HCS:</b>	Herefordshire Community Strategy
<b>HEP:</b>	Herefordshire Equality Partnership
<b>HR:</b>	Human Resources
<b>ICPR:</b>	Integrated Corporate Performance Report
<b>GES:</b>	Gender Equality Scheme
<b>GOWM:</b>	Government Office West Midlands
<b>LAA:</b>	Local Area Agreement
<b>LGBT:</b>	Lesbian, Gay, Bisexual, Transgender
<b>RES:</b>	Race Equality Scheme
<b>DCEO:</b>	Deputy Chief Executive Office
<b>C&amp;YP:</b>	Children & Young people
<b>A&amp;CS:</b>	Adult and Community Services
<b>HR:</b>	human resources
<b>JMT:</b>	Joint management team
<b>Commitments shown in red are performance indicators that are reported externally.</b>	

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action	Progress
<b>1. Leadership &amp; Corporate Commitment</b>					
<b>1.1. BV 2b: The level of the Equality Standard for Local Government reached</b>	Carol Trachonitis	Internal audit and external verification by IDEA	Level 3 March 2008 Level 4 March 2009 Level 5 March 2010	ICPR	Declared at level 3 March 08 – External assessment scheduled for Autumn 08
<b>1.2. BV 174: The number of racial incidents reported to the Local Authority and subsequently reported, per 100,000 population</b>	Carol Trachonitis/ Neville Meredith	ICPR/BVPI		ICPR	Reported quarterly
<b>1.3. BV 175: The percentage of racial incidents reported to the local authority that resulted in further action</b>	Carol Trachonitis/ Neville Meredith	ICPR/BVPI	100%	ICPR	All incidents reported result in further action
<b>1.4. Ensure that all equality schemes are reviewed and implemented (RES, GES, DES)</b>	CDT and diversity groups	New schemes published. Actions implemented.	RES – March 2008 DES – Dec 2009 GES – March 2010	RES, DES, GES	RES 08/11. New RES adopted 1 May 2008. DES 2006/09 reviewed yearly. Next review due October 08. GES 2007/10.
<b>1.5. Monitor and assess use of EIA action plans in directorate service planning</b>	Performance Managers	Action plans in all service plans. Evidence of changes to service delivery documented	Service planning cycle service plans 2008/09	Performance planning framework Service and Directorate Plans. Central list/database of EIAs	April-Dec 08 a further 50 EIAs to be completed across Environment & Culture, Resources and the Office of the Deputy Chief Executive (DCEO)

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action	Progress
<b>2. Consultation, Community Development &amp; Scrutiny</b>					
<b>2.1. HCS 63: Percentage of adult residents who feel that Herefordshire is a place where people from different back-grounds get on well together</b>	HEP	Customer satisfaction survey	March 08	Community Strategy LAA	Targets agreed for the LAA. Local associations have been established and supported (x4). Work with the HEP has included some community cohesion events
<b>2.2. HCS 87: The percentage of people who feel that people in their area treat them with respect and consideration</b>	HEP	Customer satisfaction survey	March 08	Community Strategy LAA	Targets agreed for the LAA. Working with the HEP to raise awareness.
<b>2.3. Develop a consultation group specifically to support the diversity agenda (Herefordshire 100)</b>	Martin Heuter	Groups set up and consulted on	October 2007	Consultation Strategy	This work is being developed, a scoping/ tender document for community researchers is in place. Funding has been identified and work will commence on recruiting researchers in November 08.
<b>3. Service Delivery &amp; Customer Care</b>					
<b>3.1. BV 2b: The quality of the authority's Race Equality Scheme and improvement</b>	Neville Meredith	Review and re-written	April 2008	RES, ICPR	The scheme has been reviewed and re-written and improvement has been maintained.

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action	Progress
3.2. Ensure that equality policy and objectives are incorporated in “partnership” and procurement arrangements	Dean Hogan	Equality clauses written into contracts	April 2008	Corporate Procurement Strategy	This is still an area of work that needs to be improved. The corporate strategy now includes diversity information but currently we do not have any diversity clauses that are mandatory for all contracts. This will be reassessed when the new director for integrated commissioning takes up post
3.3. Ensure planned programme of service area impact assessments are carried out	Carol Trachonitis	EIAs carried out and action plans developed	Rolling programme 2007/09	Service plans/local databases	Programme of EIAs for 2008/09 is on track concentrating on Environment & Culture, DCEO, and Resources
3.4. Ensure that planned agreed service area equality targets and objectives are incorporated into service plans	Carol Trachonitis/ Performance Managers	Directorate and Service plan action plans	2008/09	Performance management framework. Directorate and Service Plans	Service plans signed off by improvement managers and policy & performance and diversity proofing completed for 08/09 plans
3.5. Ensure that each service area has approved and established monitoring and information systems in place	Connects/ Performance Managers	Central/local database and associated reporting system?	C&YP March 08 A&CS March 08 HR March 08	EIA guidance document	Central database not yet in place due to the suspension of the Connects programme.
<b>4. Employment &amp; Training</b>					
4.1. % top paid 5% of wage earners that are female	Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, ICPR	Reported via ICPR



Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action	Progress
<b>4.2. % top paid 5% of wage earners with a disability</b>	Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, ICPR	Reported via ICPR
<b>4.3. % employees with a disability</b>	Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, ICPR	Reported via ICPR
<b>4.4. % employees from ethnic minority community</b>	Richard Beavan-Pearson	BVPI/IPR	2007/10	Pay & Workforce Dev Strategy, ICPR	Reported via ICPR
<b>4.5. Review personnel information systems for monitoring including supporting the Council's statutory ethnic monitoring duties</b>	Richard Beavan-Pearson	Accurate data produced	March 08	Pay & Workforce Dev Strategy	New software system to be purchased to address this issue through the Connects work stream
<b>4.6. Develop a programme of equality training to support the CEP and service area objectives. Ensure that the training programme is consistent with the Council's equality schemes</b>	Liz Wallace / Carol Trachonitis	Equality training incorporated into induction process/ management competencies.	Dec 07	Pay & Workforce Dev Strategy, DES, RES, GES	Disability training sessions; 6 delivered April-July 08. Joint central induction developed Oct 08. Diversity session; Member training included at induction and through the member development programme. Bespoke sessions for JMT & governors. EIA training for managers and staff

Commitments	Lead Officer	Evidence	Target/Date	Cross-ref to other documents for specific action	Progress
<b>5. Tension Monitoring</b>					
<b>5.1. Monthly returns to GOWM through the HEP</b>	CDT	Monthly return	25 <sup>th</sup> of each month		Returns completed from April 08. All returns completed on time. Currently investigating how we can get a broader community base to feed into this process
<b>5.2. Support any interventions as deemed necessary</b>	CDT/HEP	Minutes of HEP meeting			No interventions deemed necessary as of October 08.
<b>6. Community/Social Cohesion</b>					
<b>6.1. Develop, promote and host events to encourage social cohesion across all strands of diversity</b>	CDT	Support given to a number of events eg. LGBT History Month, International Day of Disabled Persons, Black History Month, Holocaust Memorial Day	Minimum of 3 events each year	DES, RES, GES	Facilitated LGBT history month programme of events Feb 08. Holocaust Memorial Day supported Jan 08. "Taking part in politics" event in place (2 Oct). Black History Month event in place (Oct 08). Equality forum taking place in November 08. Int'l Day of Disabled Persons event in place (Dec 08).
<b>6.2. Develop an Equalities Forum</b>	Neville Meredith	Event hosted	March 2008		The forum will take place in November 2008

# **DATA CENTRE/MODERN RECORDS UNIT (MRU) RELOCATION AND CORPORATE ICT STRATEGY UPDATE**

**PORTFOLIO RESPONSIBILITY: ICT, EDUCATION AND ACHIEVEMENT**

**CABINET**

**16 OCTOBER 2008**

## **Wards Affected**

County-wide

## **Purpose**

To approve the phased relocation of the data centre currently at Thorn Office Centre and the relocation of the Modern Records Units currently at Merchant House and Blueschool House to a co-located facility at Wallbrook Court, Rotherwas.

To note the update and follow-on actions from the Corporate ICT Strategy.

## **Key Decision**

This is a Key Decision because it is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

It was not included in the Forward Plan however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

## **Recommendations**

**THAT:**

- (a) the Thorn Office Centre Data Centre and the Modern Records Units at Merchant House and Blueschool House be relocated to a co-located facility at Wallbrook Court, Rotherwas;**
- (b) approval be given to begin work on the relocation project;**
- (c) approval be given to fund the project; and**
- (d) the Corporate ICT Strategy update be noted.**

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Further information on the subject of this report is available from  
Rob Knowles, Programme Manager (Corporate ICT Strategy) on (01432) 263764

## Reasons

1. Cabinet should note that there are large interdependencies between the initiatives contained within this report from a Corporate ICT Strategy perspective. The data centre relocation, standardisation, virtualisation and the Community Network Upgrade (CNU) re-tendering all contribute to and support the Herefordshire Connects initiative and substantially mitigate current Council risks. Storage in the Modern Records Unit buildings is under significant pressure, and there is a serious risk that in one year the storage services provided will reach their capacity.
2. There is no fire suppression in either of the current Modern Record Units or the Thorn Data Centre at Rotherwas.
3. The MRU is split between Merchant House and Blueschool House meaning additional operational support and cost over two buildings.
4. The projection for Modern Records does not take account of the future level of annual destructions, which are currently not fully known. There will be destructions of files at the end of their retention period, which can be projected, and destruction of files transferred to another media through scanning. Scanning of documents would substantially affect the number of physical files held, but how many files would be scanned, and over what time period, is currently undecided but within the scope of Herefordshire Connects. Some files may be scanned but paper versions retained due to issues of long-term preservation. For other files, it may not be cost-effective to scan them due to a short retention period. Some records will need to be kept in paper form for legal reasons, such as sealed contracts.
5. On this basis, we would expect to see a net increase in the current volume of records needing to be held, from 18,500 boxes plus 40,000 planning applications filed out of boxes at present, to approximately 34,660 boxes by April 2011. However, with a corporate programme of document scanning (within the scope of Herefordshire Connects), these figures could be greatly reduced.
6. The total capacity of all facilities is 19,500 boxes plus around 6,500 boxes of loose planning documents – total of 25,000 boxes.
7. The lease on the data centre at Thorn business centre expires in February 2011. This data centre **does not** meet current standards and we will be obliged to move the data centre at that time. There is an anticipated lead time of 12 months to realistically move this data centre. Within the context of the Accommodation Strategy review by Knight Frank of options for the provision of headquarters accommodation in Hereford, it is necessary to look at alternative options for the future of the council's data centres.
8. The Thorn data centre is very susceptible to electricity spikes as the current power load is so high.
9. The current 2 main data centres are near capacity and would not be able to accommodate any expansion expected over the next 5 years.
10. Herefordshire Connects will deliver new applications to replace the ageing and outdated multitude of systems the Council currently operates. However, this introduces requirements for extra physical space to site the new servers required to run the applications and electronic storage space to store the data. Currently, neither data centre can support these additional requirements without major risk to the business.

