

A G E N D A

Strategic Monitoring Committee

Date: **Thursday, 31st January, 2008**

Time: **10.00 a.m.**

Place: **The Council Chamber, Brockington, 35
Hafod Road, Hereford**

Notes: **Enclosures: A supporting information pack
for agenda item 4 is available on the
Council's website or on request.**

Please note the **time, date** and **venue** of the
meeting.

For any further information please contact:

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01432 260239
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**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Strategic Monitoring Committee

To: Councillor PJ Edwards (Chairman)
Councillor WLS Bowen (Vice-Chairman)

Councillors PA Andrews, WU Attfield, SPA Daniels, KG Grumbley, TM James,
RI Matthews, SJ Robertson, RH Smith and JK Swinburne

Pages

1. APOLOGIES FOR ABSENCE

To receive 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. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

To consider suggestions from members of the public on issues the Committee could scrutinise in the future.

4. CALL-IN OF CABINET DECISION ON HEREFORDSHIRE CONNECTS AND CONSIDERATION OF A CONSOLIDATED REPORT ON THE HEREFORDSHIRE CONNECTS PROGRAMME 1 - 90

To consider Cabinet's decision on the acquisition of the preferred technology to replace the current client systems used within both Adult Social Care and the Children and Young People's Directorate together with a consolidated report on the Herefordshire Connects programme.

PUBLIC INFORMATION

HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES

The Council has established Scrutiny Committees for Adult Social Care and Strategic Housing, Childrens' Services, Community Services, Environment, and Health. A Strategic Monitoring Committee scrutinises corporate matters and co-ordinates the work of these Committees.

The purpose of the Committees is to ensure the accountability and transparency of the Council's decision making process.

The principal roles of Scrutiny Committees are to

- Help in developing Council policy
- Probe, investigate, test the options and ask the difficult questions before and after decisions are taken
- Look in more detail at areas of concern which may have been raised by the Cabinet itself, by other Councillors or by members of the public
- "call in" decisions - this is a statutory power which gives Scrutiny Committees the right to place a decision on hold pending further scrutiny.
- Review performance of the Council
- Conduct Best Value reviews
- Undertake external scrutiny work engaging partners and the public

Formal meetings of the Committees are held in public and information on your rights to attend meetings and access to information are set out overleaf

PUBLIC INFORMATION

Public Involvement at Scrutiny Committee Meetings

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committees to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

1. Identifying Areas for Scrutiny

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

Please note that the Committees can only scrutinise items which fall within their specific remit (see below). If a matter is raised which falls within the remit of another Scrutiny Committee then it will be noted and passed on to the relevant Chairman for their consideration.

2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

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(Please note that the Scrutiny Committees are not able to discuss questions relating to personal or confidential issues.)

Remits of Herefordshire Council's Scrutiny Committees

Adult Social Care and Strategic Housing

*Statutory functions for adult social services including:
Learning Disabilities
Strategic Housing
Supporting People
Public Health*

Children's Services

Provision of services relating to the well-being of children including education, health and social care.

Community Services Scrutiny Committee

*Libraries
Cultural Services including heritage and tourism
Leisure Services
Parks and Countryside
Community Safety
Economic Development
Youth Services*

Health

*Planning, provision and operation of health services affecting the area
Health Improvement
Services provided by the NHS*

Environment

*Environmental Issues
Highways and Transportation*

Strategic Monitoring Committee

*Corporate Strategy and Finance
Resources
Corporate and Customer Services
Human Resources*

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- Inspect agenda and public reports at least five clear days before the date of the meeting.
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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.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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Please Note:

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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CALL-IN OF CABINET DECISION ON HEREFORDSHIRE CONNECTS AND CONSIDERATION OF A CONSOLIDATED REPORT ON THE HEREFORDSHIRE CONNECTS PROGRAMME

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

1. To consider Cabinet's decision on the acquisition of the preferred technology to replace the current client systems used within both Adult Social Care and the Children and Young People's Directorate together with a consolidated report on the Herefordshire Connects programme. Cabinet's decision has been called in by the following three Members of the Committee: Councillors PJ Edwards, TM James and RH Smith.

Reason for Call-In

2. In accordance with Standing Order 7.3.1 and the Scrutiny Committee Rules set out at Appendix 2 of the Constitution, Cabinet's decision on 13 December has been called in for consideration by this Committee.
3. The stated reasons for the call-in are:

That the decision as set out within its (a) + (b) and the now added (c) has been taken without given due consideration to the following –

- *Call in Item 1* - There is a need for a report on the whole of The Herefordshire Connects Programme, as requested by the Strategic Monitoring Committee. This is surely essential to provide Members with a clear understanding of where the programme now stands and how each proposal, such as that considered by Cabinet on 13th December, relates to the programme as a whole. The report requested by the Committee should be presented to it at the same time as the Committee considers the call-in of Cabinet's decision.
- *Call in Item 2* - The Cabinet Report Agenda Item 5 titled Herefordshire Connects Programme Update is not as such an update to The Connects Programme but is in fact a request for authorisation to proceed with an acquisition and should be titled as such.
- *Call in Item 3* - The Decision is listed as non urgent yet the section in the report titled risk (which should presumably read Risk Management mentions a Key Risk of 'external funding may be lost if the start date is delayed'
- *Call in Item 4* - The first Key Risk listed is unclear.
- *Call in Item 5* - The Programme Update has few or no target dates, simply writing 'asap' is not acceptable.

Further information on the subject of this report is available from
Jane Jones, Director of Corporate and Customer Services on 01432 260042

- *Call in Item 6* - The report raises questions over the propriety of the procurement process.
- *Call in Item 7* - The Report leaves the question of actual accommodation location & Network Capability open & with unquantified costings.
- *Call in Item 8* - the Financial Considerations section in the report indicates 'capital expenditure has been spread over 5 years yet the Summary of Costs only covers a 3 year period.
- *Call in Item 9* - Capital Financing Cost boxes are listed within the Annual Revenue chart but not entered & the difference of £640k between the original Agenda Report & the subsequent Report figures requires an explanation.
- *Call in Item 10* - No costs are estimated to cover possible 'backfilling of Social Workers duties to support the system's implementation' or staff relocation or system relocation if accommodation leases expire or potential 'add on' fees or Vat.
- *Call in Item 11* - The changed heading of the Agenda item conflicts with the statement in the report where mention is made of 'no further additional work outside of the Social Care programme should be undertaken with the Herefordshire Connects partners in the current year until there is certainty that the programme will proceed'.
- *Call in Item 12* - No understandable details are offered under Option 'B' within the Reported Alternative Options
- *Call in Item 13* - Data security or transfer arrangement details and compatibility to current systems (if retention considered) could not be found within the Report.

Response to reasons for Call-In

4. The following documents are appended:
 - **A table setting out where each of the reasons for the Call-In is addressed**
 - **The draft decision notice (Ref No. 2007.CAB.104 KEY), together with the report to Cabinet on 13 December 2007.**
 - **Document 1: A consolidated report on the Herefordshire Connects programme. (p23)**
 - **Document 2: Social Care Solution Selection – Strategic Monitoring Committee Management Summary (p75)**
5. A presentation will be given at the meeting.
6. A copy of a supporting information pack has been enclosed separately for Members of the Committee. This information is available to the public on request.

CONSIDERATION

7. It is for the Committee to decide whether it wishes to accept the decision of Cabinet or to refer the decision back to Cabinet for further consideration and if so what recommendations to Cabinet it wishes to make.

BACKGROUND PAPERS

8. Please see table below.

Supporting Documents
1. Functional Requirements Specification
2. Report to Cabinet (Update) 20 th April 2006
3. Report to Cabinet (Supplier Evaluation) 12 th April 2007
4. Report to Cabinet (Update) 11 th October 2007
5. Technical Appraisal Report 24 th September 2007
6. Financial Strategy Update 15 th January 2007
7. Members' Feedback: a) Seminars June 2006 b) Members' Seminar 18 th May 2007
8. Slide Presentation 29 th March 2007
9. Integrated Customer Services Access Channels Diagram
10. Cost Analysis Table

Further information on the subject of this report is available from
Jane Jones, Director of Corporate and Customer Services on 01432 260042

Table showing where reasons for the call-in are addressed		
No	Call in Items	Comments
1	There is a need for a report on the whole of The Herefordshire Connects Programme, as requested by the Strategic Monitoring Committee. This is surely essential to provide Members with a clear understanding of where the programme now stands and how each proposal, such as that considered by Cabinet on 13 th December, relates to the programme as a whole. The report requested by the Committee should be presented to it at the same time as the Committee considers the call-in of Cabinet's decision.	Covered in document 1
2	The Cabinet Report Agenda Item 5 titled Herefordshire Connects Programme Update is not as such an update to The Connects Programme but is in fact a request for authorisation to proceed with an acquisition and should be titled as such.	Covered in document 2
3	The Decision is listed as non urgent yet the section in the report titled risk (which should presumably read Risk Management mentions a Key Risk of 'external funding may be lost if the start date is delayed'.	Covered in document 2
4	The first Key Risk listed is unclear.	Covered in document 2
5	The Programme Update has few or no target dates, simply writing 'asap' is not acceptable.	The report has now been superseded by Document 1.
6	The report raises questions over the propriety of the procurement process.	The overall Connects procurement is covered in detail in document 1. The selection of the solution for Social Care is covered in document 2.
7	The Report leaves the question of actual accommodation location & Network Capability open & with unquantified costings.	Covered in document 2
8	the Financial Considerations section in the report indicates 'capital expenditure has been spread over 5 years yet the Summary of Costs only covers a 3 year period.	Covered in document 2
9	Capital Financing Cost boxes are listed within the Annual Revenue chart but not entered & the difference of £640k between the original Agenda Report & the subsequent Report figures requires an explanation.	Covered in document 2
10	No costs are estimated to cover possible 'backfilling of Social Workers duties to support the system's implementation' or staff relocation or system relocation if accommodation leases expire or potential 'add on' fees or Vat .	Covered in document 2
11	The changed heading of the Agenda item conflicts with the statement in the report where mention is made of 'no further additional work outside of the Social Care programme should be undertaken with the Herefordshire Connects partners in the current year until there is certainty that the programme will proceed'.	Covered in document 2
12	No understandable details are offered under Option 'B' within the Reported Alternative Options.	Covered in document 2
13	Data security or transfer arrangement details and compatibility to current systems (if retention considered) could not be found within the Report.	Covered in document 2

WRITTEN STATEMENT OF A KEY DECISION CABINET

ITEM:	HEREFORDSHIRE CONNECTS PROGRAMME UPDATE
Members Present:	Councillors: RJ Phillips (Leader), LO Barnett, AJM Blackshaw, H Bramer, JP French (Deputy Leader), JA Hyde, JG Jarvis, DB Wilcox.
Date of Decision:	13th December 2007
Exempt:	No
Confidential	No
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	
The item was included in the Forward Plan.	
Urgent Decision:	No
Purpose:	The purpose of this report is to recommend to cabinet the preferred technology to replace the current client systems (including CLIX) used within both Adult Social Care and the Children and Young People's Directorate.
Decision:	<p>THAT (a) Cabinet authorise the Head of Legal and Democratic Services to sign the framework agreement with Deloitte;</p> <p>(b) Cabinet confirm Corelogic Framework as the preferred solution and authorise the directors of Corporate & Customer Services and Resources, in consultation with the Director of Children's Services and Director of Adult and Community Services, to proceed with this acquisition on a fixed price basis through the Deloitte framework agreement; and</p> <p>(c) Cabinet receive assurance on budget savings in relation to the accommodation strategy</p>
Reasons for the Decision:	Herefordshire Council's Adult and Community and Children and Young People's Directorates are undergoing rapid change in the way they work, deliver services to users and measure performance. As these services develop and change so must the processes that deliver those services and the underpinning

	<p>tools and systems. Central to the delivery of this change is the core information system that supports practitioners in their work, enables managers to manage and allocate resources and provides a stable trusted basis for financial and performance management.</p>
<p>Options Considered:</p>	<p>Option A: Do Nothing.</p> <p>The Council has made a commitment to both CSCI (Commission for Social Care Inspection) and the DCSF (Department for Children, Schools and Families) that it will have a new solution in place by summer 2008. In order to achieve this, a solution must start to be implemented now.</p> <p>Option B: Variable Cost Option (time and materials).</p> <p>The time and materials option from Deloitte offers the potential for overall lower cost, but with significantly greater risks. The cost differential is just over £65k. With this form of contract payment is not based on results, and should the project encounter difficulties Herefordshire Council would need to keep paying for the necessary resources until the project was completed.</p> <p>It is therefore not recommended that this option be pursued.</p>
<p>Declaration of Interest:</p>	
<p>Date the key decision is due to take effect:</p>	<p>20th December 2007</p>

<p>COUNCILLOR RJ PHILLIPS.....Date: 13th Dec 2007 LEADER OF THE COUNCIL</p>
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HEREFORDSHIRE CONNECTS PROGRAMME UPDATE

PORTFOLIO RESPONSIBILITIES: CORPORATE & CUSTOMER SERVICES & HUMAN RESOURCES, CHILDREN'S SERVICES, RESOURCES AND SOCIAL CARE ADULTS AND HEALTH

CABINET

13 DECEMBER 2007

Wards Affected

County-wide

Purpose

To recommend to cabinet the preferred technology to replace the current client systems (including CLIX) used within both Adult Social Care and the Children and Young People's Directorate.

Key Decision

This is a Key Decision because it will result in the Council incurring expenditure over £500,000.

Recommendations

- THAT**
- (a) Cabinet authorise the Head of Legal and Democratic Services to sign the framework agreement with Deloitte**
 - (b) Cabinet confirm Corelogic Framework as the preferred solution and authorise the Directors of Corporate & Customer Services and Resources, in consultation with the Director of Children's Services and Director of Adult and Community Services, to proceed with this acquisition on a fixed price basis through the Deloitte framework agreement.**

Reasons

Herefordshire Council's Adult and Community and Children and Young People's Directorates are undergoing rapid change in the way they work, deliver services to users and measure performance. As these services develop and change so must the processes that deliver those services and the underpinning tools and systems. Central to the delivery of this change is the core information system that supports practitioners in their work, enables managers to manage and allocate resources and provides a stable trusted basis for financial and performance management.

The current CLIX system is outdated and no longer meets the demands of the services it supports. It has been operational for over 11 years. Lack of a modern case management system has been highlighted by the Audit Commission as a significant factor in the poor performance of social care services. The Council has made a commitment to both CSCI (Commission for Social Care Inspection) and the DCSF (Department for Children, Schools

Further information on the subject of this report is available from
Akif Kazi on (01432) 261550 or Jonathan Riches on (01432) 383187

and Families) that it will have a new solution in place by summer 2008. As recently as 25th October 2007 Herefordshire Council received a letter from the DCSF querying the progress and with a requirement to set out a detailed timeframe.

A new system will provide full case management functionality with built in workflow, compliance with new Government initiatives such as eCaf (electronic Common Assessment Framework), ContactPoint (the 'information sharing index'), Single Assessment and self referral. The system will provide easier access to information by practitioners, safer and easier information sharing with partners, and will also allow other teams with the same process of referral/assessment/outcome to make use of the system. It will provide standard reports to meet statutory requirements, and provide the basis for adequate performance management. At present key performance data and management information requires an increased reliance on internal and external staff to gather the data.

The introduction of a new Social Care system will support the strategic drivers for change within both the Adult and Community and Children and Young People's Directorates.

Considerations

The replacement of systems for Social Care was identified as an early priority within the Herefordshire Connects programme, and formed part of the functional requirements specification within the tender documents. Each of the three suppliers that reached the tender stage of Herefordshire Connects, including Deloitte, proposed a SAP solution which included Social Care; however a combination of factors led the Council to consider alternatives to SAP. These were: -

- Lack of local government customers using SAP Social Care (SAP Social Care had been developed with Trafford MBC, and the only other existing customer was Staffordshire, who were part way through implementation at the time)
- Poor reference site visits for SAP Social Care
- Lack of relevant accreditation
- Cost pressures on the Programme whereby SAP was too expensive
- Real question marks as to whether SAP could be implemented by summer 2008

SELECTION PROCESS

1. In response to the concerns Deloitte worked with the Connects Core Team to determine the most appropriate way forward and developed the Children's and Adult's Services System Solution Verification document which, on the recommendation of Deloitte, was forwarded to Capita, Liquidlogic and Corelogic for completion.
2. Initial discussions were held with these three suppliers. However Capita and Liquidlogic did not fulfil the functional requirements and so OLM were also invited to make a submission.
3. The full functional requirements specification and an invitation to demonstrate were sent to OLM and Corelogic together with the scenarios on which the demonstration would be based. The scenario demonstrations enabled suppliers to demonstrate 'the system at work' to staff. They were the same scenarios used for the earlier demonstrations by SAP. The scenarios used, one covering adult care and other children's services, are listed in Appendix C, with explanatory notes in each column. They embody salient aspects of service delivery which either take too long to deliver at present or processes that cannot be completed with our current systems. They place quality service delivery, partnership working and the availability of management information at the core of our requirements.