## **Considerations**

11. The Council has 2 data centres to allow the capability to have resilience for applications and servers. These data centres must be sited at least 1 mile apart, with one site being north and one site south of the river.
12. Herefordshire Health Informatics (Primary Care Trust and Herefordshire Hospitals Trust) also has two data centres, one of which is located at Belmont and the other at the hospital. They are keen to explore the possibility of joint utilisation of data centres. Joint use would involve agreeing joint funding or leasing of space within the data centre with the local NHS.
13. The new facility offers the potential to contribute towards economic regeneration by providing data centre facilities to Herefordshire businesses or a new wireless broadband service provider. It should be noted that although the council will be able to improve the infrastructure for a broadband service we would be in breach of state aid legislation should we then continue to manage this provision. Consequently, this element would have to be handed over to a third party ISP provider.
14. Joint Management Team will make every effort to ensure that the design/build timescales around the refit of Wallbrook Court be decreased due to the critical nature of the project. The timescales set out here are a maximum.
15. The Council own Wallbrook Court but it is managed through the Rotherwas Futures joint venture with Advantage West Midlands. This means that the Council would lease Wallbrook Court from Rotherwas Futures but benefit from being involved in the joint venture.

## **Legal Implications**

16. All procurements required will be carried out in strict compliance with the Council's standing orders and overseen by the Head of Strategic Procurement and Efficiency with support from the Head of Financial Services and the Assistant Chief Executive (Legal and Democratic).

## **Financial Implications**

17. This section applies to the Data Centre/Modern Records Unit (MRU) relocation only all other Corporate ICT Strategy projects mentioned within this report are covered within existing budgets.

18. The financial implications are as follows:

<i>Ref</i>	<i>Cost Element</i>	<i>Phase 1 (2008/09)</i>	<i>Phase 2 (2008/09)</i>	<i>Phase 3 (2008/09)</i>	<i>Phase 4 (2010/11)</i>	<i>Total</i>
1	Core Building Renovation	£ -	£-	£ -	£ -	£ -
2	Data Centre	£ 189,050	£991,600	£ 21,150	£ 237,500	£1,439,300
3	Modern Records Unit	£ -	£291,450	£ -	£ -	£291,450
4	Contingency (@15%)	£ 28,358	£192,458	£ 3,173	£ 35,625	£259,613
	<b>Totals</b>	£ 217,408	£1,475,508	£ 24,323	£ 273,125	£1,990,363

19. It is anticipated that Rotherwas Futures will pay for the core building renovation as the Council will be leasing back the property.
20. The costs for Phases 1 and 3 will be met from existing budgets for the Corporate ICT Strategy. By 2009/10 an additional £647k will have been allocated to this programme in accordance with the Medium Term Financial Management Strategy agreed as part of the 2008/09 budget process.
21. To complete Phase 1 £217,408 of expenditure will be required in this financial year and this will be funded from the 2009/10 allocation and covered by slippage in the capital programme. In 2009/10 this will be repaid from the ICT Strategy allocation
22. The costs for Phase 2 which amount to £1.475m can be funded through prudential borrowing. The source of funding will be as yet unallocated 2009/10 prudential borrowing capacity of £2.769m leaving a revised unallocated capacity of £1.294m in 2009/10. Clearly, using this funding source for the data centre/MRU relocation reduces the capacity for other schemes to be funded in 2009/10.
23. The costs for Phase 4 are indicative only as they will form part of the wider Community Network Upgrade (CNU) future requirements and costs and will be incorporated into the re-letting of the existing contract with Siemens which will be the subject of a future Cabinet report.
24. Contingency has been added at 15% which for a project of this size and complexity is considered prudent.
25. Ongoing revenue costs will be absorbed into the current budgets for ICT Services and Information Services.

## Risk Management

The following corporate risks will be substantially mitigated by the implementation of the data centre/MRU relocation, standardisation, virtualisation and Community Network Upgrade (CNU) re-tendering process.

26. **CR4 Organisational Improvement and greater efficiency** - The inability to provide critical services due to the failure of the ICT networks.

27. **CR28 Organisational improvement and greater efficiency** - Deliverable benefits from Herefordshire Connects not realised.
28. **CR29 Organisational improvement and greater efficiency** - Both Data Centres are in leased accommodation, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services.
29. **CR30 Organisational improvement and greater efficiency** - Legacy systems out of support with vendors, and on old hardware. Compounded by CR28 Benefits from Connects e.g. Cedar.
30. **CR36 Organisational improvement & greater efficiency** - Failure to deliver services and meet key objective of achieving performance targets due to lack of Data Base Administrator support and sufficient server capacity for housing benefit and local tax systems (risk BES1 from the Benefit & Exchequer Services risk register refers).
31. **CR45 Organisational improvement & greater efficiency** - Human Resources - an inability to develop robust and fit for purpose data management and strong transactional services to Directorates, which will enable and inform sound decision making and planning within the Council.

## Alternative Options

This section applies to the Data Centre/Modern Records Unit (MRU) relocation only.

32. **Option A** – The option presented in this paper.
33. **Option B – find alternative facility.** Two options were considered within the Rotherwas Trading Estate. Wallbrook Court and an alternative building. The alternative building was found to be unsuitable due to small size, poor condition and the requirement to co-locate the Modern Records Unit. Finding an alternative facility in the timescales available would not be possible.
34. **Option C – postpone data centre move until the Accommodation Strategy identifies a target back office site.** This has been discounted due to timescales. Any proposed back office site that could hold a data centre would not be made available in time to meet the requirements of the Herefordshire Connects programme or the end of the lease at Thorn Office Centre. There would also be no provision for the Modern Records Unit (MRU) due to the large space requirements of this service. The discounting of this option has been carried out in consultation with the Accommodation Strategy Group.

## Consultees

- Herefordshire Council ICT Services
- Herefordshire Health Informatics Service (HIS)
- Herefordshire Council Financial Services
- Herefordshire Council Legal and Democratic Services
- Deputy Chief Executive

- Accommodation Strategy Group
- Herefordshire Connects Board
- Joint Management Team

## **Appendices**

Appendix 1 – Data Centre and MRU Relocation

Appendix 2 – Corporate ICT Strategy Update

## **Background Papers**

- Community Network Upgrade Follow-On Actions
- Further breakdown of financial implications
- Community Network Update - Review and Benchmarking – Executive Summary



# DATA CENTRE / MODERN RECORDS UNIT (MRU) RELOCATION

## DATA CENTRE MRU RELOCATION AND CORPORATE ICT STRATEGY UPDATE

### 1 CURRENT SITUATION

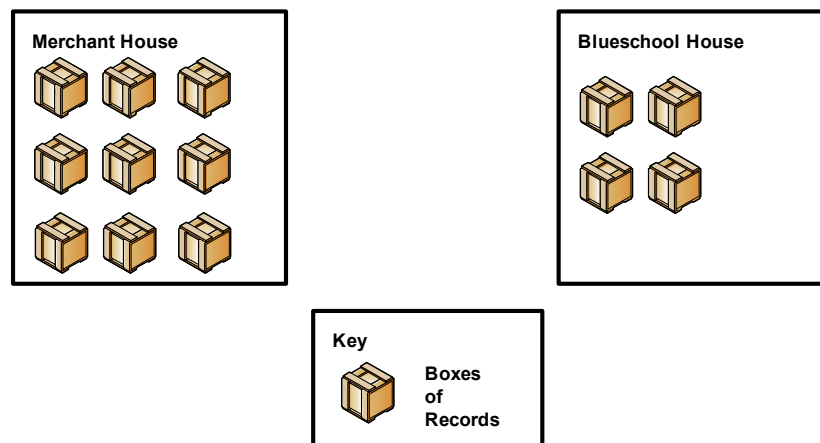
#### 1.1 Modern Records Unit (MRU)

##### 1.1.1 INTRODUCTION

The Modern Records Unit (MRU) operated by Information Services stores the paper records of Herefordshire Council in compliance with data and records legislation.

The Modern Records Unit covers the storage of semi-current council documents in purpose built facilities, providing access to stored files where appropriate. It also has responsibility for the Record Management function at a corporate level, supporting internal customers with record creation, storage, retention and disposal.

Records are boxed up by staff from all over the Council and sent over to the MRU for indexing and storage. The MRU team also provide retrieval of requested records.



There are currently two buildings being used to provide the storage for the MRU; Merchant House, Burcott Road (a dedicated, leased facility) and Blueschool House (spillover).

The requirements for a records facility are as follows:

- **Physical conditions and security** - standards exist for archival storage [BS 5454]. Full compliance with this standard is not considered to be a requirement for modern records. Protection in the event of fire is. Storage areas also need to be protected from any water damage, and because of the highly confidential nature of the material, have access restricted to staff members. There is currently no fire suppression system in either of the Modern Records Unit stores.

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Further information on the subject of this report is available from  
Rob Knowles, Programme Manager (Corporate ICT Strategy) on (01432) 263764

- **Special shelving/storage** – oversized maps and plans need to be accommodated.
- **Standard shelving** – mobile and static shelving is used at the Modern Records Unit. Space between the shelving is required for access with trolleys and ladders.
- **Space for consulting records on site** - seating for 4 persons, with sufficient space to allow for the examination of 20 boxes.
- **Destruction** - able to handle 100 bags at a time for destruction.
- **Staff accommodation** - for 5 permanent staff members with additional space for a further 5 temporary workers. Further staff members would need to be accommodated on a permanent or temporary basis for professional and clerical records management duties, or if the facility took on extra staff to deal with backlogs of material resulting from accommodation moves, or if the facility became involved in any electronic document management projects.
- **Loading area** - for deliveries of records from departments and a covered area for unloading is required. This area should also be large enough to store a transit van if required.
- **Processing Area** - a processing area adjacent to the loading area is required, for staff to enter data about the records that have arrived on to a database, before storing the boxes in the shelving bays.
- **Meeting / Training Room** – Small training facility to allow on-site records management training activities to which Council employees are invited, , including how to use the Modern Records Unit, document scanning, record keeping standards such as version control, Freedom of Information Act and information sharing.
- **Courier Service** - The Modern Records Unit would need to deliver paper files on request to offices, and collect boxes of records to be transferred from offices. The Pedicargo and the Amey courier services currently deliver files, but not boxes for transfer. It may be that a scan on demand service or a program of back scanning would at some point reduce the need to deliver as many files. Initially, however, provision would need to be made for records to be transported either by use of a van owned or rented by the Unit, or through contracting courier services, since the Unit would no longer be centrally located for staff to collect files from or deliver boxes to.

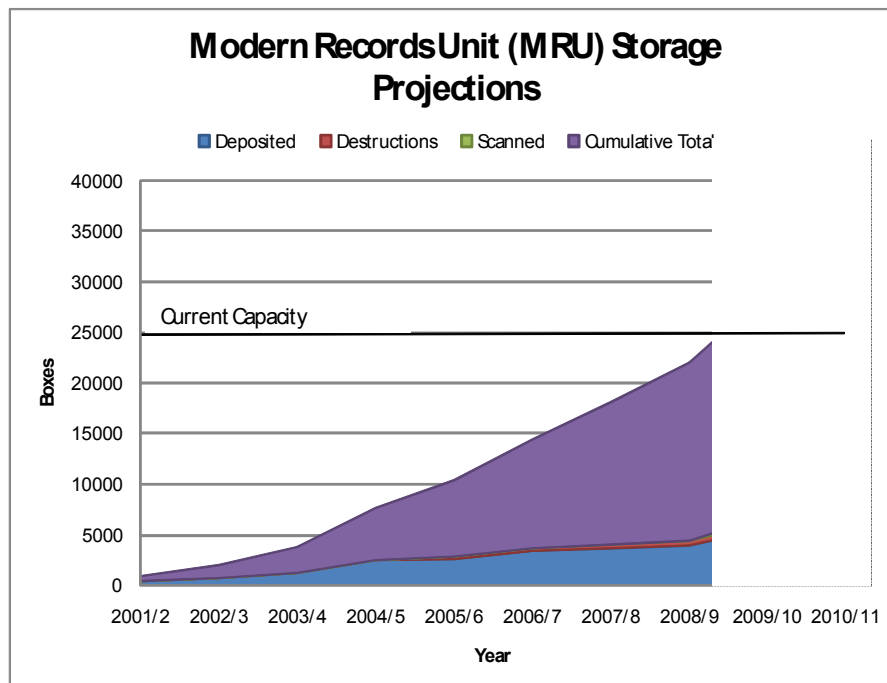
### 1.1.2 CURRENT ISSUES

1. Storage in the Modern Records Unit buildings is filling up, and there is a serious risk that in one year the storage services provided will reach their capacity. The storage space has been put under pressure by the requirements of the Council's Accommodation Strategy and by the recognition under Herefordshire Public Services that space could be shared to store records for the Primary Care Trust as well under some form of paid service level agreement.
2. There is no fire suppression in the current MRU.

3. The MRU is split between Merchant House and Blueschool House meaning additional operational support and cost over two buildings.
4. The projection for Modern Records does not take account of the future level of annual destructions, which are currently not fully known. There will be destructions of files at the end of their retention period, which can be projected, and destruction of files transferred to another media through scanning. Scanning of documents would substantially affect the number of physical files held, but how many files would be scanned, and over what time period, is currently undecided but within the scope of Herefordshire Connects. Some files may be scanned but paper versions retained due to issues of long-term preservation. For other files, it may not be cost-effective to scan them due to a short retention period. Some records will need to be kept in paper form for legal reasons, such as sealed contracts.
5. On this basis, we would expect to see a net increase in the current volume of records needing to be held, from 18,500 boxes plus 40,000 planning applications filed out of boxes at present, to approximately 34,660 boxes by April 2011. However, with a corporate programme of document scanning (within the scope of Herefordshire Connects), these figures could be greatly reduced.
6. The total capacity of all facilities is 19,500 boxes plus around 6,500 boxes of loose planning documents – total of 25,000 boxes.

### 1.1.3 PROJECTED CAPACITY REQUIREMENTS

The diagram below shows projections for the rate of deposit of records to the Modern Records Unit until April 2011, alongside the rate of destruction of boxes of records in line with their retention schedules, and the effect of scanning the planning applications and Social Care records currently stored in the Modern Records Unit.



It should be noted that these 'best estimates' are based on current retention periods and rates of deposit. Other factors will have a bearing, such as changes in legislation or the adoption by the entire Council of a legally admissible Electronic Document and Records Management System (EDRMS) – currently within the scope of Herefordshire Connects.

## 1.2 Data Centre

### 1.2.1 INTRODUCTION

A data centre is a specially equipped facility designed to securely hold the computers (servers) and electronic storage used to run the Council's applications. Every directorate and department uses the applications, servers and electronic storage provided by the data centres every day to run the Council and deliver services to citizens. Examples of applications include email, the new social care system, the intranet, the Internet sites, Customer Relationship Management (CRM), planning, HR, payroll, finance and procurement. Without these vital applications the Council would cease to function.

Due to the high value of the equipment and data stored within, data centres must have the following characteristics:

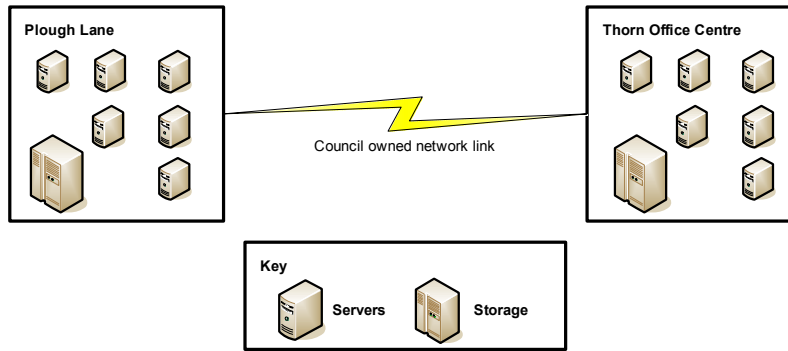
- Physically secure both internally and externally;
- 'Air gap' – physical space between data centre and surrounding buildings to prevent spread of fire;
- Fire suppression system;
- Highly resilient power supply;
- Emergency power supply;
- Air conditioning;
- Space for servers, storage and personnel.

Herefordshire Council currently operates two data centres, one at Plough Lane and one at Thorn Office Centre (Rotherwas).

The Council owns neither of these buildings with the current leases running out in 2010 and 2011 respectively. Work was carried out through the Community Network Upgrade project to provide suitable business continuity across the county with the 2 main data centres feeding the satellite offices.

Best practice states that data centres should always be paired. This avoids the situation whereby if one data centre is damaged or put out of action, the other one can take over the running of the applications and electronic storage and still enable the Council to function. It is advisable to site the data centres at least a mile apart should any incident at one affect the surrounding area.

The diagram below shows a high level representation of the Council's current data centres.



The amount of servers and electronic storage that a data centre can safely hold is determined by several factors:

- **Physical Security** – the data centre needs to be secure. Ideally the building should be at ground level with no windows and heavy security doors with electronic access to limit physical access to the building and minimise the ability to enter the data centre via any other means. The building should ideally not be sited next to other buildings to provide an 'air gap' to prevent fire spreading from neighbouring buildings to the data centre. The facility should have a secure perimeter fence.
- **Physical Space** – computers running applications (servers) sit within storage racks. Each rack can contain multiple servers depending on size. The number of racks that can fit within a data centre and still allow access is one limiting factor. The unit of measure for the physical size of a server is called a 'U'.
- **Power** – servers consume power (measured in Watts) and place a load on the electricity supply (measured in Amps). A data centre is limited by the amount of load that servers place on the electricity supply. Unlike your home electricity supply which is supplied on one phase (power line), power is supplied over three phases with each phase able to take a part of the load. Overloading the supply with too many servers is very dangerous and could result in a serious fire. There are safe margins within which to operate.
- **Emergency Power** – in case of electrical supply failure, the data centre will rely on large batteries called UPS's (Uninterruptible Power Supply) to provide enough electricity in the seconds between a failure and the generator kicking in. The generator (petrol driven) will then provide enough power for around 8-12 hours of usage. It is important that the load on both the batteries and the generator does not exceed safety recommendations. Too many servers can cause the UPS batteries to explode or the generator to shutdown.
- **Cooling** – servers generate heat in various quantities. Heat causes servers to stop working; therefore, the data centre must be kept cooled through powerful air conditioning units. There is a limit to the number of servers within the data centre depending on how powerful the air conditioning units installed are.

- **Electronic Storage** – all the electronic data generated by the Council has to be stored somewhere. It must also be stored multiple times (backups) to ensure that no important data is lost. The Council uses something called a Storage Area Network (SAN) to store its electronic data. This is effectively a dedicated server that can hold hundreds and hundreds of hard disks. For comparison the computer you use at home usually contains just one hard disk. There is a restriction based on the physical size of this dedicated server as to how many hard disks and, therefore, how much electronic data, can be accommodated. The total storage available is measured in Gigabytes (Gb). A Gigabyte is the electronic equivalent to 20,000 A4 pages (about two four-drawer filing cabinets). A Terabyte is 1,024 Gigabytes or 20m pages of A4.

### 1.2.2 CURRENT ISSUES

The current issues facing the Council surrounding its current data centres are as follows:

1. The lease on the data centre at Thorn business centre expires in February 2011. This data centre **does not** meet current standards namely fire suppression and we will be obliged to move the data centre at that time. There is an anticipated lead time of 12 months to realistically move this data centre. Within the context of the Accommodation Strategy review by Knight Frank of options for the provision of headquarters accommodation in Hereford, it is necessary to look at alternative options for the future of the council's data centres.
2. The Thorn data centre is very susceptible to electricity spikes as the current power load is so high.
3. The current 2 main data centres are near capacity and would not be able to accommodate any expansion expected over the next 5 years.
4. Herefordshire Connects will deliver new applications to replace the ageing and outdated multitude of systems the Council currently operates. However, this introduces requirements for extra physical space to site the new servers required to run the applications and electronic storage space to store the data. Currently, neither data centre can support these additional requirements without major risk to the business.