4. The Scenario demonstrations were presented to an assessment panel of 32 staff, which included colleagues from the PCT together with staff from Adult Social Care, Children and Young People, Finance, Policy and Performance and ICT against an agreed agenda and format. Each scenario was scored by each member of the assessment panel.
 - Several specialist 'break-out' sessions were also run in the areas of for example, ICT, Finance and Performance Management.
 - Feedback was received from each 'break-out' session.
5. Response to Functional Requirements: Both Suppliers completed the functional requirements document. Their respective responses to identify areas where enhancement work was currently underway as well as areas requiring further development.
6. Technical appraisal: A Technical assessment was also made of both proposals. The preferred option from a technical point of view is Corelogic Framework, OLM was seen as being based on obsolete technology.
7. Site visit and references: Both Worcestershire County Council and Nottinghamshire County Council were positive in terms of their experiences in working with Corelogic. Both are pleased with the implementation and could provide a useful learning resource for the authority. Worcestershire County Council had successfully migrated to Corelogic from CLIX, which, like Herefordshire, they had had from the time of the Hereford & Worcester County Council.

OTHER CONSIDERATIONS AND NEXT STEPS

Network Capability

Queries have been raised about the ability of the network feed within Bath Street being capable of supporting the extra load produced by the system, as Bath Street is not on the new network.

The system will be able to be used by employees in Bath Street. The connection from Bath Street to the data centre at Plough Lane (where the servers for the new system will be placed) has been measured and found to have sufficient capacity to accommodate the new social care system.

However, within Bath Street itself due to the age of the network technology inside the building, it is not possible to fully test whether the new system will perform as fast as everyone expects.

ICT Services cannot guarantee the performance of the new application within Bath Street, but will run the subjective performance tests during the design phase to monitor the performance of the application.

Should there be a performance problem post go-live it will be necessary either to relocate staff or upgrade the network within Bath Street.

Electronic Document Management

Queries have been raised around the proposals for electronic document management within Social Care.

The proposal is to use the internal system within Corelogic. This is a pragmatic choice, as it saves the cost of integration, and comes as standard with the Corelogic Framework software at no extra cost.

It does not prevent the later transfer to a corporate EDM system, as Framework has been successfully integrated with other EDM systems elsewhere.

This choice of EDM system does not impact upon the identified benefits in the Herefordshire Connects business case, as the data held is very specific to clients within Social Care, and is held in the system itself rather than being an alternate add-on requiring extra maintenance.

Data Centre Capacity

Although the Data Centre is approaching capacity there is sufficient space, cooling and power for the Social Care System (Corelogic) implementation, providing that the work of virtualising some servers is carried out.

As an identified project of high priority for the Council it is considered that the ability of the project to go ahead is unaffected.

Legal Agreement

Under the terms of a framework agreement currently being negotiated between Deloitte and the Council, Deloitte will be able to provide the Council with the various work packages required to implement the full Connects programme. Social Care represents about 10% of the overall Connects requirements and Deloitte would be responsible for delivering the goods and services needed to carry out the Social Care element as the first work package under the terms of the framework agreement.

In order to progress the social care solution it will be necessary to sign the framework agreement. This in no way binds Herefordshire Council to the totality of Herefordshire Connects.

Financial Considerations (from the Head of Financial Services)

Implementation of a social care solution forms part of the overall Herefordshire Connects programme and is included in the Medium Term Financial Management Strategy (MTFMS) 2008/09 – 2010/11. Within the three year timeframe of the MTFMS there is funding of £2.69m for the system. This compares with the cost of the current proposal over the same timeframe including on-going maintenance of £2.47m.

Analysis of the proposed expenditure indicates it is a mixture of capital and revenue expenditure. In line with accepted accounting practice, the revenue expenditure will be incurred in the financial year in which it is made; capital expenditure has been spread over five years (also in line with current accepted practice for an asset of this nature).

The following table is a summary of capital and revenue costs between January 2008 and March 2011.

Summary of costs

	2007/08	2008/09	2009/10	2010/11	Total
Capital Expenditure	£000s	£000s	£000s	£000s	£000s
Hardware	80.0				80.0
Implementation	491.0	407.0			898.0
License	373.0	66.0			439.0
PC Refresh		35.0			35.0
Revenue Expenditure					
Capital Financing Costs					
Hardware	1.8	2.9	2.2	1.4	8.3
Implementation	11.1	36.2	27.5	19.4	94.2
License	8.4	16.0	12.3	8.3	45.0
PC Refresh		1.6	1.3	1.0	3.8
Change Management	99.0	268.0			367.0
Maintenance	39.0	154.0	154.0	154.0	501.0
Total	1,103.2	986.7	197.2	184.1	2,471.2

In addition to the above, some costs will fall outside the current MTFMS timeframe of 2008-2011 and will need to be reflected in future financial strategies. Directorate budgets will need to absorb the ongoing maintenance costs from 2011/12 (£154,000 per annum) and capital financing charges totalling £21,000 to the revenue account will continue until 2013/14. In 2007/08 and 2008/09 there may be some additional internal costs if social workers are required to support the system's implementation. If their posts are backfilled there will be a cost but this is already part of the overall Connects funding built into the current MTFMS.

It is important to place this in the context of the overall budget for the Herefordshire Connects Programme which is £2.656m in 2007/08 and there does have to be a note of caution about the ability to capitalise costs incurred to date. This is because as with any capitalisation, if the overall Connects programme does not proceed and there is no asset created, then the costs incurred to date will have to be treated as revenue expenditure. This

Further information on the subject of this report is available from
Akif Kazi on (01432) 261550 or Jonathan Riches on (01432) 383187

would not apply to the Social Care element of the programme, because if this proceeds separately it will produce an asset and it will be appropriate to capitalise those costs.

In summary, the overall budget of £2.656m in 2007/08 is sufficient to meet the current financial commitments and the costs of the Social Care element of the programme that will fall in 2007/08. The current funding in the MTFMS for the Social Care programme is sufficient to meet those costs to be incurred up to the end of 2010/11 financial year.

What should be noted is that no further additional work outside of the Social Care programme should be undertaken with the Herefordshire Connects partners in the current financial year until there is certainty that the programme will proceed. This is because without that certainty and the subsequent ability to capitalise the expenditure the funding available is unlikely to be sufficient.

Conclusions and Recommendations

The Connects functional requirements were signed off by CMB last year and remain unchanged. The Directors for Adult and Community Services and Director of Children's Services will consider this report. It has been ratified by CMB. Deloitte have submitted a proposal to us based on Deloitte providing goods **and** services to implement the Corelogic Social Care solution.

Herefordshire Council needs a new Social Care system and all parties, from practitioners to finance to IT technicians have overwhelmingly recorded their confidence in the Corelogic Framework system. Herefordshire Connects endorses this decision and recommends that the Cabinet confirm Corelogic Framework as the preferred solution and authorise the directors of Corporate & Customer Services and Resources, in consultation with the Director of Children's Services and Director of Adult and Community Services to proceed with this acquisition on a fixed price basis.

In order to progress the social care solution it will also be necessary to sign the framework agreement.

Risk

Key Risk	Mitigation
By not starting the solution implementation late, the Council will not be able to meet its obligations to provide a new solution for Social Care.	Deloitte, Corelogic and Council staff are geared up to start the implementation.
The Project is not affordable	Ensure sufficient funding is available and earmarked prior to project start and that full budgeting monitoring is in place. Appoint a full time project accountant to the Programme to monitor spend. Ensure Milestone-based payments based on performance are in place.
The Council cannot meet new legislative changes in Social Care provision over the next two years and beyond	The Deloitte/Core Logic proposal is based on inclusive functionality upgrades to meet new legislative requirements.
If start date is delayed further external funding may be lost	Ensure implementation is started asap.
Staff buy in to new ways of working is not optimal	The Change Management team and the Project team will ensure that all staff are fully engaged throughout the project. This is clear from the breadth in the representation of staff in the selection process itself. 32 council staff as well as colleagues from the PCT, the Voluntary and Community Sector were engaged.
As with all Projects, there is a possibility that the project over runs	Regular monitoring and control coupled with the Project being done on a 'fixed price' milestone based approach with our partner Deloitte should mitigate this.
Council staff are not available	Each role in the proposal has been agreed and staff earmarked to do the role.

Alternative Options

Option A: Do Nothing.

The Council has made a commitment to both CSCI (Commission for Social Care Inspection) and the DCSF (Department for Children, Schools and Families) that it will have a new solution in place by summer 2008. In order to achieve this, a solution must start to be implemented now.

Option B: Variable Cost Option (time and materials).

The time and materials option from Deloitte offers the potential for overall lower cost, but with significantly greater risks. The cost differential is just over £65k. With this form of contract payment is not based on results, and should the project encounter difficulties Herefordshire Council would need to keep paying for the necessary resources until the project was completed.

It is therefore not recommended that this option be pursued.

Consultees

Deloitte

Office of Government Commerce

Audit Commission

Department for Children, Schools and Families

Worcestershire County Council

Nottinghamshire County Council

Appendices

Appendix A – Preference from each area

The results from the scoring of the scenarios are as follows: -

Section	Preference
Adults	Corelogic Frameworki
Children's	Corelogic Frameworki
Finance	Corelogic Frameworki
Performance Management	Corelogic Frameworki
Integrated Teams (Learning Disabilities, Mental Health Trust and Primary Care Trust)	Corelogic Frameworki

APPENDIX B – General Comments / Themes

General Comments / Themes (Corelogic)

- Easy to use
- Impressive depth in finance management
- Very willing for us to talk to their customers
- Very intuitive

General Comments / Themes (OLM)

- Easily identifiable as ICS format
- Can make areas mandatory
- Activity list clear and concise

APPENDIX C – REAL-WORLD WORK PLACE SCENARIOS TO IMPROVE SERVICE DELIVERY

SCENARIO 1: MAUD

Maud is in hospital following a fall and is referred to the Hospital Social Care Team for a social care assessment in order to assess her ability to cope on her own if she is to go home. Following this assessment a package of care is authorised – 1 hour in the morning and 1 hour in the evening each day, including weekends from STARRS, together with Meals on Wheels each lunch time and a British Red Cross mid-day visit, all for an initial period of 4 weeks when a further review will be undertaken. Maud goes home but two weeks into the care period she falls down the stairs resulting in a nighttime visit by the Emergency Duty Team who are able to access her notes on the system and undertake a further assessment of her needs. She is once again taken back into hospital for a further period of medical care. After a week in hospital she is then transferred to the joint initiative Hillside Intermediate Care Unit and arrangements are made for her to go home the following week with daily visits from the Outreach Team, a mobility frame and associated aids from the Integrated Community Equipment Store together with the package previously re-instated.

At the end of the two week period Maud is re-assessed by the Social Worker (Tracy) and following consultation with the Outreach Team the decision is made with Maud that she is unable to look after herself and does require residential care. Her existing care package is extended until the process to locate a suitable care home and ensure finance is available is completed. It will also be necessary for Maud to have a financial assessment to identify how much she is able to contribute to this cost. The necessary work is undertaken and documented by the Social Worker and within a week Maud has a placement agreed in a residential care home. On 10th June Maud is transferred into the home and a month later the Social Worker visits to ensure she is happy and reviews her situation. Maud is content in her new surroundings and the case is placed on review for six months.

Two months later the care home manager contacts Social Care – Maud is very distressed her “pocket monies” have disappeared from her drawer along with her bankbook. An Adult Protection Referral is completed and the case reported to the Adult Protection Committee. The Adult Protection process commences which involves carrying out the initial evaluation, deciding if emergency action is needed, investigating and agreeing the way forward. The outcome of the process also has to be documented.

How this will improve Service delivery:

Step	Details	
1	Referral Process	On admission to hospital notice of possible referral. Workflow. (Information sharing with partners; e.g. when customers leave hospital a care package may be required)
2	Assessment process	Workflow – recording and authorisation process (Assessment is currently paper based at the moment. Parts may be completed by PCT and parts by Social Care leading to multiple visits and duplicated effort)
3	Care Plan	Care Plan showing all services recommended including those provided by family and unmet needs (Currently Care plans are stored on paper records and unmet needs are not recorded)
4	Service provision/ Provider detail	Provider detail/monitoring outcomes/quality Provider’s ability to update system to show availability of service e.g. hours of care/bed etc. Actual service provision, delivery of that service and payment.
5	Re-referral	Ability to show multi-referrals during a period

Step	Details	
6	Out of Hours	Ability to access system 24/7 remotely and update
7	Integrated working	Accessibility by PCT workers and update. Occupational Therapist/district nurse referrals to ICES.
8	Integrated Community Equipment (ICES) Store	Automatic request for aids to be allocated and resourced – asset management identification and notification of stock levels.
9	Consultation	Ability to record reasoning behind decision being made
10	Financial	Once decision/service provided immediate financial assessment referral. Estimated costs available on screen. Commitment accounting. Income and payment monitoring.
11	Review	Systems ability to “flag-up” reviews required
12	Adult Protection Referral	Immediate notification to Adult Protection Committee and carer. Instigation of support process for carer.
13	Adult Protection Procedure	Full process including investigation and outcome recording

SCENARIO 2: FAMILY MOVES

The Smith household is made up of 4 individuals:

Joan Smith: An OAP who is known to Social Care and currently has a mobility aid from the Integrated Community Equipment Store on loan and attends the local Alzheimer Society Day care centre.

Sarah Smith: A Single Parent on housing & council tax benefit and is in receipt of Income Support.

John Smith: A primary school age child with SEN provision including 5 hours per week help. The child has behavioural and attendance issues at school. There have also been issues around his health, as he appears to have a poor diet and a skin condition. A CAF has been completed by the SENCO and that information has been shared with Children & Young People Services by the lead professional.

Robert Smith: Sarah's pre-school nephew whom she has recently started fostering

The family decide, with the help of Home Point (Herefordshire's Partnership with 5 major Registered Social Landlords), to move from a market town into the City, with all the resultant changes in school, nursery etc., and call into the local Info Shop to register their new addresses.

Sarah is no longer able to care for Joan, who has dementia and is moving into a care home following a social care assessment, the cost of which needs to be identified. The house that the rest of the family move into is poorly insulated and needs updating. John is due an annual review of his Special Education Needs statement. The cost of these needs is required by the Director of Children and Young People's Services. Sarah will shortly be looking to apply for a school placement for Robert, his social care case records have been transferred to another team following the move to the city and the Service Manager of that team has requested projected placement costs to the year end for Robert.

How this will improve Service delivery: -

Step	Details	
1	Change of address - Info	Customer details entered just once and cascaded to all areas – Social Care, Homepoint, Revs and Benefits, Schools, Pre-placements, Electoral Registration. Additional "sales help"/signposting – Library tickets/bus pass etc/Welfare Rights (At present we would have to individually update each system this leads to inconsistent data and time lapses)
2	Adult Social care record – Joan	Initial Record set up showing Adult Social Care involvement including ICES, day centre attendance, care process, assessment, etc.
3	Adult Social Care record - Joan	Referral/Assessment/Approval of funding & allocation or selection of Care home /move/review Return of ICES (Integrated Community Equipment Store) equipment (Currently this is not linked to any system) To show workflow and document management

Step	Details	
4	Adult Social Care /Children's Service record - Sarah	<p>Identified as Carer for Joan initially then closed. Foster parent and supporting procedures for Robert. Workflow & document management.</p> <p>Support to Sarah?</p> <p>Fostering payments to Sarah?</p> <p>(Ensure support is in place for both foster carer and client which takes much longer at the moment)</p>
5	Children's Services Robert	Assessment/procedure for Fostering/reviews
6	Children's Services Record - John	<p>SEN record detailing help provided, school etc. Referral of behavioural issues etc to Children's Services, health concerns to PCT – One child one record/ Workflow and Document Management – e-CAF referral to Social Care; e-CAF populates ICS template. IS Index</p> <p>(System links to enable information sharing with partner organisations such as PCT and Education are not present at the moment)</p>
7	Strategic Housing	<p>Grant for improvements – application and administration, outputs.</p> <p>Workflow and document management</p> <p>Links with Home Point/Social Care system</p> <p>Risk of Homelessness</p>
8	Children's Services	Ability to apply online for school placement for Robert
9	Adult Social Care Costing	<p>Has the costing element of Adult Social Care been covered?</p> <p>(Cost information is not readily available to Social workers leading to potential overspend)</p>
10	Children's Services Costing	<p>Has the costing element for Children's Services been covered?</p> <p>(Cost information is not readily available to Social workers leading to potential overspend)</p>

**CONSOLIDATED REPORT ON THE
HEREFORDSHIRE CONNECTS PROGRAMME**

Report By: Director of Corporate and Customer Services

Wards Affected

County-wide

Purpose

To consider progress on the Herefordshire Connects Programme.

Financial Implications

Financial aspects of the programme have been subject to continued challenge and re-profiling over the life of the programme.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

Introduction

A detailed glossary of terms is provided in Appendix A. This may be useful in explaining some of the terminology used in this report.

The Herefordshire Connects programme comprises four phases of work to date.

The phases are:

Phase 1: Programme identification and justification

Phase 2: Selection of strategic partner

Phase 3: Defining the programme

Phase 4: Delivering the programme.

The diagram below lists the four phases of the programme as a time-line. Each phase of the programme is then discussed in detail.