Considerations for new facilities moving forward should consider:

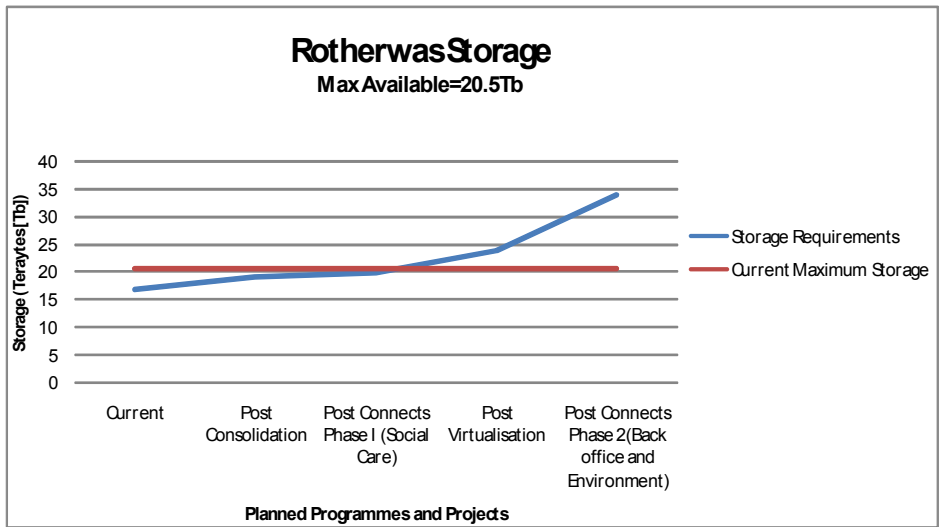
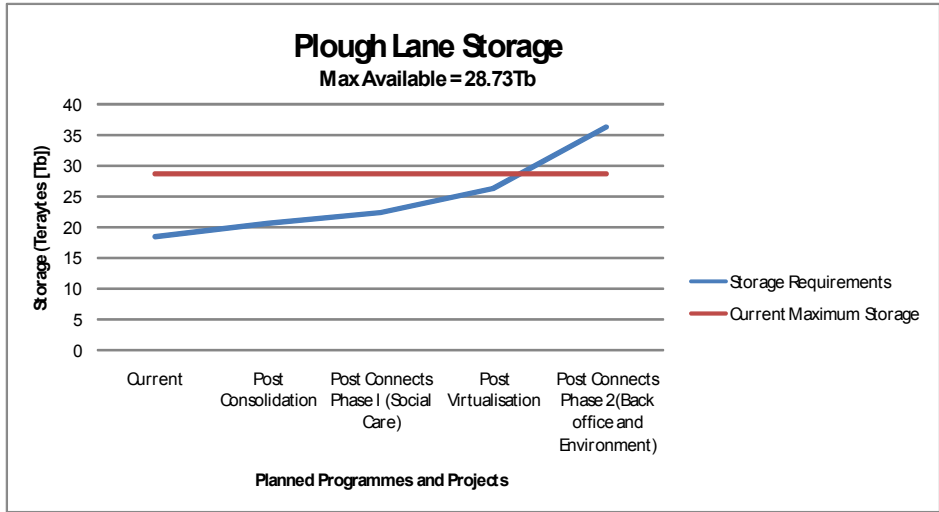
5. The Council has 2 data centres to allow the capability to have resilience for applications and servers. These data centres must be sited at least 1 mile apart, with one site being north and one site south of the river.
6. Herefordshire Health Informatics (Primary Care Trust and Herefordshire Hospitals Trust) also has two data centres, one of which is located at Belmont and the other at the hospital. They are keen to explore the possibility of joint utilisation of data centres. Joint use would involve agreeing joint funding or leasing of space within the data centre with the local NHS.
7. The new facility offers the potential to contribute towards economic regeneration by providing data centre facilities to Herefordshire businesses or a new wireless broadband service provider. It should be noted that although the council will be able to improve the infrastructure for a broadband service we would be in breach of state aid legislation

should we then continue to manage this provision. Consequently, this element would have to be handed over to a third party ISP provider.

### 1.2.3 PROJECTED CAPACITY REQUIREMENTS

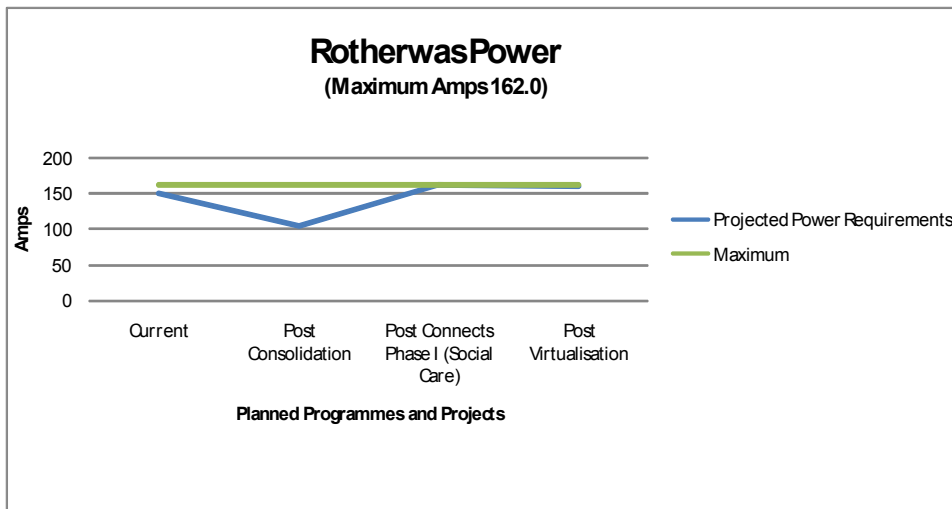
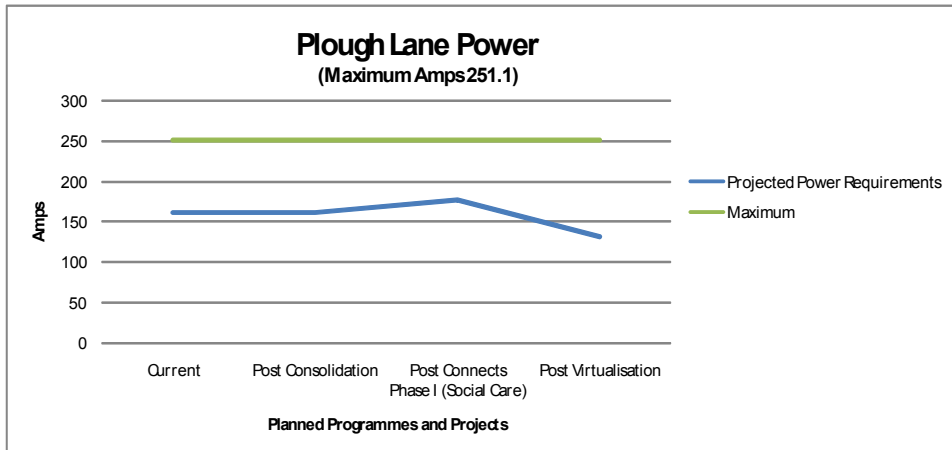
The charts below shows the current and projected requirements for the two data centres.

#### 1.2.3.1 ELECTRONIC STORAGE



Capacity will be exceeded meaning that no further applications could be installed or no further data generated by the Council (and safely stored) unless the project goes ahead.

### 1.2.3.2 POWER



Please note that Post Connects Phase 2 (Back Office and Environment) figures will not be known until the final technology selections are made as this determines the number of servers required. However, it can be seen from the above figures that the data centre at Thorn Office Centre, Rotherwas is very close to the maximum safe load. The electricity supply architecture at Thorn could not be safely reconfigured without major electrical contracting work.

### 1.2.3.3 SUMMARY

Both electronic storage and power requirements will be exceeded as Herefordshire Connects begins to deliver new applications. Even without Connects the Council's electronic storage requirements are expected to grow an additional 20% per annum on top of the figures above (based on industry standard projections). A new data centre and electronic storage system must be put in place.

The lack of power and storage will also have an impact on other Herefordshire Public Services partners (particularly the NHS Primary Care Trust) who have expressed an interest in co-locating facilities.



## 2 PROPOSED SOLUTION

### 2.1 Introduction

When looking at alternative building options currently available within Herefordshire Council properties, Wallbrook Court in the Rotherwas industrial estate has been identified.

Due to the size of this building Property Services have made a recommendation that another service is co-located at this property to maximise the space and rental income. The service that has been identified as suitable is the Modern Records Unit currently housed at Burcott Road with a second store at Blueschool House.

### 2.2 Considerations

Considerations for the new facility:

1. There is a pressing need to move quickly due to the demands of Herefordshire Connects and the expiry of the leases on the buildings. Wallbrook Court offers the ability to move quickly.
2. The modern records storage, electronic storage and disaster recovery requirements from the business must be met quickly to enable them to continue to improve their services whilst complying with retention schedules.
3. Wallbrook Court is vacant now and owned by the Council managed through the Rotherwas Futures joint venture with Advantage West Midlands. The current rent/lease cost is c£50k per annum, however, in ensuring this accommodation meets all the necessary needs for the data centre and Modern Records Unit structural works will need to be undertaken within this building which may increase this slightly. There is scope for Rotherwas Futures to carry out all the necessary work, subject to the amounts involved, and add that cost spread over the term of the lease to the future rent.
4. The new facility offers the potential to contribute towards economic regeneration by providing data centre facilities to Herefordshire businesses or a new wireless broadband service provider. It should be noted that although the council will be able to improve the infrastructure for a broadband service we would be in breach of state aid legislation should we then continue to manage this provision. Consequently, this element would have to be handed over to a third party ISP provider.