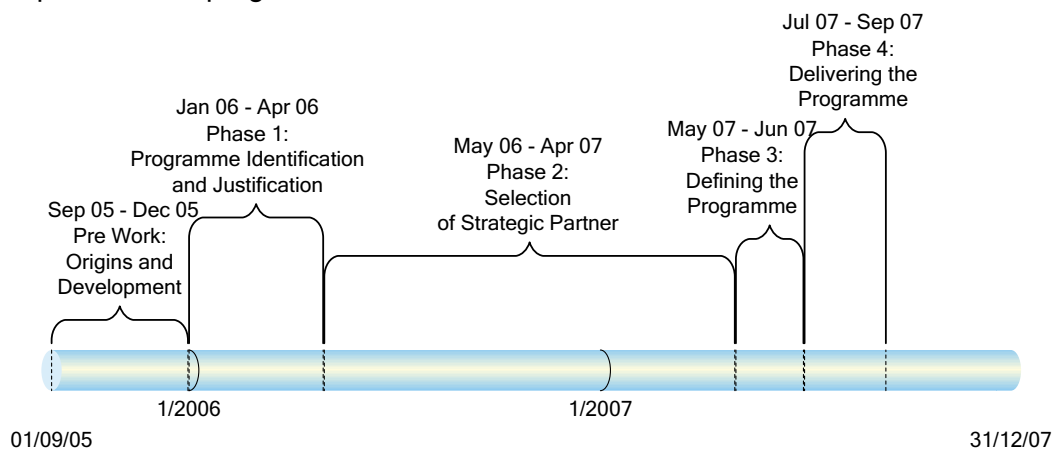


Figure 1: Overall Programme Time-line

The initial section of this report sets out the origins of the programme leading to the first phase.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

Herefordshire Connects: Origins and Development

September to December 2005

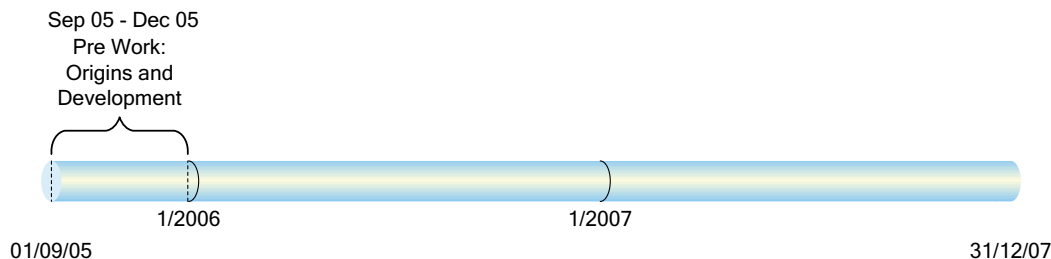


Figure 2: Programme Time-line

Origins of the Programme

1. The Council's Corporate Plan 2005-08 identified, in the following terms, the challenge facing the Council as it sought to take forward its priorities for improved services in a context of ever-tighter constraints on available resources:

"The Council faces major risks in respect of the **level of resources** available to it to provide services, the maintenance of a **balanced budget** and the **effective and efficient use of resources**.

- The UK Government is placing tight constraints on local authority spending generally, at the same time as requiring councils to take on additional responsibilities and setting more demanding service targets. These bear disproportionately on rural authorities because of the extra costs of providing services to sparse populations.
- The impact falls especially hard on Herefordshire Council, as an authority that receives a much lower than average Government grant per head of population.
- The Council will manage these risks by:

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Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

-
- continuing to make the case to Government for a fairer deal, including the full use of up-to-date Census figures in the calculation of grant
 - ensuring that, whatever the level of resources realistically likely to be available, its forward plans are affordable
 - rigorous and robust systems of internal control, including in-year financial and performance monitoring and management, and a carefully targeted audit programme
 - an accelerated major programme of efficiency savings, at least meeting the requirements of “Delivering Efficiency in Local Services”, including :
 - getting better value from the goods and services the Council procures
 - rationalising property holdings and lowering the costs of using them
 - the Service Improvement Programme (SIP), to make savings and, wherever possible, improve services to users
 - reviewing priorities and focusing resources on what's most important. This will mean reducing some services, as others grow."

In the light of this, the Plan included as its prime organisational priority:

- "To streamline its processes, assets and management structures, and **secure significant efficiency savings** in line with the Government's proposals contained in “Delivering Efficiency in Local Services” , so as to keep down Council Tax increases and invest in priority service improvements."

2. Against this background, in September 2005 the then Corporate Management Board (CMB) received a presentation from the Head of Information, Technology and Customer Services regarding potential routes for achieving a Corporate ICT Strategy that kept service users as the drivers for system development. It was highlighted that initial work had shown there were almost 100 major systems being supported, many of which were not common even within directorates. In addition there was a myriad of other systems in use across the organisation. Policy developments frequently failed to take account of ICT considerations early enough in the planning process.
3. Key to gaining service and efficiency improvements would be standardisation and centralisation where possible; ensuring effective interplay of strategies; the authority also needed to strengthen the programme/project management function, develop a strong change team and commence business process redesign work. It was also recognised that in order to achieve a strategic approach there had to be a move away from providing an individualised response to discrete needs; particularly given that 70% of existing ICT effort was given to supporting current systems.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
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-
4. Two approaches were outlined. The first 'boutique' approach centred around purchasing systems that may suit individual requirements more closely but inhibited staff flexibility because of specialised training requirements, had higher ongoing support costs because of the loss of economies of scale, and would lead to difficulties in sharing information corporately. The second 'corporate' approach involved the sharing of a smaller number of common systems. Whilst this could require a degree of compromise from individual service users and had a higher initial cost, it offered better business continuity, improved staff mobility, encouraged/enforced working together and enabled the imposition of standards.
 5. It was recommended that the authority adopt the 'corporate' approach. In order to achieve this it would be necessary to:
 - put an immediate stop on all systems procurement
 - decide what corporate systems were required
 - prioritise (resource capacity across the organisation being an issue)
 - learn from elsewhere
 - build a business case
 6. The value of the corporate approach was recognised, whilst not underestimating that it would require some hard decisions in the shorter term. CMB fully endorsed this view, acknowledging both the scale of the task and the immediate difficulties it may present. It was recognised that there may need to be some exceptions to the stop on systems procurement, and that this would involve some element of spend that in the longer term would be 'wasted'. Any exceptions would therefore need careful consideration.
 7. CMB agreed the recommendation above as well as the need for early engagement of Members in the development of this strategy, and also the need to develop effective consultation with service users. Some concern was expressed about the need to have, and disseminate quickly, a clearly understood process of how corporate systems and priorities would be identified, how exceptions to the stop on systems procurement would be agreed, and timescales for achieving the corporate strategy.

Development of the original concept

8. In October 2005 the Head of Information, Technology and Customer Services then presented a report to CMB outlining a proposed process for the development of a corporate approach to ICT across the authority.
9. Key assumptions in developing the process were that the programme would require corporate funding. Over the life of the programme, revenue streams would develop primarily from the realisation of benefit; directorates would make available appropriate project resources at the appropriate time; this would not be an ICT programme but a business one, service driven, with realistic work packages and using the best practice that exists within current applications.
10. The broad principles to be adopted were:
 - a single integrated environment
 - 'buy-in' in preference to 'build-in'
 - exploration of the potential to use or develop applicable existing corporate systems
 - enforcement of current corporate standards
 - the adoption of a phased approach
11. In discussing this, CMB recognised and endorsed the programme as one of business change and not simply an 'information technology programme'.
12. A process that involved the mapping of existing systems and business processes, together with future service requirements, to build an overall process map was outlined.
13. Key areas of directorate participation were outlined, and it was noted that each directorate needed to identify a representative who would work on this project full time, for an initial period of at least three months, but with potential for further ongoing involvement. These officers would provide the main interface with directorates, but would not be the only resource requirement – additional expertise and knowledge would need to be drawn on throughout the process. Additionally, input from finance would be required to help develop the business case.
14. In November 2005 the Director of Corporate and Customer Services reported to CMB outlining the progress made on the Corporate ICT Strategy, and the next steps in the process. It was important to note however, that delays in identifying nominees to the project team meant the project delivery date had to be set back to the middle of February.

15. The key elements of the project were listed. These were:
- a project team would be established from the directorate nominees
 - the team would start work as a team on 28th November 2005
 - some 780 existing systems had been identified at the time
 - preliminary work in identification of an appropriate procurement approach - recommendations on a framework would be made to the Herefordshire Connects Board
16. Attention was drawn to the key deliverables expected of the project. Guidance was sought on the balance to be struck between the need to complete this phase of work within 12 weeks, and the benefit of ensuring the quality and integrity of the resulting business case, which would identify both the level of investment required and the returns expected on that investment. (It was agreed that, providing the additional time required was proportionate to the gain, the quality of the business case would be the priority.)
17. The Board recognised that it was unhelpful for the project to be identified as an IT project, as the IT element was simply the tool for delivery of business support systems across the Council. From this point the programme became known as the Corporate Strategy Review.
18. The selection of an expert partner to work with the Council in defining, amongst other things, the scope, investment and business case was discussed. It was agreed, that CMB would be involved in interviewing a shortlist of prospective partners, and should interview a minimum of two.
19. At the CMB away day of 14 December 2005 three suppliers were assessed. These were Deloitte, Axon Global and LogicaCMG.
20. CMB selected Axon Global as the partner to work with the Council to formulate the strategy and business cases over a 12 week period.
21. The project team in the meantime had completed their survey of data systems, and had identified a total of 980 operational data 'systems', of which 236 were separate solutions, as opposed to spreadsheets, etc. It is worth pointing out that the complete survey of systems did take time to complete and this is why the initial figures in this report were less than 980 operational data systems.
-

Phase 1: Programme Identification and Justification

January to April 2006

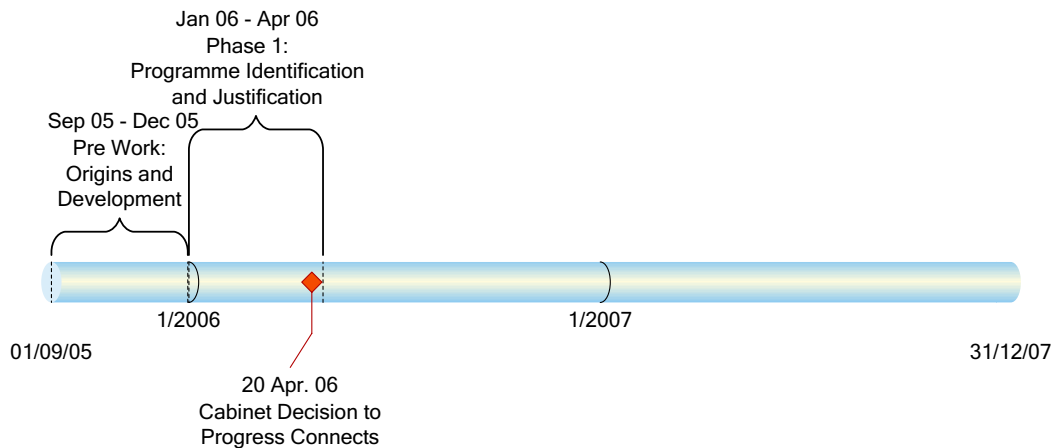


Figure 3: Programme Time-line

Axon Commencement

22. CMB met the team leads from Axon in early January 2006. Axon outlined the timetable for development of directorate Service Improvement Plans that would then inform both the transformation business case for the authority and the ICT strategy to support its implementation.
23. The context within which this development was taking place was outlined. The recently completed Corporate Performance Assessment had highlighted the fact that whilst the authority had improved its strategic planning and leadership, this was not connecting to service delivery on the ground. Financial resource was unlikely to increase in the near future. Whilst the process had arisen from a desire to develop a corporate ICT strategy; CMB had endorsed the view that this was a wider business change programme.
24. Axon was briefed on the key issues facing each directorate that were to be addressed by the programme.
25. This provided a context for the Service Improvement Plan workshops which are detailed below.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

26. At this point it may be useful to lay out the flow of products that were produced at this early stage of the programme.

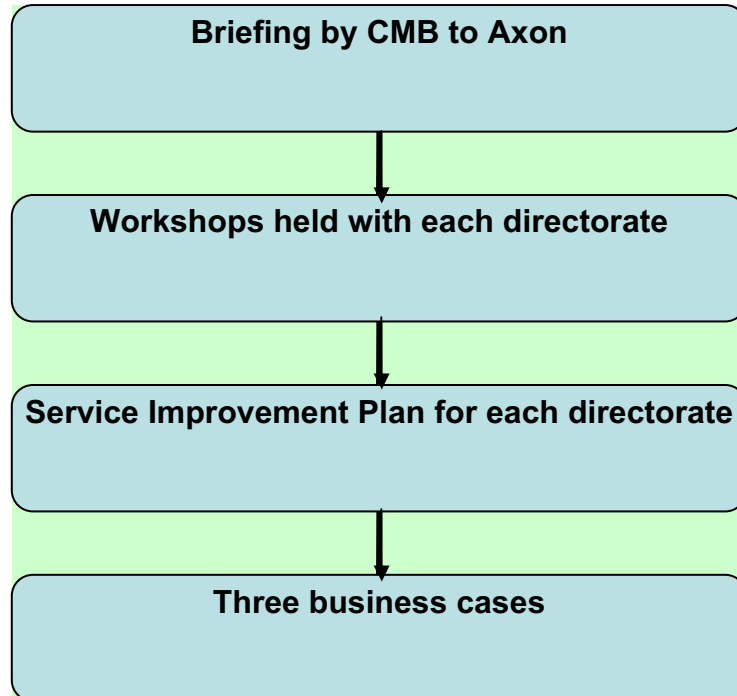


Figure 4: Key products from Phase 1

Service Improvement Plans (SIPs)

27. The first phase of work was a series of SIP workshops held with representatives of each directorate, totalling around 90 staff, representing a cross section from across the authority. This included heads of service, senior managers and front line staff. There were three sequential workshops per directorate, culminating in the production of a SIP for each directorate. These Plans were signed off by each of the directors by 3rd February 2006.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

Business Cases

28. In order to consolidate the Service Improvement Plans, the Director for Corporate and Customer Services and the Director for Resources agreed the priorities and weightings with Axon.
29. The rating criteria agreed were; return on investment, strategic value, implementation challenge, speed of delivery, project enabler and compliance.
30. The Service Improvement Plans had a large degree of crossover and common ground in their requirements.
31. Three areas were considered by CMB on 16th February 2006 as a result of the SIPs and the prioritisation of the requirements within the SIPs that had taken place. These were:
 - Back office efficiencies (finance, procurement, payroll, HR and asset management).
 - Corporate performance management, which came out strongly in all directorates workshops.
 - Front office customer services (records and document management, flexible working and electronic social care records).
32. The Service Improvement Plans were therefore pulled together into three high level business cases: -
 - Corporate Performance Management
 - Integrated Customer Services
 - Integrated Support Services
33. Within each of these business cases a number of activities were identified, along with the necessary technology to support these. The requirements for case and document management identified for both Adult Social Care and Children's Services, including the requirements under the 'Every Child Matters' agenda, were incorporated into the Integrated Customer Services business case.
34. The scope of Herefordshire Connects includes the transformation of back office services including finance, procurement, HR and payroll; the implementation of electronic social care to support the transformation of adults and children's services; property & asset management; one customer – one record and corporate performance management systems.
35. The project team, in partnership with Axon and working closely with colleagues in the directorates, examined the potential benefits, calculating how these would apply in Herefordshire and using comparisons obtained from other councils who had already implemented such systems and ways of working. There was clear evidence that other councils were already gaining significant benefits, both in terms of cash savings and improved services for citizens.

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36. The estimated costs were also calculated, along with timescales for delivery of the programme and realisation of the projected benefits, which would build up over time.

37. The three business cases were signed off by CMB on the 11th April 2006.

Talking to staff and the public

38. A key driver in this phase was engagement with staff and, crucially, the public.

39. A video survey of staff and the public, as well as a random telephone poll of Herefordshire citizens was carried out. The telephone poll informed the Council of the following:-

- They wanted to **phone the Council** (66%) if it was a simple question, for a complex question phone was still the most popular method (47%).
- Many (56%) wanted to phone the Council **outside office hours**.
- They wanted to ask a **wide variety** of questions (from adult social services to waste collection).
- Customers often wanted to ask **more than one question** at a time (64%).
- They were happy using phone technology (78% were happy to use a push button phone) but at that time did not use the web (70%).
- The authority was doing a commendable job at resolving 80% of queries **first time**.
- However 66% of those not resolved were due to **lack of information or skills**.

40. A staff competition was held to find a more suitable name for the programme. The name 'Herefordshire Connects' was chosen, as it most closely fitted the aims of the programme.

Cabinet Report April 2006

41. On the 20th April 2006 a report to Cabinet incorporating the key decision to approve progression of the Herefordshire Connects programme was presented. The report included an appendix with the following estimates from Axon regarding the costs and benefits of Herefordshire Connects.

Estimated Cash flow of Costs and Benefits – April 2006

	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	Total
Costs	£m	£m	£m	£m	£m	£m	£m
Buildings	0.35						0.35
Hardware	0.7	0.1			0.1		0.9
Software	1.45	1.4					2.85
Staffing Internal	1.45	2.45	1	0.2	0.1	0.1	5.3
External	3.95	4.85	0.4	0.2	0.02		9.42
Maintenance	0.4	0.7	0.7	0.7	0.65	0.7	3.85
Contingency	0.65	2.1	0.5	0.2	0.15		3.6
Costs sub total	8.95	11.6	2.6	1.3	1.02	0.8	26.27
Benefits							
Buildings		0.2	0.35	0.5	0.6	0.6	2.25
Software		0.2	0.2	0.2	0.2	0.2	1
External Costs	0.4	2.05	4	4.45	4.45	4.45	19.8
Staffing	0.8	3.35	6.05	6.25	6.5	6.5	29.45
Benefits sub total	1.2	5.8	10.6	11.4	11.75	11.75	52.5
Net cost or (-) Benefit	7.75	5.8	-8.0	-10.1	-10.73	-10.95	-26.23

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

42. The recommendations in this report were approved by Cabinet. The recommendations were:

“THAT Cabinet

(a) approves the Herefordshire Connects programme including the outline financial appraisal at Appendix 1;

(b) receives further updates on the Herefordshire Connects programme in due course including a more detailed financial appraisal so that changes in the approved revenue and capital spending plans can be made;

(c) approves the strategy of using the £1.928m Invest to Save budget for 2006/07 to fund additional capital financing costs and direct revenue costs resulting from the programme in 2006/07 and 2007/08; and

(d) notes the potential need to revisit the Prudential Borrowing limits for 2006/07 and beyond as a result of the additional long-term borrowing required to pay for the Herefordshire Connects programme.