### 2.3 Risk Management

The following risks on the Council's corporate risk register will be substantially mitigated by this project:

1. **CR4 Organisational Improvement and greater efficiency** - The inability to provide critical services due to the failure of the ICT networks: *This project would reduce the risk of service failure through the provision of a robust and fit-for purpose data centre*

*facility with disaster recovery capabilities.*

2. **CR28 Organisational improvement and greater efficiency** - Deliverable benefits from Herefordshire Connects not realised: *This project is required to mitigate the risk that the systems and applications implemented as part of Connects remain operational within agreed service continuity tolerances in the event of an incident and can therefore deliver the benefits.*
3. **CR29 Organisational improvement and greater efficiency** - Both Data Centres are in leased accommodation, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services: *This project will mitigate some of the risk by replacing one of the data centres with a robust and fit-for-purpose facility.*
4. **CR30 Organisational improvement and greater efficiency** - Legacy systems out of support with vendors, and on old hardware. Compounded by CR28 Benefits from Connects e.g. Cedar: *This project will provide additional storage capacity to enable the safe and secure retention of legacy systems whilst they are required by the Council or by legislation and allow the introduction of replacement systems from Herefordshire Connects.*
5. **CR36 Organisational improvement & greater efficiency** - Failure to deliver services and meet key objective of achieving performance targets due to lack of Data Base Administrator support and sufficient server capacity for housing benefit and local tax systems (risk BES1 from the Benefit & Exchequer Services risk register refers): *This project will mitigate some of the risk through the provision of extra storage capacity to house these systems.*
6. **CR45 Organisational improvement & greater efficiency** - Human Resources - an inability to develop robust and fit for purpose data management and strong transactional services to Directorates, which will enable and inform sound decision making and planning within the Council: *This project will contribute to the risk mitigation through providing a robust and fit for purpose facility in which to store HR data and host HR systems delivered through Herefordshire Connects.*

## **2.4 Approach**

The proposed solution takes account of several important factors:

1. Herefordshire Connects requires further physical and electronic storage space to adhere to its timescales. The approach attempts to minimise any disruption to these timescales.
2. Accurate building costs cannot be determined until designs and suppliers have been selected. This requires at least five months from the approval date. This means currently we cannot supply accurate costings for all phases of the project.
3. The data centre must be removed from Thorn Office Centre before the lease expires in February 2011.
4. The Community Network Upgrade (CNU) contract with Siemens expires March 2010.

A four phase approach is proposed, designed to provide minimum impact on existing programmes and projects and take advantage of other required infrastructure projects to reduce costs.

	2008/09		2009/10				2010/11									
	O	N D	J	F	M	A	M	J	J	A	S	O	N D	J	F	M
<b>Phase 1</b> Meet Short-Term Requirements				Implement new storage for Connects												
<b>Phase 2</b> Create New Facility			Design	Tender and Appoint Supplier	Build			Move MRU								
<b>Phase 3</b> Minimise Risk								Relocate servers and storage								
<b>Phase 4</b> Relocation & Closedown									Network link relocation and closedown of Thorn Data Centre							
<b>Phase</b>	<b>1</b>			<b>2</b>				<b>3</b>				<b>4</b>				
<b>Name</b>	<b>Meet Short-Term Connects Requirements</b>			<b>Create New Facility</b>				<b>Minimise Risk</b>				<b>Relocation and Closedown</b>				
<b>Summary</b>	Meet Herefordshire Connects requirements for physical space and storage within that programme's timescales.			Refit Wallbrook Court as new data centre and Modern Records Unit.				Relocate additional Connects servers and storage from Plough Lane to new data centre.				Relocate communication links and closedown Thorn Data Centre.				
<b>Objectives</b>	<ul style="list-style-type: none"> <li>Provide enough physical space and power to accommodate new applications and servers to</li> </ul>			<ul style="list-style-type: none"> <li>Refit Wallbrook Court to accommodate data centre and MRU.</li> <li>Extend fibre network link</li> </ul>				<ul style="list-style-type: none"> <li>Relocate servers from Plough Lane and Thorn to new data centre to ensure disaster recovery</li> </ul>				<ul style="list-style-type: none"> <li>Relocate all network links from Thorn to Wallbrook Court.</li> <li>Remove all equipment from</li> </ul>				

		deliver Connects. ■ Provide enough electronic storage to store the data for the new Connects applications.	from Thorn to Wallbrook Court. ■ Move MRU to Wallbrook Court	compliance.	Thorn data centre and reuse where possible. ■ Closedown Thorn data centre.
<b>Constraints</b>		Connects – go-live for Environment/HR & Payroll in July 2009.	Design and build work expected to take around 9 months.	Requires new data centre to be in place.	Lease expiry February 2011
<b>Dependencies</b>		Server Virtualisation must continue to timescales to free up enough space.	Property Services design and supplier selection.  Property Services build.	Requires new data centre to be in place.	Community Network Upgrade (CNU) re-tendering process must be completed and a new supplier selected.
<b>Timescales</b>	<b>Start</b>	October 08	October 08	October 09	March 2010
	<b>Finish</b>	January 09	November 09	November 09	January 2011
<b>Duration</b>		3 months	12 months	3 months	10 months
<b>Cost</b>		£ 217,408	£1,475,508  Plus building costs*	£ 24,323	£ 273,125
<b>Funding Source (s)</b>		Existing ICT Budgets – Strategy Budget (2009/10 rolled forward)	Capital Bid Process * Rotherwas Futures	Existing ICT Budgets	CNU Budget Existing ICT Budgets Capital Bid Process



# CORPORATE ICT STRATEGY UPDATE

## DATA CENTRE MRU RELOCATION AND CORPORATE ICT STRATEGY UPDATE

### 1 INTRODUCTION

This brief update document is designed to inform Cabinet on the progress of key areas of Herefordshire Council's Corporate ICT Strategy. It covers the following initiatives:

- Community Network Upgrade (CNU)
- Virtualisation Project
- Standardisation Project

### 2 COMMUNITY NETWORK UPGRADE (CNU)

#### 2.1 Background

The Community Network Upgrade (CNU) project was initiated in response to a failing and limited Council network infrastructure. The contract was awarded to Siemens to provide a partially managed network consisting of the replacement of existing connections and equipment, a monitoring service to ensure operational running and sub-contractor management of network connections.

The contract was split into two parts:

1. A replacement of the existing network involving a complete ground-up redesign to build in resilience and performance. This would involve linking all schools and Council corporate properties across the County in a single voice and data network.
2. The operational running of the network including monitoring post-completion of the replacement programme.

The project entered closure in 2007 with most sites (excluding Moore House and Bath Street) being transferred onto the new county wide infrastructure.

The current operational contract with Siemens expires in March 2010.

As part of the Crookhall Report into Herefordshire Council's ICT financial and contractual governance arrangements an action was raised as follows:

*10 - "Consideration be given to the suggested action in respect of establishing value for money in relation to the community network, and an action plan taken to CMB."<sup>1</sup>*

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<sup>1</sup> Source: "Independent Review of Herefordshire Council's ICT Financial and Contractual Governance Arrangements" (Crookhall Report) by Ian Crookhall, 09/11/2007, page 42, action item vii.

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Further information on the subject of this report is available from  
Rob Knowles, Programme Manager (Corporate ICT Strategy) on (01432) 263764

SOCITM Consulting (SOCITM) were subsequently engaged to independently review and benchmark the contract between Siemens and Herefordshire Council for what is known as the Community Network Update (CNU) which was awarded to Siemens following the European Procurement procedures, in 2005.

The SOCITM report concluded that:

*“The current contract with Siemens is reasonable value for money in terms of the costs and charges. However, we believe that there is scope to improve the value for money if the Council is prepared to involve Siemens at a more strategic level, and to more fully exploit services the Council has paid to have installed.”<sup>2</sup>*

The current contract with Siemens expires in March 2010. Socitm recommended that scoping and procurement for a re-tendering of the contract begin in October or December 2008 at the latest.

## 2.2 Actions Agreed

Progress on these actions was addressed at Cabinet through the Supporting Governance Improvement report (27<sup>th</sup> March 2008) whereby a report was requested once the actions in response to the SOCITM recommendations had been agreed by Joint Management Team (JMT). These actions were agreed 10<sup>th</sup> July 2008.

Key actions and progress are summarised below. Further detail on the actions can be found in the background paper CNU Follow-on Actions.pdf.

<b>Ref</b>	<b>Name</b>	<b>Actions</b>	<b>Status</b>
A00	Strategic Engagement	<ul style="list-style-type: none"> <li>▪ Engage Siemens in a more strategic manner.               <ul style="list-style-type: none"> <li>○ Review meetings with Deputy Chief Executive.</li> <li>○ Share draft roadmap of upcoming projects with Siemens.</li> <li>○ Work with Siemens to identify quick wins for Herefordshire Public Services.</li> </ul> </li> </ul>	In Process
A01- A03	Select New Supplier	<ul style="list-style-type: none"> <li>▪ Engage independent consultancy to               <ul style="list-style-type: none"> <li>○ Gather requirements across the Council and PCT</li> <li>○ Operate OJEU compliant tender process</li> </ul> </li> </ul>	In Process
A04	Exit Strategy	<ul style="list-style-type: none"> <li>▪ Work with Siemens and the selected independent consultancy to formulate an exit strategy from the current Siemens contract.</li> <li>▪ This is required to ensure any existing risks identified by Socitm in their independent report are mitigated.</li> </ul>	Awaiting Start

## 2.3 Risk Management

The following risks on the Council’s corporate risk register will be partly mitigated by this project:

<sup>2</sup> Source: “Community Network Update - Review and Benchmarking – Executive Summary”, by Socitm Consulting’s Terry Street, 18/12/07, page 6 point 2.3.1.



1. **CR4 Organisational Improvement and greater efficiency** - The inability to provide critical services due to the failure of the ICT networks: *This project would see the re-letting of the existing managed service contract to take account of the greater levels of reliability and robustness required by the Council by the greater reliance on ICT systems to deliver benefits to Herefordshire.*
2. **CR28 Organisational improvement and greater efficiency** - Deliverable benefits from Herefordshire Connects not realised: *This project would see the re-letting of the existing managed service contract to take account of the greater levels of reliability and robustness required by the Council by the greater reliance on ICT systems to deliver benefits to Herefordshire.*
3. **CR29 Organisational improvement and greater efficiency** - Both Data Centres are in leased accommodation, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services: *The fourth phase of the data centre is inextricably linked to the scope of the new contract moving forward and will be included in the requirements and tender process.*

## 3 VIRTUALISATION

### 3.1 Background

The server virtualisation project was created in response to the following emerging situation within ICT Services identified as a critical project under the Corporate ICT Strategy.