(e) confirm that the governance arrangements be developed in accordance with the framework set out ”

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell,
Head of Financial Services 01432 383173

Phase 2: Selection of Strategic Partner

May 2006 to April 2007

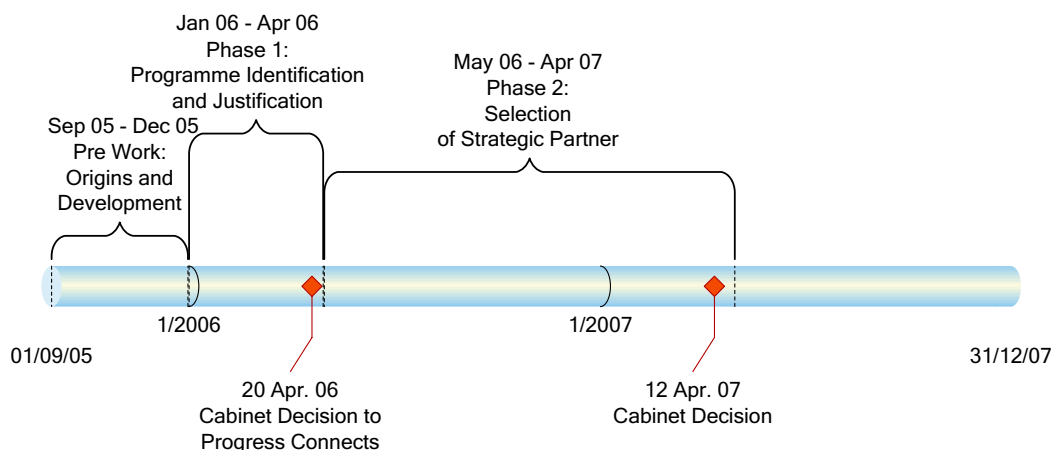


Figure 5: Programme Time-line

Procurement route.

43. Phase two of the programme comprised the choice of the strategic partner who would build on the outputs from phase 1, enabling the Council to implement the transformation programme.

44. Upwards of 40 councils were in the process of major transformation programmes. Bodies such as the Office of Government Commerce (OGC) recognise that most successful programmes require an expert external partner to facilitate the transformation. This was one of the key drivers in the OGC setting up the CATALIST procurement vehicle [CATALIST is deliberately spelt this way].

45. Given the scale of the procurement, two routes were available to the authority. These were the use of:

- Official Journal of the European Union (OJEU)
- The Office of Government Commerce CATALIST procurement.

46. The OJEU route had been the subject of certain legal challenges, which had led to the process being avoided by some public sector procurement projects as this could mean time-scales are particularly elongated.

47. The Transformation Board endorsed the decision to engage the Office of Government Commerce.

Further information on the subject of this report is available from
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48. In order to assist the public sector in selecting a strategic partner who could best meet each organisation's needs, the Office of Government Commerce (OGC) has set up the CATALIST procurement system. Under guidance from the OGC, the Council decided to use the OGC CATALIST procurement framework. This is now the leading UK Government procurement forum. It allows for a more streamlined procurement with shorter time-scales and has the benefit of a pre-agreed contractual agreement being made available to both the Council and the preferred supplier. In addition, the OGC provided support to the Council on an on-going basis and would support the Council in the event of any legal challenge. The standard CATALIST framework agreement forms the basis of the master agreement to be signed with Deloitte.
49. Once the Council had decided on a corporate approach to integration in common with other authorities, it was likely to lead to an Enterprise Resource Planning (ERP) solution.
50. ERP systems integrate the data and processes of an organisation in a unified system. A typical ERP system will use multiple components of computer software and hardware to achieve the integration. A key ingredient of most ERP systems is the use of a unified database to store data for the various system modules. With hundreds of disparate systems the Council would be in a position to extract large benefits from an ERP solution.
51. The ERP category within CATALIST was considered by the OGC to be the most appropriate for the requirements of Herefordshire Connects programme.
52. The choice of ERP solutions available in the market place was and still is limited. This is a result of the complex requirements that can only be met by a handful of integrated solutions and is also a reflection on the degree of consolidation that has taken place in the market place amongst suppliers in the last five years.
53. The main ERP alternatives available, with a successful track record in local government, were solutions from SAP, Oracle and Agresso.
54. The major challenge stemmed from the need to configure the ERP to meet the requirements of a broader transformation programme. This is why the overwhelming majority of authorities undertaking such transformation activities work with an implementation partner.
55. At the time of issuing the invitation to quote (ITQ), there were 15 suppliers listed within this category in the OGC CATALIST framework. This included leading names such as BT, Electronic Data Systems Ltd, Hewlett Packard Ltd, and IBM through to consultancies such as Deloitte, CAP Gemini and LogicaCMG as well as managed service providers such as Serco.

Further information on the subject of this report is available from
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-
56. Working within the CATALIST process, the selection for the preferred supplier was carried out over two rounds.
57. Guidance was sought from OGC throughout the process to ensure that the programme adhered to the correct protocols. The OGC has subsequently indicated that they would be keen to use the Herefordshire Connects procurement as an exemplar case study for CATALIST.
-

Further information on the subject of this report is available from
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Round 1 (Invitation to Quote)

58. The procurement was made up of:
- Round 1: Invitation to quote (six questions) (October to November)
 - Round 2: Invitation to tender (November to March)
59. The Council invited each supplier within this group to a supplier day held on 27th September 2006. Twelve suppliers attended this event. The Leader of the Council opened the supplier day. Group Leaders were invited and a number of other Members also attended. This day was used as an opportunity to present background information on the programme and to provide information about the Council. Presentations were made by each of the directors as well as a number of senior managers from across the authority. In line with OGC guidance, further communications with the suppliers was controlled via a dedicated telephone hotline and email address and any answers to questions from one supplier were provided to each of the rest.
60. Communications with suppliers throughout both rounds were logged and recorded.
61. Round 1 of the OGC CATALIST process comprised sending the invitation to quote (ITQ) to the twelve suppliers who attended the supplier open day. A copy of the presentations from the supplier open day was also sent to the suppliers.
62. Of the twelve suppliers, nine responded to the ITQ. This was described as a 'healthy' response by the OGC.
63. The suppliers, in their responses, presented background to their companies, their customers and the other suppliers with whom they operated as partners. They provided the detail of their experience in the areas of interest to the Connects programme.
64. The six questions which were asked in the ITQ covered:-
- evidence of ability to deliver [the transformation],
 - working in a strategic partnership,
 - implementation experience,
 - experience in realising benefits,
 - scalability and flexibility,
 - change management.
65. There was a heavier weighting attached to change management and experience in delivering benefit savings with customers.

-
66. Each response was then scored by the Connects team and a specialist from ICT assessed the submissions from the viewpoint of six key areas. They scored for evidence of the supplier's implementation experience, including their approach, procedures and methodology. Discussions focussed on the suppliers' ability, as well as their capacity, to deliver a large-scale transformation programme. Emphasis was placed on their understanding of Herefordshire's needs. The methodology for implementing and managing successful change programmes including innovative communications techniques, training and management structures was a key factor. Each supplier's experience in identifying and managing benefits arising from such programmes was also assessed.
67. A Herefordshire Connects observer panel invigilated both the pre-scoring meetings and the scoring day itself. The observer panel comprised the Head of Legal and Democratic Services, the Head of Financial Services (representing the Section 151 Officer), the Principal Audit Manager and the Herefordshire Connects Programme Manager.
68. All scores were counted by two separate teams, from both Connects and Audit, in order to ensure accuracy. This approach to counting was also adopted during round two.
69. Whilst the choice of technology was not a consideration, it is worth noting that at this stage, eight of the nine of the suppliers pointed to SAP as a possible technology base. Deloitte remained 'agnostic' at this point between SAP and Oracle. All submissions clearly stressed that the technology was only part of the solution. It was an enabler but it was not the transformation in itself. Greater emphasis was placed on change management and leading behavioural and cultural change.
70. The results of this round led to the selection of four suppliers to go forward to the invitation to tender process. The final ranking for round one, was as follows:

1st Deloitte
2nd Serco
3rd Hedra
4th LogicaCMG

71. The Herefordshire Connects Programme Board approved the top four suppliers to progress to the next round. Hedra subsequently advised the Council that they wished to withdraw, citing internal resource constraints as a reason.
-

Round 2 - Invitation to Tender (ITT)

72. Over 150 staff from across the Council, contributed, reviewed and helped to compile the ITT. The Herefordshire Connects Programme Board agreed the areas of the ITT to be scored and their respective weightings.
73. A key part of the ITT was the functional requirements specification document. This was a comprehensive set of corporate requirements that ran to something approaching 700 points. Each directorate contributed their requirements and these were then collated by the Connects team. The requirements were devised from the Service Improvement Plans (SIPs) and the business cases.
74. The functional requirements were then reviewed and revised by each directorate. Staff that had developed the original SIPs were reconvened for this review.
75. The issue of the ITT was delayed by three weeks in order to ensure that the document was reviewed by as many staff as possible and was as comprehensive as possible. Particular emphasis was placed on making sure that key requirements had not been missed. The document was also checked to ensure that any terminology used was industry-wide and not specific to any one supplier.
76. A number of other councils have subsequently asked to use the Connects functional requirements document as a basis for the selection of a strategic partner in their particular transformation programmes.
77. The ITT was issued on 11th December 2006. The ITT was sent with a comprehensive set of supporting documents.
78. The responses to the ITT were received and opened in line with applicable Council procedures on 15th January. In total the Council received some 2500 pages.
79. The three remaining suppliers, having reviewed the ITT and the supporting information, recommended the ERP solution from SAP as the technology solution.
80. As a result an exception report was raised on 23rd January 2007 by the Programme Manager for the attention of the Herefordshire Connects Programme Board.
81. The purpose of this exception was to advise the Board of the requests received from all three suppliers and their chosen technology partner to make changes to the arrangements in respect of the workplace scenario demonstrations.

82. At this meeting, the Herefordshire Connects Programme Board agreed that staff should meet each supplier over three separate days. There would also need to be separate sessions with SAP and staff in order to demonstrate the SAP solution against the work place scenarios which formed part of the ITT and are covered in detail below.

83. Each area of the ITT that was scored is shown below, demonstrating the subdivision of certain elements of the scoring and how they were weighted. In the diagram, by way of an example, change management is expanded to show that 12 questions were asked in this area and the specific aspects of change management that were questioned are shown starting with the methodology that each supplier would use. In order to further assess expertise in change management, suppliers were also asked to detail how they facilitated effective change in organisations whilst implementing a corporate document management system; how, for example, they led the changes needed in order to improve performance management and the realisation of benefits with their customers.

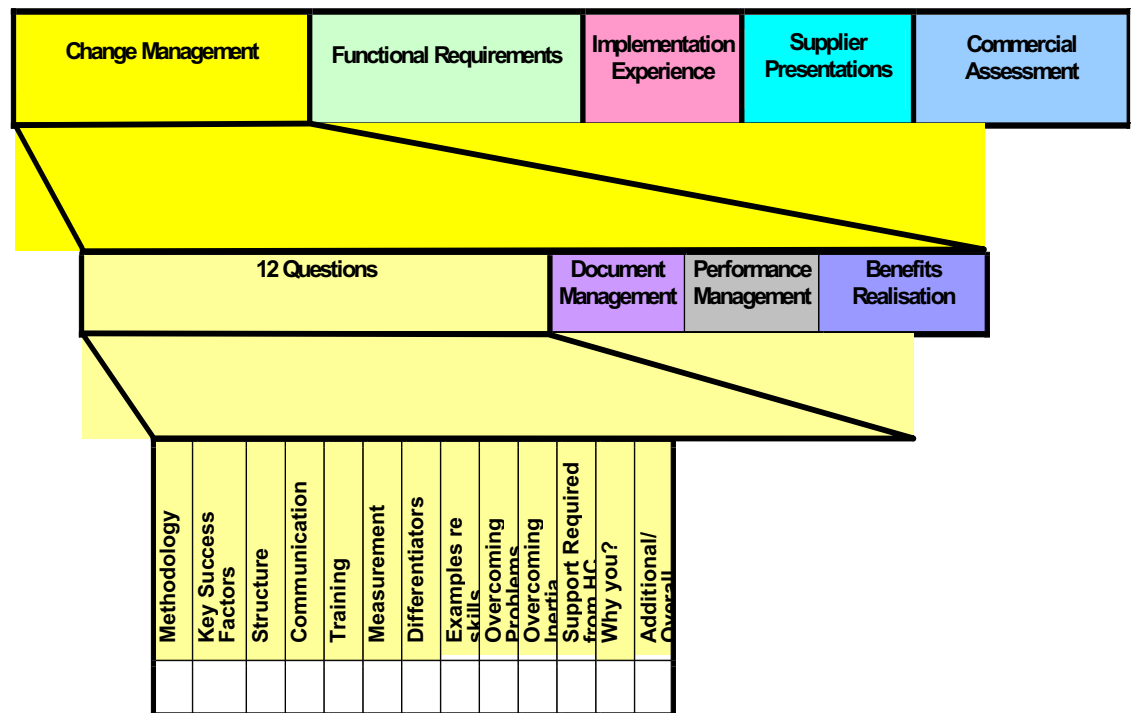


Figure 6: Areas scored on responses to ITT

Further information on the subject of this report is available from
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84. A number of workshops were run with all staff involved with the scoring in order to provide training in terms of processes to be followed. Panel members from the Herefordshire Connects observer group were present at all meetings, workshops and scoring days. The workshops stressed the need to use the full range of scores available and to ensure that wherever possible questions asked of one supplier were asked of all three. In addition a mock 'Response to Invitation to Tender (ITT)' was developed and scored as part of the training.
85. The ITT responses were reviewed and scored by over 50 staff from across the authority.
86. Over 60 members of staff from across the Council met with all three suppliers.
87. In summary, the schedule of events, for this round, was as follows:

Date (2007)	Event
15 th Jan	ITT responses received
22 nd Jan	Change management scoring
31 st Jan/1 st Feb	Technical demonstration from SAP
2 nd Feb	Deloitte presentation
5 th Feb	LogicaCMG presentation
6 th Feb	SERCO presentation
7 th /8 th Feb	Technical demonstration from SAP
9 th /13 th Feb	Functional requirements scoring
14 th Feb	Implementation experience scoring
22 nd Feb	Presentation on initial results to CMB
7 th Mar	Presentation of results to Members Reference Group
22 nd Mar	Completion of commercial assessment
27 th Mar	CMB agree choice of preferred supplier
29 th Mar	Presentation of initial results at Members seminar
10 th April	Cabinet decision on recommended supplier

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-
88. Over 100,000 scores were counted from the scorers. In addition several thousand comments were assessed, in order to
- gauge 'common themes'
 - allow for scorers to explain the scores that they awarded
89. Scorers initialled each page of each scorecard and the scorecard was then signed by each scorer and counter-signed by a member of the Herefordshire Connects observer team.
90. Two separate teams collated the scores to ensure correctness.
91. The commercial assessment took just under five weeks to complete. This assessment included the sending of a commercial assessment template to all three suppliers. This was done to ensure that each supplier could provide proposed programme costs and forecasted programme savings that could be compared, as far as possible, on a like-for-like basis. This approach and assessment was then independently ratified by CAPITA plc.
92. Each of the suppliers was given four real world 'work-place scenarios'. These represented a cross-section of areas of challenge to the organisation at present. It was essential to ensure that any technological solution could not only meet the requirements in each of these areas but also that this solution could be demonstrated to a scoring panel. It was vital that this was done from an integrated 'single system' perspective.
- The first scenario was concerned with testing the multi-agency social care environment, using 'Maud' as our example. Maud spends time at home, in hospital and a care home, receiving services and assessments from various agencies including the hospital social care team, Meals on Wheels, British Red Cross, social workers & the Community Equipment Store. The scenario was designed to test the communications, automatic referrals, asset management, finance & planning capabilities of the technology.
 - The second scenario on asset management required the supplier to demonstrate how the system would handle a workload typical of that of a highways inspector and a member of property services. The scenario started with a member of the public emailing the Council with a request to look at a building where a tank was leaking. An inspector went out to view the site and en route saw racist graffiti and a dangerous lighting column, which they needed to record and put into the system for immediate attention by HJS. The system had to handle records of the asset inspected (the tank) so the staff member could look at these on site, record the defect and the work needed and be warned if there were any issues relating to the asset e.g. asbestos on site. The system had to handle costing the work and "work flow" handing the work on, recording when it was completed and whether it was in budget.

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- The 'family moves' scenario covers issues concerning the breaking down of barriers between Council departments, enabling the citizen to be served more effectively at critical points of contact with the Council. It covers improved ways of working within Adult and Community Services and across Children's Services, with relevant information being shared across Revenues and Benefits, Adult Social Care, Strategic Housing, Education and Children's Social Care and partners such as the Primary Care Trust.
- The final real-world scenario looked at the life cycle of an employee of Herefordshire Council – from online application through appointment and set up on HR and payroll systems, to self management of training, leave and sickness recording. Integrated and automatic payroll, union & pension calculations were required to be demonstrated as part of the solution.

93. CMB met all three suppliers on 15th March 2007. This was to allow CMB to cover some of the aspects of the proposals that needed clarification as well as ask a number of questions. In particular there were discussions on change management, clarification of aspects of the commercial proposals, Governance and all three suppliers were updated on the Public Service Trust (PST).

94. Performance in each area for each supplier was as follows (respective weightings are in brackets)

Area of ITT with respective rank in each area	Deloitte	LogicaCMG	Serco
Change Management (30%)	1 st	3 rd	2 nd
Functional Requirements (25%)	2 nd	3 rd	1 st
Implementation Experience (10%)	1 st	3 rd	2 nd
Supplier presentations (15%)	2 nd	3 rd	1 st
Commercial assessment (20%)	1 st	3 rd	2 nd

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95. Overall Performance for round 2 was:

1st Deloitte

2nd Serco

3rd LogicaCMG

96. On March 29th, a detailed presentation was made at a Members seminar which explained in some detail the procurement process adopted and provided more details on the programme as a whole.

97. Cabinet approved the selection of Deloitte as preferred supplier and for the programme to progress on that basis on 12th April 2007. The recommendations endorsed by Cabinet were:

“THAT (a) Cabinet endorses the recommendation of Corporate Management Board that Deloitte be confirmed as the preferred supplier, with SERCO as reserve;

(b) Cabinet agrees that the Director of Corporate and Customer Services conducts negotiations with the preferred supplier, supported by the Director of Resources and the Head of Legal and Democratic Services bringing back a further report to Cabinet on the outcome of those negotiations; and

(c) Cabinet notes the recommendations made by the Audit Commission in its report ‘Herefordshire Connects’, and agrees the actions proposed in response.”

Phase 3: Defining the Programme

May 2007 to July 2007

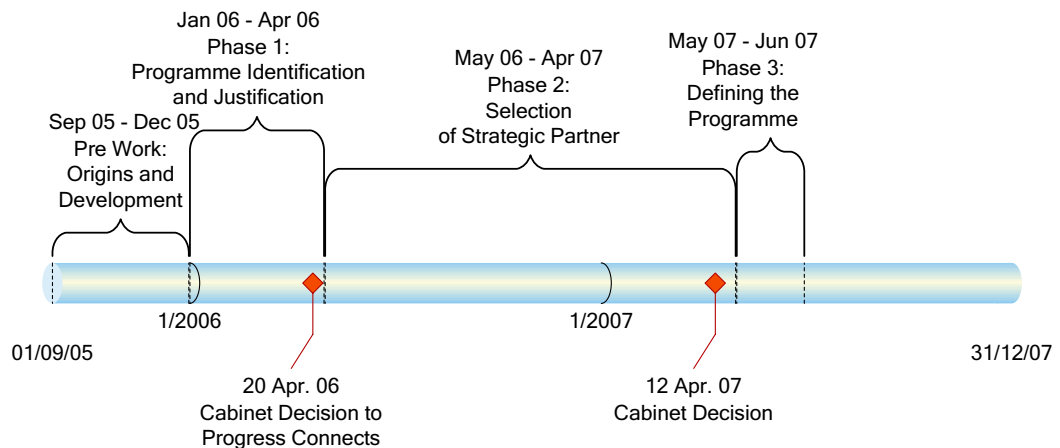


Figure 7: Programme Time-line

98. Deloitte started to work with Council on the programme on 23rd April 2007.

99. Phase three of the programme was called programme definition. The objectives for this phase were:

- Conduct a review of the three business cases to ensure that they were a robust set for phase 4
- Conduct a benefit review in line with the report to Cabinet and define and prioritise the requirements for phase 4
- Conduct a review of the proposed technology solution
- Complete the programme definition documentation for phase 4
- Get sign off for the programme documentation for phase 4 including detailed plans
- Ensure that contractual agreements were completed
- Ensure all documentation was signed off and audit ready
- Conduct weekly programme review meetings with Deloitte

All of the objectives were completed on time, apart from agreement on contractual arrangements with Deloitte which were carried over to the next phase.

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Site visits.

100. Five site visits were completed during this phase, involving approximately 40 staff. Three of the visits had been to assess the technology with an emphasis on social care and performance management. Two visits focussed on Deloitte and shared services. The visits which focussed on Deloitte were useful in demonstrating successful working partnerships between Deloitte and their customers.
101. All feedback from the site visits was collated in a standard way to ensure consistency.
102. The site visit to Staffordshire was to assess the SAP Social Care solution. It proved particularly informative as it highlighted to staff the risks associated with being an early adopter of SAP Social Care. SAP Social Care is a relatively new addition to the broader SAP ERP solution
103. The site visits were in addition to visits made to Waltham Forest, the Vale of Glamorgan, Buckinghamshire Council and a second visit to Surrey by CMB members and the PST Project Director.

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Programme Governance.

104. A model for governance was designed and agreed by CMB. The diagram below sets out the arrangements.

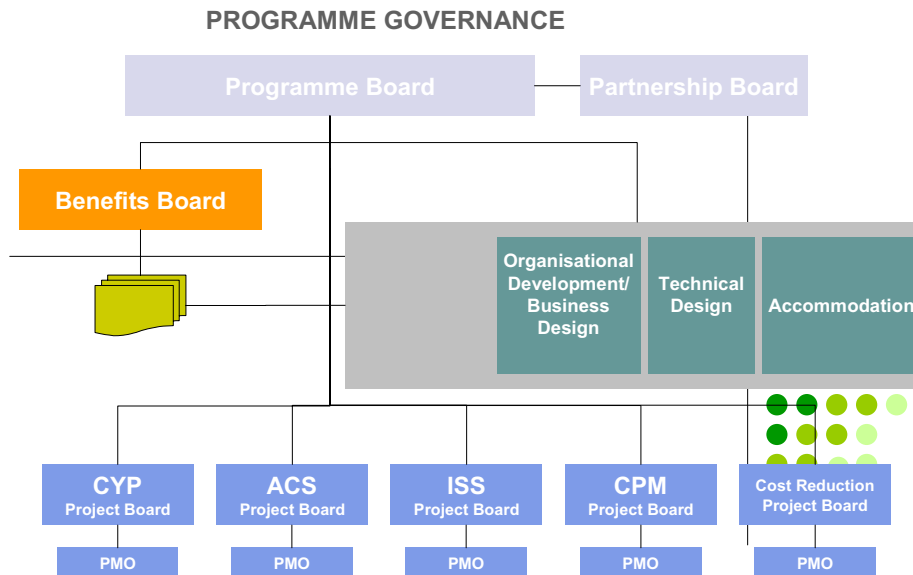


Figure 8: Programme Governance

105. Key points are listed below:

- The Programme Board's role was fulfilled by CMB. This single Transformation Board with a number of project boards reporting to it (Children, Adults, Shared Services, Performance Management and Customer Services).
- Three bodies provided support, the Programme Management Office (linking Herefordshire Connects and the Corporate Programmes team, which provides corporate project management resources), organisational development, and the Technical Design Authority (which incorporated IPG and the Security Forum). Accommodation issues could either form an additional group, or fit within organisational development.
- A separate body would oversee the benefits process providing ongoing challenge. This could be based on the existing group led by the Head of Financial Services but with additional service representation.

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-
- A Herefordshire Council/Deloitte Partnership Board (consisting of the existing liaison group) would meet quarterly. Union representation could be invited to attend part of these Partnership Board meetings.
 - The Audit Commission was invited to attend the Partnership Board meetings if it was felt appropriate to do so.
106. The Members Reference Group, made up of the Leader, Cabinet Member for Resources and Cabinet Member for Corporate and Customer Services and Human Resources, received regular updates on progress.
107. A Members seminar was held on 18th May 2007 which enabled returning Members to receive an update on the programme, and new members to receive an induction to the aims and discuss the programme with the programme team.
108. Work packages: eight work packages (programmes of work) were agreed. These were:
- i. Programme and change management
 - ii. Integrated support services (ISS)
 - iii. Children's services
 - iv. Adult services
 - v. Corporate performance management
 - vi. Technology
 - vii. Hardware
 - viii. Cost reduction
109. The purpose of the work packages was primarily to assist in detailing schedules of work that would take place. Each work package was to form an addendum to the master agreement with Deloitte.
110. Some of the work packages would be projects, others such as programme and change management would inevitably cut across the programme and support the various projects.

-
111. The next section lays out in more detail one of the work packages, ISS. This is because this part of the programme is expected to deliver the largest share of benefit savings.
 112. A synopsis of the other work packages is listed in the appendices.

Integrated Support Services (ISS) – the Integrated Service Centre Model

113. The (ISS) work package is focussed upon delivering an integrated service centre to support Herefordshire Council's back office operations across finance, procurement, HR and payroll. This then became the ISS project.
114. This project was subsequently placed on hold as part of the strategic pause in September 2007.
115. The main driver for this project was that there would be a single primary source for all data, which would enable:
 - i. Single keying of common data.
 - ii. Standardised and streamlined administration processes.
 - iii. Reduced manual effort.
 - iv. Minimised potential for human error.
 - v. Reduced number of interfaces required to other line of business and legacy systems.
 - vi. Reporting based on a single version of the truth.

116. The diagram below depicts a possible blueprint vision of a future ISS

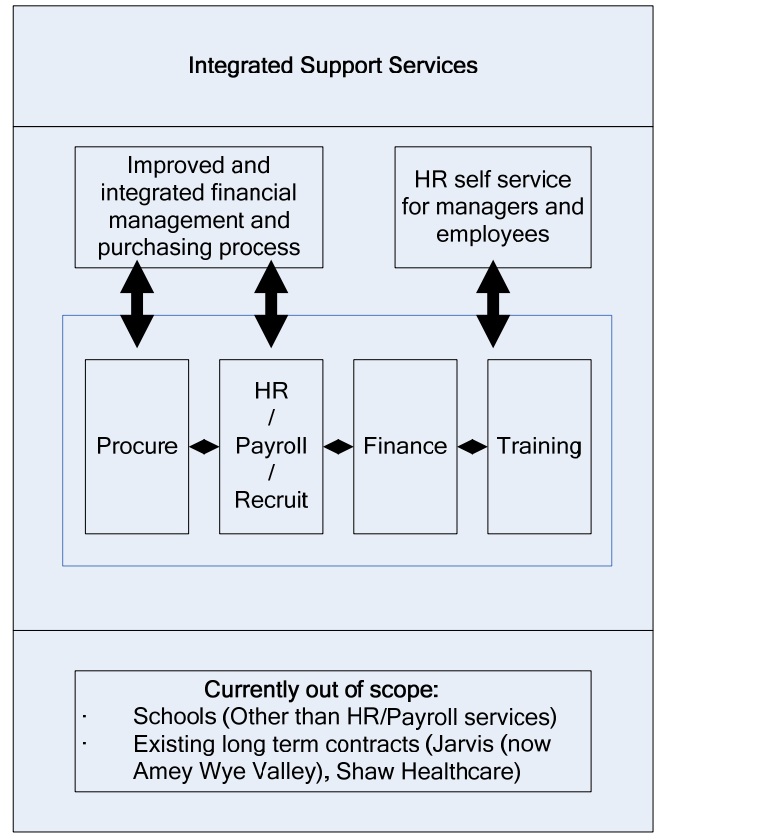


Figure 9: A possible ISS model for Herefordshire Council

Further information on the subject of this report is available from
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Review of Benefits and the business case

- 118 Paragraph 52 of the Cabinet paper of 20th April 2006 stated that the cost and benefit profiles may change as the phasing of the programme progressed.
- 119 In line with industry best practice, large scale projects and programmes are encouraged to review at the end of each phase the very basis upon which the programmes and projects have been initiated; that is their business case. This discipline whilst challenging, allows for a continuous assessment to take place to ensure that programmes are successful. The original business case for Herefordshire Connects was based on a number of cost savings being driven out of the Council; however, this work took place in January 2006. In order to gauge whether these savings were still accurate and the Council could still indeed deliver on these, each benefit line was investigated in order to refine the figures to ensure that the figures were robust, “bankable” and up-to-date.
- 120 Over four weeks, the Herefordshire Connects Core Team and Deloitte ran a number of workshops to complete this. This work was then presented to the Head of Financial Services and the Strategic Procurement and Efficiency Review Manager. After several presentations the figures were approved by the Head of Financial Services. Capita plc were involved and added another layer of ratification.
121. The financial context of the programme is a key element of the overall project. In order to gain a full understanding of the position it is worth restating that the initial level of investment needed along with potential financial return was given to Cabinet on 20th April 2006. This helped inform the decision to proceed to the next stage of the programme. The outline business case of the programme was the result of work commissioned by the Council from Axon Group plc.
122. The initial financial model for the Herefordshire Connects programme was built into the draft Medium Term Financial Management Strategy (MTFMS) 2007-2010 prepared in July 2006. In the absence of any further information on savings to update the programme’s figures and to allow for slippage in the project it was agreed that financial cover the 2007/08 “cashable” benefits would be provided by a series of one-off measures covering a twelve month period and these are now in place.
123. The work to validate the original cashable benefits and investment requirements took place over several weeks and saw the original data subject to detailed review and challenge. Close working between the Herefordshire Connects Core Team and Deloitte provided a new level of detail and increased certainty about the underlying data generating the cashable benefits. The process included a series of meetings with the Head of Financial Services to challenge and validate the position. As a result of this work the investment required to deliver Herefordshire Connects along with the cashable benefits was amended.

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124. The 2007/08 budget includes £1.96m for Herefordshire Connects. In addition there is £574k in the Herefordshire Connects reserve and £122k carried forward from 2006/07. Therefore the overall available funding in 2007/08 is £2.656m. While the programme is on “strategic pause” there can be no certainty that we can capitalise costs and as a result all expenditure is currently treated as revenue. If the programme proceeds costs will be capitalised where appropriate. As of November 2007 there was an estimated underspend of £328k against the revenue funding total of £2.656m.
125. The original work produced by Axon Group plc was notable for the speed at which the level of cashable savings would be available. This point was confirmed by Capita plc. The overall total of £39.55m of savings in the lifetime of the MTFMS (2007-2010) is viewed by Capita plc as being at the upper end of what is achievable. The subsequent work revised the figures to an overall total of £18.556m between 2008 and 2011, with year on year savings beyond the life of the MTFMS.
126. In addition to the cashable savings, non-cashable benefits totalling £5.1m per year, of which £4.1m are from the corporate performance management workstream have also been identified.

127. The following table shows the overall cost of the programme up to 2013/14. The capital costs are shown separately and the revenue costs cover the cost of servicing the loan for the capital items and the day to day running costs of the programme. The costs include the Core Logic system for Social Care.

Herefordshire Connects Cash Expenditure Summary

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Total £000
Capital Cash Expenditure	944.0	7,475.1	1,406.3	-	-	-	-	9,825.4
Capital Financing Costs - Interest	21.2	370.4	357.9	269.5	181.0	92.6	12.7	1,305.3
Revenue Cash Expenditure	2,308.8	1,486.8	1,237.7	576.4	576.4	154.0	154.0	6,494.1
TOTAL	3,274.0	9,332.3	3,001.9	845.9	757.4	246.6	166.7	17,624.8

The above table shows that the overall cost over seven years is £17.6 m. Seven years have been shown as this is the timeframe to complete the payment of the capital items.

The work to validate the benefits confirmed that they were at the upper end of what is achievable. The review produced savings figures that were built into the Council's MTFMS.

The updated savings were as follows:

	£m per annum
2008/09	3.025
2009/10	7.537
2010/11	7.994
TOTAL	<u>18.556</u>

The savings are anticipated to remain at a level of £7.994m thereafter.

Further information on the subject of this report is available from
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Options appraisal

127. Given the gap between expectations in the medium term plan and the current position it is right to examine whether there are alternative options for delivering the programme to improve the contribution by increasing benefits and/or reducing costs.
128. To reduce the costs within the programme two key options were considered and a report was presented to Members Reference Group. The options were:
- i. Option A: reduced or no external support
 - ii. Option B: changing the technology base
129. It was highlighted that the continued use of an expert external partner was essential to deliver the programme. In addition, a further technical appraisal was undertaken looking at the technology base and this paper was endorsed by Cabinet on 11th October 2007. It recommended the continued use of SAP as the technology base for the core ERP systems. Whilst there would be a cost saving in using the Council's existing finance system (Cedar) as the technology base, it was anticipated that there would be a reduction in the level of benefits accrued which would offset this. This report was drawn up in consultation with Capita plc.

Re-phasing of the Programme [July 2007]

130. This was an additional piece of work undertaken by the Connects team.
131. As a result of cost pressures on the programme, stemming from the overall financial situation, a number of changes to the programme phasing were put in place:
- iii. The corporate performance management systems would be delayed until 2009/10. One member of the Core Team would, however, continue to work with the Head of Policy & Performance on embedding the disciplines around this.
 - iv. The SAP Social Care solution would not be procured. The highest cost alternative solution had been assumed although a review of the most suitable solution would be carried out by the Connects team as part of the design phase over the next few months.
 - v. Some aspects of the integrated customer services work would start in 2009/10, later than originally planned.
132. Assumptions had also been made about charging to capital some of the programme costs and the use of Prudential Borrowing to fund these over 5 years with interest only being charged in year one.