- The authority runs approximately 245 computer servers that hold applications and data used across all directorates and departments. The expected life of a server is around five years. Past this age it is more expensive to obtain hardware warranties, more difficult to source replacement parts and the costs of maintenance increase in both monetary terms and staff time.
- Historically, when new applications have been required by Directorates, servers have been bought if required. However, no provision has been made to replace these servers after 5 years. At least 100 of those still in use are past 'end of life' or over five years old.
- To replace these servers with physical computer hardware would represent an enormous cost to the authority. Conversely, not do anything about the situation could lead to further hardware failures putting the council's internal and public services at risk.
- Additionally, if these servers are not within warranty and a failure occurs there is no guarantee that any data can be recovered or services restored.
- Service continuity plans have been developed following approval of the Council's business continuity plan and further actions have been approved by Joint Management Team (JMT) to further refine these taking into account the prioritising of critical services requiring the most rapid system recovery. However, this is a recent initiative and historically this has not been taken into account by relevant

departments. As a result none of the current systems have disaster recovery with the exception of Academy for Revenues and Benefits and the new social care system, Corelogic. This means that in the event of losing a data centre, hardware would have to be ordered, operating systems and applications installed and new storage space procured and configured. This would take a minimum of 10 days.

### **3.2 What is 'virtualisation'?**

Technology has moved on and rather than simply replace computer servers with more hardware every five years, ICT Services have begun to invest in something called server virtualisation on behalf of the authority.

This allows many different virtual servers to be run on a pool of physical computer servers with no loss in functionality or speed. It has the following advantages:

- Hardware requirements are reduced; therefore savings can be made in heat, power consumption, air conditioning bills and data centre space. Indeed, adopting this technology has enabled ICT Services to operate the data centres beyond their anticipated capacity up until now.
- Costs are reduced; there will be a requirement to replace fewer physical servers in the future.
- Disaster recovery; currently only two business applications, Academy and Cedar, have proper disaster recovery procedures and hardware in place. By virtualising servers and splitting the pool of servers across the data centres we can provide disaster recovery in the event of us losing a data centre.
- Provisioning times decreased; current arrangements lead to longer lead in times when Directorates are implementing new systems. With virtualisation, servers can be provisioned very quickly. In addition, servers specification can be changed to accommodate more users or increase performance in real time, rather than having to purchase additional hardware.
- Reduced management and administration - the focus within Technical Services is on maintenance of hardware because of age. With virtualisation, these resources can be used to increase the quality of service to the organisation.
- Environmental impact; power consumption would fall and there would therefore be improvements in the council's carbon footprint in line with GEM standards.
- Data centre relocation costs and disruption to business will be significantly reduced as we will be moving virtual not physical servers. The downtime for all departments will also be significantly decreased.

### **3.3 Update**

The virtualisation project is well underway to complete the migration of 133 servers by April. This includes the provision of full disaster recovery for the applications that run on these servers.

It is estimated that the projected lower power consumption will lead to decreased electricity

bills of around £20k per annum and achieve a carbon reduction of around 160 tons per annum. This will significantly contribute to the authority's target of 180 tons per annum.

### 3.4 Risk Management

The following risks on the Council's corporate risk register will be partly mitigated by this project:

4. **CR4 Organisational Improvement and greater efficiency** - The inability to provide critical services due to the failure of the ICT networks: *The project would reduce the risk of service failure through the provision of a robust and fit-for purpose platform from which to deliver applications including the ability to recover from a serious incident.*
5. **CR28 Organisational improvement and greater efficiency** - Deliverable benefits from Herefordshire Connects not realised: *The project is mitigating this risk by providing quicker, more cost effective and more reliable servers to support the Connects applications. Cost of the programme is planned to be reduced through the utilisation of the virtual server infrastructure.*
6. **CR29 Organisational improvement and greater efficiency** - Both Data Centres are in leased accommodation, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services: *This project will mitigate some of this risk by allowing those applications that are virtualised to recover more quickly from a serious incident meaning decreased loss of productivity for the organisation.*
7. **CR30 Organisational improvement and greater efficiency** - Legacy systems out of support with vendors, and on old hardware. Compounded by CR28 Benefits from Connects e.g. Cedar: *This project will provide a more cost effective and reliable way of ensuring those legacy systems which must be retained can be done so.*

## **4 STANDARDISATION**

### **4.1 Background**

Another critical project identified by the Corporate ICT Strategy was driven by the need to begin to resolve the issues facing the authority around its computer estate:

- There are around 2200 computers in the authority (excluding schools). The age of these ranges from 9 years to 1 month.
- Over half of these machines are below the recommended specification to run the software installed on them. The speed at which applications run means reduced productivity leading to increased support calls and increased cost in upgrading machines.
- Over half these machines use older power supply units (PSU's) and processors. As technology has advanced newer computers consume up to a fifth less power.
- Most Directorates replace PCs in an ad-hoc fashion, meaning that the Council cannot take advantage of economies of scale and bulk purchase.
- Most computers are replaced after a hardware failure, meaning the need for a new machine has become service critical. This places additional pressure not only on the service but on ICT Services.
- There is no consistent refresh policy for computers. For example, some services replace computers every 2 years; whilst other services have computers that are 9 years old. In some cases the service areas that would benefit from the increased productivity are those that cannot afford to replace them.
- There is no common operating system or version of Microsoft Office across the Council due to the decentralised control of replacement.

### **4.2 What is Standardisation?**

Quite simply, standardisation aims to reduce costs, improve the quality and performance of the computers within the authority to enable employees to focus on delivering services by selecting a single supplier of computer hardware.

The project aims over four years to replace the Council's computers, taking advantage of new technology, decreased costs and the purchasing power that only centralised control can bring.

The programme of replacement will concentrate on those areas with the greatest need, i.e. the most out of date hardware or slowest computers.

### **4.3 Update**

At the beginning of the financial year (2008/09), budgets for computer replacement were centralised from Directorates into a single budget under the control of ICT Services and monitored by the Head of Financial Services. This produced a central budget of £500k per annum. Immediately, £200k was removed from this budget and offered up as savings to

contribute towards procurement efficiencies of which Cabinet has already been notified.

The remaining £300k per annum will be used to replace the computers across the Council.

After a process of competitive tender, Dell have been selected as the partner with which we shall work to provide equipment and services to deliver a four year refresh cycle to Council offices. Our commitment to working with Dell as a partner has meant that we have been able to get an even better discount on equipment purchased for the Council and LEA schools in Herefordshire.

We have achieved significant reductions in the cost of a single PC (41%) and in the cost of a single laptop (36%), while maintaining or exceeding current equipment specifications.

The project aims to replace around 300 computers and move to a single operating system and Microsoft Office version by the end of this financial year and has already started a process of identifying and upgrading or replacing computers. The remaining computers in the estate will be scheduled in for replacement over the next four years.

#### **4.4 Risk Management**

1. The following risks on the Council's corporate risk register will be partly mitigated by this project:
2. **CR4 Organisational Improvement and greater efficiency** - The inability to provide critical services due to the failure of the ICT networks: *This project will allow the rapid provision of computers in the event of a serious incident involving the loss of a building. Standardisation means staff will find it easier to relocate and start using computers at other sites.*
3. **CR28 Organisational improvement and greater efficiency** - Deliverable benefits from Herefordshire Connects not realised: *This project will allow the new applications delivered by Connects to increase productivity and realise benefits by providing quicker, more reliable computers to the end users.*



# HEREFORDSHIRE CONNECTS PROGRAMME

## PORTFOLIO RESPONSIBILITY: ICT, EDUCATION & ACHEIVEMENT

CABINET

16 OCTOBER 2008

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### Wards Affected

County-wide

### Purpose

To update Cabinet on the progress of the Herefordshire Connects evaluation of ICT system solutions, which has been managed in compliance with the Council's Procurement Policy. It also recommends a new system for Environment and Planning.

The technology choices will support the Council's delivery of service improvements and efficiencies through the Connects Programme, in partnership with Herefordshire PCT.

### Key Decision

This is a Key Decision because it will result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

It was included in the Forward Plan.

### Recommendations

#### THAT Cabinet approves

- a) **Civica as the technology system for an integrated solution for Environment and Planning;**
- b) **that the Joint Management Team conclude negotiations with Deloitte, within the Framework Agreement between the Council and Deloitte, to plan and commence the implementation of this system by November 2008; and**

#### THAT Cabinet notes

- c) **the progress made in the selection of a system for Integrated Support Services and Performance and Risk Management and the timescale for recommending a preferred supplier for both to Cabinet is by 20 November 2008.**
- d) **that the Joint Management Team conduct a strategic assessment based on the evaluation of the two Integrated Support Services system solutions.**
- e) **the Finance System Upgrade has been completed and the Customer Relationship Management System Upgrade is to commence in October 2008.**

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Further information on the subject of this report is available from the Interim Deputy Chief Executive on 01432 383517

## Reasons

- 1 This report provides a progress report on the actions taken on the recommendations made to Cabinet on 31 July 2008 to enable timely implementation of the next phase of Herefordshire Connects and address risks to ICT system failure identified in the Corporate Risk Register.

## Considerations

- 2 On 31 July 2008 Cabinet approved Joint Management Team's recommendations that:
  - (a) Herefordshire Connects be re-focused on implementing the three updated business cases and further developing these business cases jointly with the PCT as defined in section 5.3 of the report attached;
  - (b) Cabinet note the critical risks to service continuity of key ICT system failures. This is due to the current large number of inadequately connected systems requiring upgrades that would not achieve the Council's ambitions for improving customer services and satisfaction, provide poor value for money or that are no longer supported by providers due to their age;
  - (c) The Council's ICT system application portfolio be rationalised to achieve the minimum number of integrated applications by Joint Management Team and Deloitte conducting a two month evaluation of:
    - the four market proven system providers for an integrated back office system and associated integration tools to enable integration between Council systems and where jointly approved, Council and PCT systems, as stated in Section 6.4 of the report attached;
    - the two market proven system providers for an integrated environment and planning system, as stated in Section 6.4 of the report attached;
    - market proven system providers for an integrated performance management system, as stated in Section 6.4 of the report attached;
    - A report on the recommendations arising from (c) above be produced for the Cabinet in October 2008;
    - The Customer Relationship Management System Upgrade should proceed to secure the significant increase in system efficiency and customer service standards. Deloitte advise this upgrade is already delivering these for other Council users of this system;
    - The current Finance System Upgrade should proceed; which will address imminent service continuity risks
    - The Joint Management Team implement Connects Programme Management arrangements based on Section 8 of the report attached to provide assurance to the Council, and where relevant PCT, of compliance with the applicable Procurement Policies and best practice in the Project Management risks, costs and the realisation of benefits for customers and staff.