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Phase 4: Delivering the Programme

Mid-July 2007 to September 2007

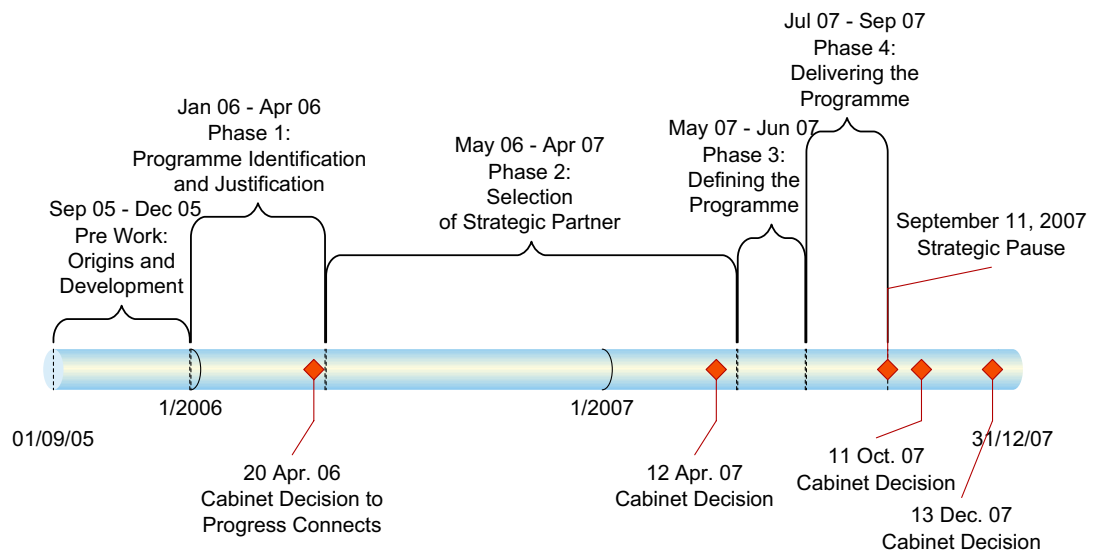


Figure 10: Programme Time-line

133. Under the auspices of an interim services agreement which was signed with Deloitte, the programme commenced in earnest in July 2007.
134. In line with the work packages listed previously a number of projects were started.
135. Up until the point where a master agreement could be signed with Deloitte an interim services agreement was used and extended to cover each month of work.
136. This arrangement continued up until the programme was placed on strategic pause in September 2007.

Further information on the subject of this report is available from Akif Kazi, Herefordshire Connects Programme Manager 01432 261550 or David Powell, Head of Financial Services 01432 383173

137. The diagram below shows the programme reporting structure

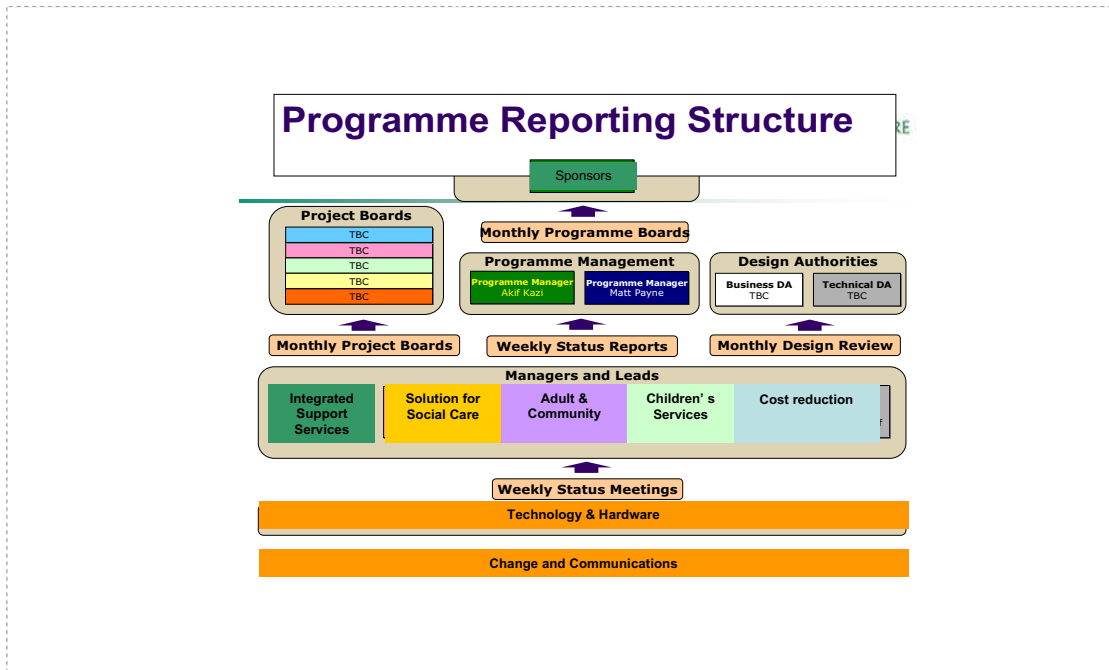


Figure 11: Programme Reporting Structure

138. Individual projects are considered in the appendices.
139. In addition there are projects in the area of social care provision and a paper to implement a new solution for social care was considered by Cabinet on December 13th.
140. The work started to identify further opportunities for cost reduction. This work has identified real opportunities for savings to be made which are built into the re-working of the MTFMS.
141. Procedures and processes were set up to facilitate the programme including developing an “e-room” to allow all programme information to be seen and shared by all members of the programme team; monitoring board meetings were held on a regular basis and communications across the Council were successfully implemented to ensure the programme was progressing with involvement of all areas.

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142. The following was delivered by the programme from this work: -

- A high level design for integrated support services (for an integrated solution for finance, procurement, human resources and payroll)
 - A target operating model for delivering services to children and young people
 - A target operating model for adult social care
 - Selection of a new system for social care for both adults and children
 - Supplier spend analysis of council procurement to target delivery of spend savings and support development of the procurement team
 - Integrated programme plan with milestones, timescales, roles and responsibilities, operational issue and risk registers ensuring co-ordinated and structured programme management and monitoring
 - Programme quality plan
 - Programme change strategy and change plan
 - Programme communications strategy and communications plan
 - Project plans in line with Council project management methodology
 - Project initiation documents
-

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Strategic Pause

September 2007

143. Key projects were placed on a strategic pause on September 11th 2007.
144. The Chief Executive wrote to the Members Reference Group and the Directors for Resources and Corporate and Customer Services on 12th September. He listed the reasons for placing the programme on strategic pause. The main reasons were:
- vi. The absence of the ability to progress the decision on the technology platform
 - vii. The inability to bring a recommendation to Cabinet in relation to the completion of a master agreement with Deloitte
 - viii. The overall financial situation
145. An additional consideration is that many of the Council's existing key systems are past their 'shelf life', are now unsupported and many have been operational for over a decade. It was anticipated that Herefordshire Connects would replace many of these systems. By not progressing Herefordshire Connects, systems are stretched and need to be replaced as a matter of urgency.
146. Herefordshire Connects is primarily focused on changing the way people work and the tools they use to carry out their duties, therefore, it does not impact or influence heavily the accommodation strategy, i.e. where people work. Although the accommodation strategy is not directly impacted by the Connects programme, Connects, by consolidating business applications and improving processes, will facilitate some elements of the accommodation strategy. For example, making it easier for people to work flexibly.
147. CMB agreed in January 2008 that the financial resource model to be used for budget setting should include a 'ring-fenced' modernisation fund using any resources available after the Council has set its final budget.

APPENDIX A: GLOSSARY:

Glossary of Terms associated with the Herefordshire Connects Programme

Term	Abbreviation	Definition
Back Office		Sir Peter Gershon's review of efficiency identified 'back office functions' as one of six main areas where the public sector could achieve efficiency savings. The Gershon report defined back office services as: "finance, human resources, information technology support, procurement services, legal services, facilities management, travel services, marketing and communications".
Benefits Benefits Realisation		<p>Benefits are the positive gains of completing a project and can be cashable and non-cashable. Non-cashable benefits won't provide a direct budget reduction, but, for example, free up staff time for higher value activity. An example of a cashable benefit would be the reduced need for administrative staff to manually enter data / invoices etc, where a computerised system is put in place. Benefits of this kind are only cashable if there is a will to <i>realise</i> them, i.e. in this case reduce staff numbers.</p> <p>There are also non-financial, intangible benefits which are difficult to quantify. For example increased customer satisfaction, better reputation, lower council tax etc.</p> <p>The benefit is generally attributed to the Council overall rather than a specific work area (e.g. the reduction of a post in one directorate might not be seen as a "benefit" to that directorate but it will be a reduction in cost or a better use of resources to the Council overall)</p>
Benefits Line by Line		<p>In drawing up the Herefordshire Connects business case, savings (benefits) were identified and costed. Each benefit was classified and given a value. E.g. – with an integrated computerised solution you can calculate;</p> <ul style="list-style-type: none"> a) the time savings of not having to manually enter data b) the cost savings of not maintaining multiple systems c) the efficiency gains from having up to date, readily available information <p>Each line of benefit is added to provide the overall financial benefit of making the investment.</p> <p>There are over 50 lines of benefits in the Connects business case which have been ratified by Capita.</p>

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Term	Abbreviation	Definition
Boutique Solution		Specialist computer systems designed around a specific work area (e.g. a highways and transportation finance system; a property asset management system). Each one needs specialist training and support. These systems are not integrated so information sharing tends to be more difficult and cumbersome. Herefordshire Council has up to now used this approach for ICT development.
Build in (technology)		To build a computer system using in-house resources and expertise. Generally more flexible but more costly to support and develop and needs special training. Relies heavily on key individuals to maintain and train.
Buy in (technology)		To buy a computer system, usually with maintenance, support and the ability to upgrade.
Business Case Herefordshire Connects business cases		A document which describes the justification for setting up and continuing a programme or project. The business case shows why a programme is needed; what happens if nothing is done and the cost and benefits of various options. These consist of the directorate specific Service Improvement Plans (SIPS). For Herefordshire Connects these were consolidated into three Council business cases (Integrated Customer Services, Integrated Support Services & Corporate Performance Management)
Business Continuity		Keeping the day to day work activities on-going during periods of major change (e.g. introducing a new computer system)
Business Process Mapping	BPM	Recording all the activities undertaken to perform a specific piece of work (e.g. purchasing a product) in the order they are undertaken and by whom. Analysing this flow of work and reorganising it to ensure the activity is undertaken in the most effective and efficient manner and recording the new recommended work flow. Such in-depth analysis of an organisation's activities often shows up weaknesses in current ways of working and quality of delivery of service. Once the "best" workflow is written down, ensuring that the computerised system supports this often leads to further efficiency savings.
Capita plc		Capita plc is one of the UK's leading business process outsourcing (BPO) and professional services companies.
Capital		Financial term to identify expenditure on any asset valued over £10,000 and with a life span of more than one year.

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Term	Abbreviation	Definition
Capitalised / Capitalisation		Accounting principle describing a process which allows capital expenditure to be spread over the lifetime of a project or asset or over five years, whichever is shorter. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 state that expenditure incurred on the acquisition or preparation of a computer program can be capitalised. This has been reviewed and confirmed by Capita. 80% of Connects costs can be capitalised.
Champion		A role identified to promote a new direction, methodology or working method across an organisation.
Change Management		For any change in ways of working and organisational behaviour to be made and sustained the changes required have to be carefully planned and implemented to yield positive results. This requires timely and appropriate interventions to ensure active management and staff engagement with the programme; to ensure that employee transition from the old to the new organisation is professionally and sensitively handled; that managers are supported and enabled to realise and sustain programme benefits and the required training is managed and co-ordinated
Commercial Assessment		Analysing in detail the received tenders for a programme of work, together with all the other implications; legal, value for money etc, from a company or firm of consultants in order to chose a partner to work with.
2007 Comprehensive Spending Review	CSR07	Central government directive to local government, building on and further embedding a culture of innovation and focus on value for money initiated under the Gershon efficiency agenda
Configure		Major computer systems (e.g. integrated human resources / payroll) are written to reflect the most efficient/optimal processes to perform a particular task. Organisations generally want to work in a slightly different way to this optimum. The essence of these major systems can be adapted to meet this requirement without changing the basic programme – this is configuring a system. Using the best experts to configure your systems is critical to the long term efficiency and flexibility of the organisation's work. The cost of this work is a balance between choosing a boutique solution or a corporate solution.

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Term	Abbreviation	Definition
Corporate ICT Strategy 2007 - 2011		Herefordshire Councils ICT strategy document, detailing ICT present and future service provision, initiatives, developments and benefits.
Corporate Management Board	CMB	Herefordshire Council executive management team, authorising strategic decisions for the Council. Membership: Chief Executive and Directors, plus the Head of Human Resources.
Corporate Solution NB – Corporate in this context refers to organisation wide, rather than private sector business.		Specialist computer systems designed for corporate wide functionality (e.g. finance; pay roll; asset management). They can be used across the organisation and information shared and training and support is standardised. They may lack specific functionality for a particular work area (e.g. a facility to cost the maintenance of a street light) but this reduction of specific functionality is outweighed by the benefits to the organisation as a whole. See ERP
Corporate Strategy Review		The 'old' name given to what is now called Herefordshire Connects.
Cost reduction programme		A programme of work which analyses activities undertaken with a view to decreasing costs of delivery.
Customer		A customer is defined as an individual or group of individuals or a business or partner who interacts with the Council. Often also referred to as citizens and / or service users. Customers can also be internal. Every employee is a customer of payroll and HR, all services are customers of ICT etc.
Customer Focussed Services		Council services that are integrated, responsive and cost effective, concentrating on meeting the needs of customers, increasing customer satisfaction, solving customers problems, involving customers in service delivery and improvement, and encouraging and welcoming customer feedback.
Customer Relationship Management System One-customer, one record	CRM	CRM is the <i>single</i> system / database in which <i>all</i> customer contacts will be logged, processed and managed. Further functions of this technology are scripts which allow generalist staff to directly answer a high number of generic customer enquiries. This is called first-line resolution
Database		A computer database is a structured collection of records or data that is stored in a computer system so that a computer program or person using a query language can consult it to answer queries. The term <i>database</i> refers to the collection of related records, and the software should be referred to as the database management system or DBMS.

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<p>Document Management /</p> <p>Electronic Document and Records Management System</p>	<p>DM</p> <p>EDRMS</p>	<p>Document Management is concerned with the storage and retrieval of documents. In a large organisation there will usually be many different types of document. Some may exist on paper only and others may be stored in an electronically readable format.</p> <p>The system will allow for the scanning, processing, storage and easy retrieval of documents on-line.</p>
<p>Electronic Social Care Record</p>	<p>ESCR</p>	<p>Social care departments are required to undertake a revolution in information management practices. The Department of Health's mandate for better information management sets clear strategic goals. ESCR brings together all the relevant information for a service user in one place. The challenge is that the information is currently held in multiple formats and in many different stores. The information must be stored securely, but be accessible when required. The chosen social care ICT solution will enable the implementation of ESCR.</p>
<p>Enterprise Resource Planning</p>	<p>ERP</p>	<p>The fundamental principle that underpins ERP is the idea of a single data repository, which represents all of the business information the organisation collects to carry out its business, whether financial, production related, human resources, or whatever. This eliminates the need to transfer information from one system to another, and ensures that any piece of information known to the organisation is simultaneously available to any worker who has the need and authority to access that data.</p> <p>Through analysis of the business and available technology, Herefordshire Connects has proposed to use SAP ERP which will combine the current numerous systems we currently use for Finance, Human Resources and Payroll into one.</p>
<p>ERP Solutions</p>		<p>Within Local Government, three of the main suppliers of ERP products are listed here.</p> <p>Oracle Corporation is one of the major companies developing database management systems (DBMS), tools for database development, middle-tier software, enterprise resource planning software (ERP), customer relationship management software (CRM) and supply chain management (SCM) software.</p> <p>SAP is the world's largest business software company. SAP focuses on six industry sectors: process industries, discrete industries, consumer</p>

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		<p>industries, service industries, financial services, and public services. It offers more than 25 industry solution portfolios for large enterprises and more than 550 micro-vertical solutions for midsize companies and small businesses.. SAP's products focus on Enterprise Resource Planning (ERP), which it helped to pioneer. The company's main product is SAP ERP.</p> <p>Unit 4 Agresso is a Dutch provider of Enterprise Resource Planning (ERP) applications. Unit 4 Agresso develops, implements and sells several ERP packages, including the full-suite ERP solution.</p>
Every Child Matters agenda		<p><i>Every Child Matters: Change for Children</i> sets out the national framework for local change programmes to build services around the needs of children and young people so that we maximise opportunity and minimise risk; By working together and by sharing information across all the key organisations involved with providing services to children, all children and young people from birth to age 19 will receive the support they need to be healthy, stay safe, enjoy and achieve; make a positive contribution; achieve economic well being.</p>
Flexible Working		<p>Flexible working incorporates a wide variety of working practices. A flexible working arrangement can be any working pattern other than the normal working pattern in an organisation. Most people are familiar with working part-time for reduced pay or working different shift patterns, but other ways of working that employees may consider include; annualised hours, compressed hours, flexitime, home working, job-sharing, shift working, staggered hours and term-time working.</p>
Front Office		<p>Effectively any and all services directly provided to the customer; such as the Info shops; highways operatives; social workers, refuse collection, benefits etc.</p> <p>Herefordshire Connects aims to shift resources from back office functions to improving front line service delivery.</p>
Functional Requirements (FRS)		<p>The line by line detail of what a business requires from a computerised solution to handle its business requirements. Herefordshire Connects has over 600 requirements in its FRS.</p>
Herefordshire Connects		<p><i>Herefordshire Connects</i> is the name (chosen by staff) for the most ambitious programme of work that the Council has proposed. A corporate wide transformation programme aiming to bring benefits and service improvements in the areas of integrated support services (back office); integrated customer services (front office) and performance</p>

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		<p>management.</p> <p>It is a “transformation” programme as the intention is to make changes which “transform” how the Council provides its services. Enabled by a significant investment in computerised information, technology systems, it will facilitate different, more efficient and effective provision of services to the Council’s customers. It is a “transformation” programme because the changes it proposes are to be made in a short time frame not incremental improvements but, managed and fast changes, driven by the needs of the customers. The programme is predicted to facilitate savings of approximately £8 million <i>cashable per annum</i>. The Council’s current financial situation re-enforces the need for the programme and also Connects will act as an enabler for closer working within the proposed PST. The programme covers the following functional work areas:- flexible/remote/ mobile/ smarter working; finance and budgeting; procurement; property & asset management; performance management; electronic document & records management solution (including workflow) (EDRMS);electronic social care record (ESCR); one customer, one record; HR/payroll/self service; training/e-learning</p>
Information, Communication Technology	ICT	<p>Council service supporting computer users providing a variety of services to help the business maximise its use of information technology. Provides technical advice and procurement services.</p>
Information Policy Group	IPG	<p>Herefordshire Council board for approving decisions for information technology related matters.</p>
Interface		<p>An interface defines the communication boundary between two entities, such as a two software applications or between software and a hardware device, or between the application and a user. Because interfaces are a form of indirection i.e. there is a “joining” rather than a “connection” there is some additional overhead incurred in performance.</p> <p>Interfaces between different software applications can have major ramifications - sometimes disastrous ones - for functionality and stability. A key principle of software design is to prohibit access to all resources by default, allowing access only through well-defined entry points, i.e. interfaces.</p>
Integration		<p>System integration is the bringing together of the component subsystems into one system and ensuring that the subsystems function together as</p>

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		one system. This is the reasoning behind ERP, where the finance, payroll and HR functions are one integrated system, rather than 3 or more interfaced systems.
Invitation to Quote	ITQ	Both the invitation to quote and the invitation to tender include a detailed specification of the goods or services to be supplied. The supplier is required to indicate its level of compliance against each individual item. The supplier is also required to complete a cost template confirming the costs.
Invitation to Tender	ITT	
Milestone		A time based control that record a due date for actions, decisions, deliverables, stage management control point or other key date. Normally used to measure progress.
Multi-agency social care environment		Multi agency assessments and reviews consider <i>all</i> the needs of a person rather than focussing on a specific need or service. An integrated social care and healthcare information system will enable a shared healthcare and social plan to follow a person as they move through the system.
Office of Government Commerce Framework Agreements CATALIST	OGC	The Office of Government Commerce (OGC) is an office of HM Treasury, responsible for improving value for money by driving up standards and capability in procurement, from commodities buying to the delivery of major capital projects. Through schemes and initiatives such as Framework Agreements and CATALIST rigorous tendering and evaluation processes ensure that products and services are checked for quality, price competitiveness, fitness for purpose and compliance with statutory requirements. OGC has asked to use the Herefordshire Connects procurement as an exemplar case study.
Partner/Strategic Implementation Partner		The company that the Council has agreed to work with to undertake Herefordshire Connects.
(Corporate) Performance Management	CPM	Herefordshire Council has no technology to support its performance management framework, resulting in late / incomplete performance reports, duplication and confusion over figures. The Connects CPM project objective is to procure and implement a software package to enable the use of real-time, accurate data, to host service plans and monitor progress against actions, to allow the sharing of data between partners for LAA performance management.
Phased Approach		A term used to describe breaking down a project into phases. Such an approach allows better control of activities and monitoring of quality of the project. It can also be applied to benefits and investment from and into the project.

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Programme		A large scale area of work, often involving a corporate wide approach and made up of a number of integrated <i>projects</i>
Project		A temporary organisation which is created for the purpose of delivering one or more business products according to a specified business case.
Project Board	PB	The Project Board provides the where senior management representatives of the customer and supplier come together to make decisions and commitments to the project.
Project Initiation Document	PID	A document the purpose of which is to bring together the key information needed to start the project on a sound basis; and to convey that information to all concerned with the project.
Project Management		Using a multi-disciplinary team built up of staff from all parts of the organisation with external members where necessary, and undertaking work using a project methodology such as PRINCE 2. Managing work undertaken in a structured and methodical way and monitoring activities to ensure completion to a stated objective and within given timescale
Realising Benefits		Having identified the benefits (the saving of resources) these need to be moved from their current budget line to ensure that savings are actually made. So if by introducing a new computer system only two officers rather than the current four are needed to do the same work then the staff complement for the relevant work area needs to be reduced, the budget cut and the staff members supported to move to another position. Only then are the anticipated/projected benefits "realised".
Remote working		This is the accessibility and availability of information from remote locations such as mobile vans, home, and other professional establishments such as the PCT. Mobile working has been demonstrated in the Connects procurement process, and the preferred technologies support mobile working in such areas as social care, homelessness, highways etc.
Revenue		Ordinary (non-capital) spend by the authority i.e. spend comes from current operational budgets
Scope		A term used to explain what will and won't be covered by the project, determining what is "in" or "out" of scope
Self management / self management		Refers to employees being able to carry out functions such as booking leave and sickness, requesting training etc through their computers rather than completing paper forms and handing them to people to process.
Service Improvement Plans	SIPs	In the first phase of Herefordshire Connects each directorate carried out service improvement

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		workshops, from which each directorate produced a SIP, including a summary of key projects the directorate would undertake in the next 5 years as well as the associated costs and benefits. All SIPs contained common themes, those of front office service delivery, back office support, and performance management. These themes were then pulled together into three <i>corporate</i> business plans (<i>see business plans</i>).
Shared Services Shared Service Centre Transactional		Shared Services is the integration and streamlining of an organisation's functions to ensure that they deliver the services required of them as effectively and efficiently as possible. This often involves centralising back office functions such as HR, payroll and finance but can also be applied to the middle or front offices. A key advantage of this convergence is that it enables the appreciation of economies of scale within the function and can enable multi function working (e.g. linking HR and Finance together, where there is the potential to create synergies). A large scale cultural and process transformation is a key component of a move to Shared Services often including reductions in posts and changes of work practices. Shared Services are more than just centralisation or consolidation of similar activities in one location. Shared Services can mean running these service activities like a business and delivering services to internal customers at a cost, quality and timeliness that is competitive with alternatives. Many local authorities have taken this approach to realise very significant cash savings. Surrey, an award winning shared service centre, has contributed to £39m in efficiency savings for the local authority.
Single Integrated Environment		A term used to describe a position where the organisation's information is held in one computerised system. This would allow complete flexibility for sharing, updating and combining different sets of information and would offer definitive "one version of the truth" in terms of the organisation's data sets. Given the very wide range of activities that the Council undertakes such an environment is not easily achievable so a principle of reducing to as few and as well integrated systems as possible is the ideal objective in the current climate.
Stage		A division of a project for management purposes.
Strategic approach		A corporate, organisational approach
Systems		Refers mainly to computer applications used to hold key data for the organisation. In the council key

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		data is held in various databases or spreadsheets across the organisation. This leads to several sets of the same data being held and thus no surety of the accuracy of each data set; duplication of entry into different data sets. An organisation ideally should have as few separated data sets as possible, which means as few computerised applications available to users.
Target Operating Model		Target Operating Models set out how organisations, or parts of organisations, should operate differently in the future. The design of a TOM is an important stage in a transformation journey. It needs to show <u>how</u> a high level vision and strategy should be put into operation
Work Packages		Detailed description of the work needed to be carried out to accomplish the work of a project or programme

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APPENDIX B: INDIVIDUAL PROJECT REPORTS

Project:	Integrated Support Services
Status:	RED [stopped]
Project aims:	<ul style="list-style-type: none"> Integrating the 'back-office' systems and streamlining finance, human resources, payroll and procurement procedures from end to end; supported by ERP technology. Strategically improving procurement Deloitte have recommended and can deliver a model based on the Surrey Shared Services centre
Benefits:	<ul style="list-style-type: none"> Current, reduced scope £5.3m cashable p.a. including procurement savings Professional support organisation with 'golden rules' Robust and transparent management and control

Project:	Data Management / Technology Integration (TI)
Status:	AMBER
Project aims:	<ul style="list-style-type: none"> To deliver as clean and accurate set of data as possible from the existing systems into the chosen solutions Deliver data for social care, HR, payroll, finance and procurement on time
Benefits:	<ul style="list-style-type: none"> To enable the council to make timely and critical decision based on accurate data

Project:	Corporate/LAA Performance Management (CPM)
Status:	RED [Stopped]
Project aims:	<ul style="list-style-type: none"> Design, selection and procurement of a software solution used for performance reporting Design of data warehouse – (SAP Business Warehouse) Assessing & Co-ordinating reporting needs across Connects projects and beyond
Benefits:	<ul style="list-style-type: none"> £4,367,975 (95% non-cashable) Greatest change enabler for Connects programme (& wider council) The lack of corporate performance management module will mean increased difficulty in delivering the Audit Commissions report 'Managing performance management' which focussed on joint planning and performance management across the county to one common high-level model The transition from CPA to CAA necessitates the need for performance reporting and monitoring across strategic partners

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Work stream:	Change Management
Status:	Amber
Work stream aims:	<ul style="list-style-type: none"> To make timely and appropriate interventions to ensure active management and staff engagement with the programme; to ensure that employee transition from the old to the new organisation is professionally and sensitively handled; that managers are supported and enabled to realise and sustain programme benefits and the required training is managed and coordinated. To design an organisational structure to facilitate an integrated support services centre.
Benefits:	<ul style="list-style-type: none"> The desired change is well managed and sustained through timely engagement with the programme by staff and managers. That management and staff are confident with the changed organisation and processes and understand the reason for change; that the transition adheres to the organisation's guiding principles and legal requirements. An organisational structure which facilitates the changes required.

Project:	Adult Social Care / Children & Young People
Status:	Selection complete
Project aims:	<ul style="list-style-type: none"> Procurement and implementation of Social Care System
Benefits:	<ul style="list-style-type: none"> £925,000 pa - benefits in Social Care System business case

Project:	Target Operating Model for Older people and People with Learning Disabilities
Status:	Complete
Project aims:	<ul style="list-style-type: none"> To develop an approach and methodology of working within Adult Social Care Develop the Strategy for the Transformation of Adults Social Care. This will include the imperative for change and key performance indicators Design of a future model of operating for care and assessments to deliver quality outcomes Contribute to the development of the Technical and Application Architecture for Adults Services

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Project:	Target Operating Model for Children & Young People's Directorate
Status:	Complete
Project aims:	
	<ul style="list-style-type: none">▪ To develop an approach and methodology of working within Children & Young Peoples Directorate▪ Develop the Strategy for the Transformation of Children's Services. This will include the imperative for change and key performance indicators;▪ Design of a Joint Commissioning function for Children's Trust covering scope, structure and competencies.

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Social Care Solution Selection – Strategic Monitoring Committee Management Summary

Background

1. This report has been produced to provide responses to the items raised as part of the notification of call-in of the Herefordshire Connects programme update presented to Cabinet on the 13th of December 2007 and also to provide additional information on potential impacts to the Council following a delay in the start of the project.
2. As stated in Legal Agreement section of the Cabinet report of the 13th of December 2007, in order to progress the implementation of the new social care solution it will be necessary to sign the framework agreement with Deloitte. This in no way binds Herefordshire Council to the totality of the Herefordshire Connects programme.

Social Care Solution Selection Chronology

3. SAP's social care system was identified on the basis that it would provide 'seamless' integration with financial processes such as billing, payments, commitment accounting etc. Following site visits to authorities using the SAP Social Care solution and the decision to consider other lower cost vendors with greater track record Deloitte recommended four products for consideration. There are very few software solutions operating within the social care systems market that have the Department for Children, Schools and Families (DFCS) Integrated Children's System (ICS) accreditation. Additionally, some of these systems are ruled out on the basis that they only cater for Children's Social Care requirements and the Council requires a solution for both Children and Young People (CYP) and Adult Social Care.
4. A detailed chronology covering the process to select the social care solution can be found in Appendix A. The process followed is covered in detail in the Cabinet report dated 13th December 2007 under the 'Selection Process' section.

Potential Impacts to the Council if not progressed.

5. One of the objectives of the ICS, set by the DCSF (formerly the Department for Education and Skills), was for all authorities to have a fully operational ICT system for ICS in place by 1st January 2007. This has not been achieved by the Council and as a consequence has had an impact on the perception of the Council by the DCSF regarding ICS functionality and on the funding available to the Council for ICS (as discussed in paragraph 6 below). A letter was sent from the DCSF (Jeanette Pugh – Director, Safeguarding Group) dated 23rd October 2007 to Sharon Menghini (Director of Children's Services) highlighting the concerns of the DCSF regarding the progress of ICS in Herefordshire and seeking clarification on a number of points. The response to the DCSF advised of the position and implementation timescales at that time and reaffirmed our commitment to the implementation of ICS. Due to the further delays with the decision to progress the new social care solution the implementation timescales have again been changed and the DCSF have been advised accordingly. A copy of the letter from DCSF and the response provided can be found in Appendix B of this document.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550, Derek Forknall, Project
Manager 01432 383438 or David Powell, Head of Financial Services 01432 383173

6. Grant funding of £43k was received from the DCSF for the financial year 2005/2006 for the implementation of ICS. The implementation of ICS was not progressed during this period due to the ongoing work developing the Herefordshire Connects programme as the ICS was covered as part of the programme. Therefore the grant was carried forward to the 2006/2007 tax year and subsequently the 2007/2008 tax year. As the Council had not implemented the first phase of the ICS functionality, as defined by the DCSF, it was not eligible for a further grant of £21k for the 2007/2008 financial year to be used for the implementation of Phase 1b ICS functionality.
7. The Council has now been advised by the DCSF that the initial grant of £43k must be repaid if it is not spent on ICS related work by the end of the current tax year.
8. Further grants for ICS are expected to be available from the DCSF for 2008/09 tax year, however it is expected that the Council's eligibility for these grants will be dependant on the plans and progress with the implementation of ICS. Meetings were scheduled with the DCSF for mid-January 2008 to review the detailed project plans for the implementation of ICS functionality as part of the new social care solution. Due to the further delay to the start of the project these meetings have been rescheduled.
9. It is important to note that the Council's performance in Adult Social Care is currently relatively weak. The latest performance assessment by the Commission for Social Care Inspection (CSCI) rated Herefordshire's Social Care services as one star - 'adequate with uncertain prospects for improvement'. The new social care solution is an essential element of the Council's proposals to drive improvement in Adult Social Care.
10. The Council has made repeated commitments to CSCI that a replacement system will be in place during 2008. The following statement was included in CSCI's annual performance assessment of social care services for adults for Herefordshire for 2006/07: "The Council are also implementing a Council wide business transformation programme, supported by a new ICT system with Adult Social Care being the priority for the first phase of implementation. The system will be chosen in 2007 and implemented during 2008 and is significant in improving business processes and delivering the Electronic Social Care Record (ESCR) requirements. The Council have stated that improvements in Adult Social Care are a top priority for the Council".
11. On the basis of this statement CSCI identified implementation of this new solution as one of the key strengths in relation to the Council's leadership of the service.
12. CSCI have sought and received reassurances at the most recent meeting in December that the new system is still on course to be delivered during 2008. A failure to deliver the new system during 2008 is likely to create a loss of confidence by CSCI in the Council's ability to drive much needed improvement in Adult Social Care and will prejudice the Council's prospects for securing an improved assessment rating by CSCI for 2007/08.

13. Both adult and children's social care ratings would be impacted by a failure to implement this system. Despite progress being made in overall council improvement, any reduction in social care ratings would also adversely impact the corporate assessment rating.