## Evaluation Process

- 3 In the Appendices, the report “Transforming Herefordshire Public Services Herefordshire Connects – Technology Selection” describes the evaluation process in more detail.
- 4 The evaluation process was run jointly with Deloitte, as the Council’s Strategic Advisors for the Connects Programme, and was governed by the Herefordshire Connects Programme Board, in compliance with the Council’s Procurement Policy. The Herefordshire Connects Programme Board includes both Council and PCT Directors and officers and reports to the Joint Management Team.

## Environment and Planning

- 5 The scope of services delivered within these directorates is very broad, including Planning, Building Control, Environmental Health, Trading Standards and Private Sector Housing. The number of suppliers within the market able to support this breadth of functionality is small, with two clear market leaders, Civica and Northgate.
- 6 A summary of the assessment results against the selection criteria is indicated below.

Criteria	Civica	Northgate
Strategic Alignment	Meets Requirements	Meets Requirements
Functionality	Scored 91%	Scored 84%
Market Proven	Proven	Proven
Technical Alignment	Scored 69%	Scored 57%
Skills Requirement	MS Based – skills available in house	MS Based – skills available in house
Cost	Scored 70%	Scored 55%
Risk	Low	Low

- 7 Overall it was felt that both systems performed credibly and both could deliver the Council’s requirements. However, the assessment indicated that Civica offered a deeper set of functionality on a technical platform which the Council is better able to support and at a lower cost. A number of reference site visits are being undertaken.

## Compliance

- 8 The selection was conducted within the Office of Government Commerce’s ‘Catalist’ framework agreement signed with Deloitte in February 2008.
- 9 Officers from Audit Services gave governance support and were present at key scoring and demonstration sessions to ensure compliance with good practice including standing orders.
- 10 A Commercial panel undertook financial assessment of the responses. The Head of Financial Services led this panel, with the ICT Strategy Programme Manager, the Herefordshire Connects Programme Manager, the Strategic Procurement and Efficiency Manager and the Principal Finance Manager from the Primary Care Trust.

**Recommendation: It is recommended that the Council proceeds to select Civica as the new system for Environment and Planning.**

## Performance Management

- 11 A joint specification was developed to encompass both the PCT requirements in addition to the Council's requirements.
- 12 Five suppliers have been short listed from an initial field of nine.
- 13 The short-listing was done on the basis of suppliers that could meet both Council and PCT requirements in this area.
- 14 The five short listed suppliers are: Actuate, Covalent, SAP, Triangle and InPhase.
- 15 This selection is expected to conclude by 31<sup>st</sup> October 2008.

## Integrated Support Services (ISS)

- 16 This system will deliver the key corporate services for the Council, and in the longer term potentially the PCT and other partners. These services include Finance, Procurement, HR, Payroll and Asset Management.
- 17 There are four recognised market leaders in the supply of Back Office systems to Local Government in the UK; Agresso, COA, Oracle and SAP. The procurement process invited all four of these suppliers to participate. Oracle chose not to participate in the process, primarily stating that they did not feel they could respond adequately in the timescales requested of them.
- 18 Responses were received from three suppliers, Agresso, COA and SAP. These were reviewed and an initial assessment conducted. This assessment highlighted three key issues with the COA proposal:
  - The COA system is not a truly integrated back office system, rather two separate systems with some interfaces which require separate technical platforms to operate.
  - The COA system is unable to support a number of key HR requirements and is not therefore a viable option for the HR system.
  - COA provided very limited Shared Services and Outsourcing references, a key factor in the future vision for the corporate services.
- 19 On this basis COA were discounted from continuing further in the selection process.
- 20 A summary of the assessment results for Agresso and SAP against the selection criteria is indicated below.

Criteria	Agresso	SAP
Strategic Alignment	Integrated Back Office References in Health	Integrated Back Office Minimizes the overall application set. Used widely in Health in Ireland
Functionality	Scored 92%	90%
Market Proven	Well proven Finance and Procurement – Teachers Payroll unproven	Proven across breadth of product set.
Technical Alignment	Microsoft based, simpler environment.	Aligned with Council's CRM.

Skills	Microsoft based – skills available in house	Some SAP skills in house – requires development
Costs	Lower Cost Option	Higher Cost Option
Risk	Risk around Payroll	Risk around skills
Shared Services	Agresso has some but limited experience in Shared Services and Outsourcing arrangements, for example: Stockton and Darlington Councils are developing a Shared Service based upon Agresso. Southampton City Council is outsourcing back office services to Capita on an Agresso platform	Shared Service operations including Somerset County Council, Surrey County Council and Birmingham City Council. Preferred software solution for the majority of private sector outsource providers including CapGemini, Mouchel, Capita, Serco, IBM and Logica.

- 21 Based on the results of this part of the selection process, two of the suppliers merited further consideration. Both Agresso and SAP were seen as being credible solutions in terms of meeting the Council's requirements.

### Strategic Assessment of ISS and Shared Services

- 22 Cabinet received a progress report on the Herefordshire Public Services partnership at the meeting on 2 October 2008. The Herefordshire Public Services Steering Group has tasked Joint Management Team to further develop shared services efficiencies as a key component of the Benefits Realisation process for the Council and PCT partnership.
- 23 For this reason, the risks and benefits of selecting either of the two Integrated Supports Services providers will need to be assessed. This is to provide assurance to the Council and PCT that an ISS provider is selected which is capable of delivering an integrated solution for a range of shared services scenarios currently established or emerging regionally and nationally.
- 24 This assessment will be concluded within the next month with a view to a further report coming to Cabinet on 20<sup>th</sup> November 2008.

### Toolset for Integration

- 25 These tools will provide the key enabling technologies to deliver a fully integrated technology platform for the Council. They include middleware tools, web portal integration, electronic document and record management systems (EDRMS) and data management tools.
- 26 Three suppliers were requested to participate in the Selection process based upon their track record of providing integration tools in Local Government and other sectors; IBM, Microsoft and SAP.
- 27 Microsoft scored well and offers technical synergies with the Agresso Back Office product. SAP also scored highly and offers technical synergy with the SAP Back Office product. Given that the purpose of these tools is to support the integration of the Council's applications, the choice of Back Office product is a further key driver in this selection.

### Financial Considerations

- 28 The estimated costs included in the 31 July 2008 report for Deloitte's support remain the same at £850,000. The scoring of costs saw Civica emerge as the clear preferred provider. The infrastructure costs for Environment and Planning were included in the overall figure of £700,000 for Herefordshire Connects hardware in the July report and are subject to current joint assessment and negotiations between the Council and

Deloitte.

- 29 The cost estimates for the chosen Environment and Planning solution supplied as part of the commercial assessment process have been reviewed to establish what elements can be capitalised against the current capital finance regulations. Capacity for the overall Connects programme has been provided for within the Medium Term Financial Management Strategy agreed as part of the 2008/09 budget setting process.
- 30 The overall financial phased profile included in the 31 July 2008 report will be updated when all elements of the Connects Programme have been selected and an independent assessment made by Capita of compliance with capital finance regulations.

## **Risk Management**

- 31 The Council is exposed to critical risks to service continuity of key ICT system failures. This is due to the current large number of inadequately connected system requiring upgrades that would not achieve the Council's ambitions for improving customer services and satisfaction, provide poor value for money or that are no longer supported by providers due to their age.
- 32 The upgrade to the Council Finance System has mitigated the risk for this key system.
- 33 The upgrade to the Customer Relationship Management system will mitigate the risk for this system.
- 34 In addition, the implementation of the new system for Environment and Planning will address the risks associated with this legacy system.

## **Alternative Options**

- 35 Alternative options for ISS are being strategically assessed by Joint Management Team. The options are Agresso and SAP as a basis for a shared services environment.

## **Consultees**

- 36 Herefordshire Connect Programme Board members.

Deloitte

Capita.

## **Appendices**

Deloitte report: "Transforming Herefordshire Public Services, Herefordshire Connects – Technology Selection"



# Transforming Herefordshire Public Services.

## Herefordshire Connects – Technology Selection.

6th October 2008

Private and Confidential – This paper has been prepared on the basis of the matters set out in the transmittal letter over the page.

For convenience, this document may have been made available to you in electronic as well as hard copy format. Multiple copies and versions of this document may therefore exist in different media. In the case of any discrepancy the final signed hard copy should be regarded as definitive.

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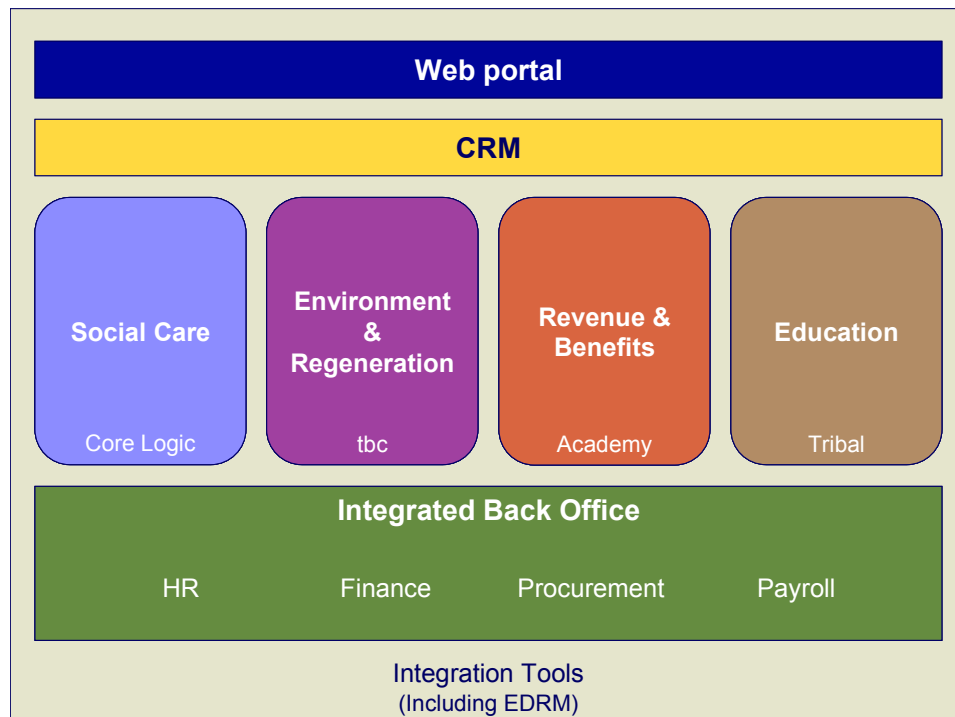
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# 1 Introduction

The revised vision for the Herefordshire Connects programme is “to seek to radically reduce costs, to help forge a new joint culture of partnership working, rationalise and update systems and infrastructure, and harmonise and improve the accessibility and responsiveness of services to both internal and external customers”

The Cabinet report of July 31<sup>st</sup> 2008 outlined that to enable the delivery of this vision the Council will need to implement a simplified and integrated set of technology applications, as outlined in the following Application architecture diagram:



To deliver this architecture the Council will need to evaluate and select four new systems:

1. An Integrated Environment & Regeneration (E&R) System
2. An Integrated Back Office System
3. Integration Tools (including EDRMS)
4. A Performance Management System

This report:

- outlines the selection process that has taken place for each of the four.
- presents an update on all processes and their findings.

## 2 The Selection Process

This section outlines the process that has been followed to evaluate each system and the criteria that have been used to assess their suitability in supporting the Connects Vision.

Three of the four systems, the E&R system, the Back Office system and the Integration tools are being selected at this point for the use of the Council. The assessment has included understanding the systems ability to work in the wider Herefordshire Public Services environment, but it has not been the primary focus. The selection of the Performance Management system is different as the selection has been for both the PCT and the Council.

### 2.1 The Process and Timescales

The Selection process for E&R, Back Office and Integration Tools has followed the timeline below:

- w/c 11th August Requirements published
- w/c 18th August Demo Scenarios published
- 29th August Written responses returned
- w/c 1st September Demos held
- w/c 19th September Scoring completed
- w/c 22nd September First Draft of results
- w/c 29th September Report for Programme Board
- w/c 6th October Report for Cabinet
- 16th October Cabinet

The selection process for Performance Management is running 3 weeks behind this process. This separation was planned to allow a longer period of time initially to consult with the wider PCT and Council user audience to ensure that all of the requirements of each organisation had been understood and reflected in the documentation issued to suppliers.

### 2.2 The Selection Criteria

The selection criteria used to assess the potential suppliers are intended to cover a number of different dimensions. They reflect the longer term vision of Connects and Herefordshire Public Services, for example supporting the move to greater partnership working, shared services and potentially even outsourcing. In parallel, the criteria need to ensure that any proposed system also meets more immediate requirements in terms of the functionality required by each service, does not involve undue risk and can of course prove to be value for money now.

The following table outlines the criteria used for assessment, providing a brief description of each.



Criteria	Comments
Strategic Alignment	Supporting Herefordshire Public Services and Council transformation in line with the Herefordshire Connects Vision.
Functionality	Assessment of functional breadth and depth from written responses and demos.
Market Proven	Quality and quantity of reference sites.
Technical Alignment	Fit with ICT Strategy, Herefordshire Connects Vision and product mix.
Skills Requirement	Assessment of availability, capacity and capability required to support.
Cost	5 year full life cycle cost including implementation and support
Risk	Assessment of risk of failure to deliver transformation objectives and benefits case.
BACK OFFICE ONLY	
Shared Services	Prominence of solution in shared service models in Local Government.

### 3 Environment & Regeneration

This section outlines the selection process that has been completed for E&R and the resulting recommendation.

The scope of services delivered within these directorates is very broad, including Planning, Building Control, Environmental Health, Trading Standards and Private Sector Housing. The number of suppliers within the market able to support this breadth of functionality is small, with two clear market leaders, Civica and Northgate.

A summary of the assessment results against the selection criteria is indicated below.

Criteria	Civica	Northgate
Strategic Alignment	Meets Requirements	Meets Requirements
Functionality	Scored 91%	Scored 84%
Market Proven	Proven	Proven
Technical Alignment	Scored 69%	Scored 57%
Skills Requirement	MS Based – skills available in house	MS Based – skills available in house
Cost	Scored 70%	Scored 55%
Risk	Low	Low

Overall it was felt that both systems performed credibly and both could deliver the Council's requirements. However, the assessment indicated that Civica offered a deeper set of functionality on a technical platform which the Council is better able to support and at a lower cost.

## 4 Integrated Back Office

This section outlines the selection process that has been completed for the Integrated Back Office system and the resulting recommendation.

This system will deliver the key corporate services for the Council, and in the longer term potentially the PCT and other partners. These services include Finance, Procurement, HR, Payroll and Asset Management.

There are four recognised market leaders in the supply of Back Office systems to Local Government in the UK; Agresso, COA, Oracle and SAP. The procurement process invited all four of these suppliers to participate. Oracle chose not to participate in the process, primarily stating that they did not feel they could respond adequately in the timescales requested of them.

Responses were received from three suppliers, Agresso, COA and SAP. These were reviewed and an initial assessment conducted. This assessment highlighted three key issues with the COA proposal:

1. The COA system is not a truly integrated back office system, rather two separate systems with some interfaces which require separate technical platforms to operate.
2. The COA system is unable to support a number of key HR requirements and is not therefore a viable option for the HR system.
3. COA provided very limited Shared Services and Outsourcing references, a key factor in the future vision for the corporate services.

On this basis COA were discounted from continuing further in the selection process.

A summary of the assessment results for Agresso and SAP against the selection criteria is indicated below.

Criteria	Agresso	SAP
Strategic Alignment	Integrated Back Office References in Health	Integrated Back Office Minimizes the overall application set. Used widely in Health in Ireland
Functionality	Scored 92%	90%
Market Proven	Well proven Finance and Procurement – Teachers Payroll unproven	Proven across breadth of product set.
Technical Alignment	Microsoft based, simpler environment.	Aligned with Council's CRM.
Skills	Microsoft based – skills available in house	Some SAP skills in house – requires development
Costs	Lower Cost Option	Higher Cost Option
Risk	Risk around Payroll	Risk around skills
Shared Services	Agresso has some but limited experience in Shared Services and Outsourcing arrangements, for example:  Stockton and Darlington Councils are	Shared Service operations including Somerset County Council, Surrey County Council and Birmingham City Council.  Preferred software solution for the majority of

	developing a Shared Service based upon Agresso. Southampton City Council is outsourcing back office services to Capita on an Agresso platform	private sector outsource providers including CapGemini, Mouchel, Capita, Serco, IBM and Logica.
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Overall both systems performed well in the selection process, and in the context of Herefordshire Council both could deliver the Integrated Back Office requirements. However in the wider context of the vision of Herefordshire Connects and Herefordshire Public Services, further consideration needs to be made to ensure that an ISS provider is selected who is capable of delivering an integrated solution for a range of shared services scenarios currently established or emerging regionally and nationally.

## 5 Integration Tools

This section outlines the selection process that has been completed for the Integration Tools and the resulting recommendation.

These tools will provide the key enabling technologies to deliver a fully integrated technology platform for the Council. They include middleware tools, web portal integration, electronic document and record management systems (EDRMS) and data management tools.

Three suppliers were requested to participate in the Selection process based upon their track record of providing integration tools in Local Government and other sectors; IBM, Microsoft and SAP.

The assessment was not conclusive for the EDRMS tools within this selection period. Each supplier offered 3<sup>rd</sup> party options to deliver these requirements. Further work is required to clarify the how these should be best delivered.

A summary of the assessment results for the other Integration tools against the selection criteria is indicated below.

Criteria	IBM	Microsoft	SAP
Strategic Alignment	Market Leading Integration toolset	Fits well with current ICT environment and skills. Close fit with the Agresso Back Office product	Integrated with SAP Back Office  Minimizes the overall application set.
Functionality	77%	86%	79%
Market Proven	Proven across breadth of product set.	Proven across breadth of product set.	Proven across breadth of product set.
Technical Alignment	New technology to the Council.	Microsoft based, simpler environment.	Aligned with Council's CRM.
Skills	No existing skills – may be difficult to build and retain	Microsoft based – skills available in house	Some SAP skills in house – requires development
Cost	Highest Cost	Lowest Cost	Comparable to Microsoft for Integration Tools

Risk	Risk around skills	Risk around governance and control	Risk around skills
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Microsoft scored well and offers technical synergies with the Agresso Back Office product. SAP also scored highly and offers technical synergy with the SAP Back Office product. Given that the purpose of these tools is to support the integration of the Council's applications, the choice of Back Office product is a further key driver in this selection.

## 6 Performance Management

This section outlines the selection process that is ongoing for the Performance Management system, the shortlisting of suppliers to date and the fit with the planned business case.

As discussed earlier in this document, the selection process of the Performance Management system is for the Council and PCT. This differs from the other selections which have been for the Council only in the first instance. This resulted in a need for a longer consultation and requirements gathering phase to ensure that all of the requirements of both organisations are fully understood and reflected in the documentation issued to suppliers.

The Selection process is following the timeline outlined below:

- w/c 1st Sept – Qualification of long list of suppliers and finalise reqts
- w/c 8th Sept – Agree list of suppliers (4-6)
- w/c 15th Sept – Publish Requirements
- w/c 22nd – Supplier Briefings
- 3rd Oct – Supplier responses due
- w/c 6th Oct – Evaluate responses and short list (3). Issue Demo scripts.
- w/c 20th Oct – Demonstrations (24th & 25th)
- w/c 27th Oct – Evaluation
- w/c 3rd Nov – References visits/calls
- w/c 10th Nov – Results of evaluation to Programme Board

This is also a more fragmented market place, with many competing organisations and so less clarity around market leaders. For this reason a wider number of suppliers were invited to participate in the selection process; SAP, InPhase Ltd, Triangle Computer Services, Hitec Laboratories Ltd, Actuate, Covalent Software Ltd, Cognos, CACI Ltd and Microsft.

### 6.1 Progress to date

The qualification questionnaire was issued to all suppliers. Microsoft and CACI Ltd did not respond within the requested timescales. Responses were received from all of the other suppliers. The responses were evaluated and a shortlist created; Actuate, Covalent, SAP, Triangle and InPhase.

Detailed specification documents were issued to each supplier and responses received on Friday Oct 3<sup>rd</sup>. These are being evaluated currently.

At this stage of the evaluation all proposals are within the budgets estimated in the Business Case presented in the Cabinet Report of July 31<sup>st</sup> 2008.