Information Requested (as per Notification of call-in)

14. *Call-In Item 2: The Cabinet Report Agenda Item 5 titled Herefordshire Connects programme update is not as such an update to The Connects programme but is in fact a request for authorisation to proceed with an acquisition and should be titled as such.*
15. *Response:* It is accepted that the title of the Cabinet report does not adequately reflect the nature of the report. The title of the Cabinet report should have been extended to include the following sub-heading:
16. Authorisation for the Implementation of the new Social Care System
17. *Call-In Item 3: The Decision is listed as non urgent yet the section in the report titled risk (which should presumably read Risk Management) mentions a Key Risk of 'external funding may be lost if the start date is delayed.'*
18. *Response:* The risk section should have been titled 'Risk Management'
19. The point raised around the decision being listed as non urgent is related to Call-In Item 2 addressed in paragraph 15.
20. *Call-In Item 4: The first Key Risk listed is unclear.*
21. *Response:* The wording of the risk and associated mitigation action should have been as follows:
22. Risk: Any further delay in implementing the social care solution will adversely affect the ability of the Council to meet its obligations to provide a new solution for social care within the timescales already provided to the DCSF and CSCI.
23. Mitigation: The DCSF and CSCI to be kept updated with any revised timescales and to be involved in reviewing the detailed project plans produced, when available. Resources from Deloitte, Corelogic and the Council will be ready to start the implementation as soon as approval is given.
24. *Call-In Item 7: The Report leaves the question of actual accommodation location and Network Capability open & with unquantified costings.*
25. *Response:* As part of further investigations completed into the network capability at the Bath Street offices a series of additional network load tests were conducted. The tests proved to be successful and there is sufficient network capacity at Bath Street to accommodate the new social care solution. The specific issue of accommodation related to this implementation does not arise and social care staff at Bath Street will be able to use the system.
26. Further details of the tests completed can be found in Appendix C.

27. *Call-In Item 8: the Financial Considerations section in the report indicates 'capital expenditure has been spread over 5 years yet the Summary of Costs only covers a 3 year period.*

Call-In Item 9: Capital Financing Cost boxes are listed within the Annual Revenue chart but not entered & the difference of £640k between the original Agenda Report & the subsequent Report figures requires an explanation

28. *Response:* The difference between the table in the original report and the subsequent version arises because the first table shows the entries (including interest) that will be shown in the accounts. This is the generally accepted accounting treatment under capital accounting requirements. In effect the information in the first report shows the accounting entries to be spread over the life of the capital asset created. The second table shows the effect on the authority's cash flow of the project's expenditure.
29. The second table shows the 'cash' leaving the authority to acquire the capital asset at the beginning of its life. It then separately shows the interest payments to service the borrowing required to acquire the capital asset. The revised table shows the position over the lifetime of the Medium Term Financial Management Strategy (up to 2010/11) but if the next 3 financial years (up to 2013/14) were included in the revised table, thus bringing it into line with the first table, the two tables balance, subject to a small adjustment in 2013/14 for licence costs and the refresh of PC's.
30. In summary the original table was incorrectly included having been created to establish the accounting entries but the revised table presents information in a format used to establish costs and also monitor budgets. The revised table's information is in line with how capital programmes are monitored and reported via the Integrated Performance Report (IPR) and a copy is included on the next page. Additionally backfilling costs of £196,000 are included and this is discussed in paragraph 33.

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital Cash Expenditure							
Hardware	80.0						80.0
Implementation	491.0	407.0					898.0
License	373.0	66.0					439.0
PC Refresh		35.0					35.0
Capital Cash Expenditure Total	944.0	508.0					1,452.0
Revenue Expenditure							
<u>Capital Financing Costs - Interest</u>							
Hardware	1.8	2.9	2.2	1.4	0.7		9.0
Implementation	11.1	36.2	27.5	19.4	11.4	3.3	108.8
License	8.4	16.0	12.3	8.3	4.4	0.4	49.7
PC Refresh		1.6	1.3	1.0	0.6	0.3	4.7
<u>Revenue Cash Expenditure</u>							
Change	99.0	268.0					367.0
Maintenance	39.0	154.0	154.0	154.0	154.0	154.0	809.0
Backfilling	196.0						196.0
Revenue Expenditure Total	355.2	478.7	197.2	184.1	171.1	158.0	1,544.3
TOTAL	1,299.2	986.7	197.2	184.1	171.1	158.0	2,996.3

31. *Call-In Item 10: No costs are estimated to cover possible 'backfilling of Social Workers duties to support the system's implementation' or staff relocation or system relocation if accommodation leases expire or potential 'add on' fees or VAT.*
32. *Response: The Cabinet report states that "In 2007/08 and 2008/09 there may be some additional internal costs if social workers are required to support the system's implementation. If their posts are backfilled there will be a cost but this is already part of the overall Connects funding built into the current MTFMS".*

33. Following initial discussions with representatives of both the Children and Young People's and Adult and Community directorates the costs related to the backfilling of social workers, or any other resources required to work on the implementation project, is estimated as being £196k (as shown in the amended table above). This would provide backfilling for a team manager, senior practitioner and social worker for each directorate. Processes are being put in place whereby each directorate will be required to provide details of the backfill requirements resulting from resources being seconded onto the project. This process will be moderated by the Herefordshire Connects programme board. This will enable the process and associated costs to be monitored effectively.
34. It is not intended that the relocation of Council staff or other systems to be required as a direct result of this project and therefore costs relating to any such relocation will not be incurred by this project.
35. From information provided via the Herefordshire Council accommodation strategy it has been confirmed that no building leases are due to expire during 2008 and therefore this will not have an impact on this project. The lease for Thorn Office Centre is due to expire in 2009 and the Plough Lane lease December 2010. The understanding is that any subsequent costs associated with relocating staff or systems would be covered as part of the accommodation strategy and not this project.
36. By adopting a fixed price approach for this project the risk of incurring additional 'add-on' fees is greatly reduced. Additionally work has been completed to clearly understand, define and agree the scope of the work to be completed as part of the project. Therefore the likelihood of 'scope creep', which would also result in additional 'add-on' fees, is also reduced.
37. It is, however, important to understand that in order to take maximum advantage of the fixed price contract the Council will need to ensure that Council staff resources identified by our partner to deliver the project in the defined timescales are made available and committed to the project. Discussions have already taken place with senior officers from both the Children and Young People's and Adult and Community directorates regarding the resources required by the project.
38. The cost of VAT on the various aspects included in the financial considerations section of the Cabinet report is not included, in line with standard reporting practice, as the VAT will be claimed back by the Council.
39. *Call-In Item 12: No understandable details are offered under Option 'B' within the Reported Alternative Options.*
40. *Response:* The details provided in Option 'B' should have provided further information on this option to further clarify the reasons why it was not seen to be the most suitable option for the Council. Further detail is included below.

41. The implementation of the new social care solution was also offered as a time and materials (T&M) option by Deloitte, with the cost of this option being £65k lower than the fixed price option. Whilst the T&M option offers the advantage of being a lower initial capital cost there is a significant risk that the overall project costs will increase.
42. If the T&M option was adopted by the Council any additional work incurred on the project, even if related to areas included in the scope of the project, would incur an additional cost. With the fixed price option additional costs would only be incurred if the scope of the project changed (which would be subject to approval by the Project Board) or if the Council did not provide the resources required by the project in line with an agreed project plan.
43. As work has been completed with Deloitte to clearly understand, define and agree the scope of the work to be completed on the project it is recommended that the time and materials option is not pursued and that the project is moved forward on a fixed price basis.
44. *Call-In Item 13: Data security or transfer arrangement details and compatibility to current systems (if retention considered) could not be found within the report.*
45. *Response:* The arrangement to transfer the data from the existing social care applications (including CLIX) is the responsibility of Herefordshire Council. A Data Migration Team is in place within the overall Herefordshire Connects programme and it is tasked with handling all of the electronic data migration and information transfer issues for the overall programme, which includes the implementation of the new social care solution.
46. In accordance with the recently achieved ISO27001 accreditation (Information Security Management System Specification Standard) a process is in place for gaining access to the existing data sources. This involves obtaining written permission from either the head of service responsible for the data or the director of the directorate involved. At no point will data be copied to mobile storage media (including laptop computers hard drives, CDs or DVDs) and all data will remain on the Council's secure network.
47. The team that will be responsible for transferring the data from the current systems to the new system have signed non-disclosure agreements as required by the Council's Information Security & Data Centre Manager and will also be subject to Criminal Record Bureau (CRB) checks. Additionally internal audit has been consulted regarding access to the data and how the extracted data can be ratified as matching the data that comes from the source systems to ensure data quality is maintained.
48. Technical compatibility to the new system involves the data being extracted, reformatted as required and then copied into the new system. The preferred supplier of the new social care solution (Corelogic) partners selected by the Council to provide the new system have experience working with the existing Council systems from their work with Worcestershire County Council.

Additional Information: Change Management Role

49. As part of the proposal for the implementation of the new social care solution Deloitte has identified a requirement for a Change Management consultant to be involved with the project on a full-time basis for the entire project duration along with some senior expertise on a part-time basis (in total this equates to a cost of £367k).
50. These roles will contribute to the delivery of the project in two key ways. Firstly they will support the implementation of the Social Care Solution, including provision of strategic advice and guidance, communication planning and execution, change and transition planning and management, training, and the management and realisation of benefits (including identification and baselining of benefits, benefits realisation workshops and development of a benefits register). Secondly they will also focus upon ensuring that the system implementation supports the overall service improvement work. This will ensure that any change to operating practices resulting from the system implementation is in the context of the strategic direction set out in the operating models designed during the summer. It is this wider transformation of working practices that will deliver the full benefits in both directorates.
51. Following discussions with the Children and Young People's and Adult and Community directorates it has been suggested that much of this work could be delivered by resources from within the directorates. Additionally change management resources from within the Herefordshire Connects programme (particularly from a communications perspective) could also be used.
52. Taking this into account it has been agreed with Deloitte that whilst the cost relating to resources involved with the actual implementation of the solution are on a fixed price basis, the Change Management role will be charged on a time and materials basis. This will allow the Council to use internal resources to fulfil much of this role, whilst still retaining the flexibility of being able to call on resources from Deloitte as required. Additionally should the Herefordshire Connects programme restart, this resource will be delivered through the wider programme infrastructure, reducing the costs attributed to the Social Care Implementation directly.
53. Corporate Management Board (CMB) recognises the benefits to the organisation, beyond the purely financial, of providing some of the change management support from in house resources. It is agreed that in the first instance efforts should be made to identify suitable internal resource, recognising that some initial development and support for particular individuals may be required. However, flexibility needs to be maintained in the event that in house resources with the necessary capability/capacity are not available, in which case temporary change management resource could be employed or an additional call made on the Deloitte resource at the agreed time and materials rates.

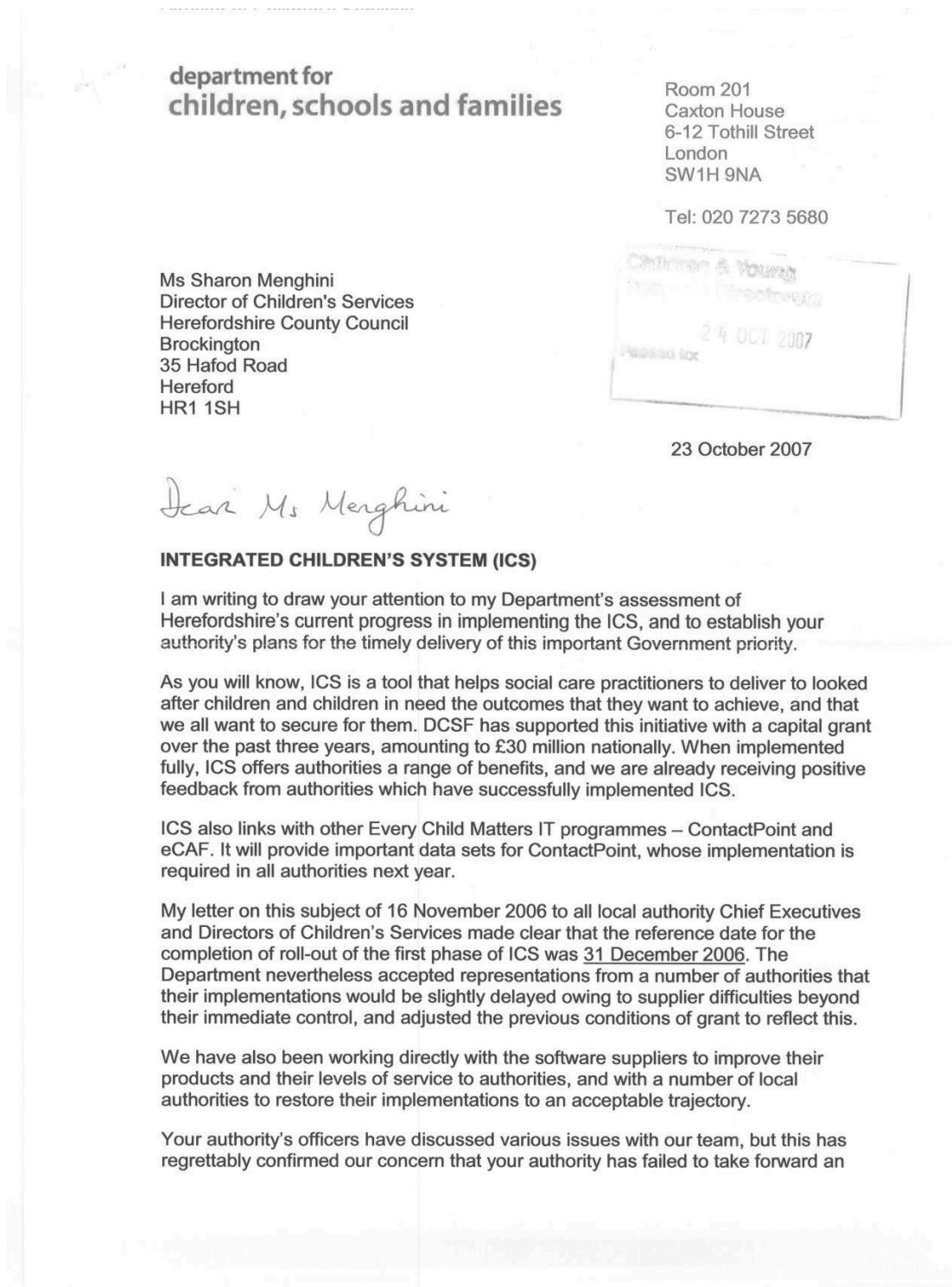
54. Appendix A: Social Care Selection Process Chronology

17/05/2007 Site Visit - Trafford MBC
23/05/2007 Site Visit - Staffordshire CC
24/05/2007 Application Demonstration - Corelogic
30/05/2007 Application Demonstration - LiquidLogic
01/06/2007 Application Demonstration - SAP UK
19/06/2007 Application Demonstration - Capita EMS
12/07/2007 Anite removed as potential supplier (due to commercial relationship with Deloitte)
12/07/2007 OLM identified as potential supplier and supplier shortlist agreed
10/08/2007 Supplier day invitations issued (Corelogic and OLM)
24/08/2007 Functional Requirements Specification (FRS) response from Corelogic
31/08/2007 FRS response from OLM
04/09/2007 Corelogic Supplier Day
13/09/2007 OLM Supplier Day
17/09/2007 Supplier analysis from Deloitte
21/09/2007 Herefordshire Council ICT Technical Services system appraisal
21/09/2007 Contacted Worcester County Council as reference site
25/09/2007 Site Visit Questionnaire Completed - Worcestershire County Council
28/09/2007 Site Visit - Nottingham County Council
05/10/2007 Social Care Selection Report (Draft Version) issued to Procurement / Legal.
08/10/2007 Deloitte advised that Corelogic is preferred solution
17/10/2007 Social Care Selection Report (Final Version) issued to Sharon Menghini (Director of Children's Services) / Geoff Hughes (Director of Adult and Community Services)
19/10/2007 Social Care Selection Report (Final Version) issued to CYP Transformation Team
22/10/2007 Deloitte Proposal for Implementation of social care system received
24/10/2007 Response to Deloitte proposal issued
30/10/2007 Fixed price quote provided by Deloitte
31/10/2007 Draft Cabinet report issued to Sonia Rees / Alan McLaughlin (cc Neil Pringle / Jane Jones)
02/11/2007 Updated social care system proposal received (Deloitte)
02/11/2007 Cabinet Report Issued to CMB for review
05/11/2007 Revised Cabinet Report Issued to CMB for review
07/11/2007 Corelogic Selection agreed at CYP Transformation Board
09/11/2007 Revised Cabinet Report issued to ACS Transformation Board
14/11/2007 Corelogic selection agreed at ACS Transformation Board
07/12/2007 Final Cabinet Report Issued
13/12/2007 Cabinet approved recommendations

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550, Derek Forknall, Project
Manager 01432 383438 or David Powell, Head of Financial Services 01432 383173

55. Appendix B: Correspondence with DCSF regarding ICS

Copy of letter from the DCSF regarding progress on ICS.



Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550, Derek Forknall, Project
Manager 01432 383438 or David Powell, Head of Financial Services 01432 383173

ICS project – indeed, Herefordshire was one of only three authorities nationally that failed to qualify for the most recent tranche of ICS capital funding on the grounds of non-performance.

The DCSF Project Manager, Paul Humfries, explained this carefully to your predecessor, Sue Fiennes and your Chief Executive, Neil Pringle at a meeting with them in Hereford on 26 March. At this meeting, Mr Pringle and Ms Fiennes agreed to look for scope to accelerate the implementation of ICS within the Herefordshire Connects programme, although they did not commit themselves fully at that time, owing to potential dependencies.

My team have been unable, however, to report any significant reduction in their concerns about the progress of ICS in Herefordshire since that time.

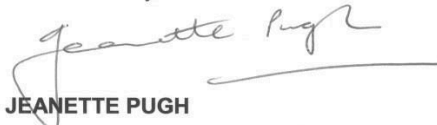
- Although we understand that you are working with a partner on the Herefordshire Connects programme, we are not aware that a supplier of an ICS system has yet been selected by the authority.
- No plans have been shared with us that can demonstrate when an ICS system will be available and in use by your practitioners. We understand that you have asked your partner to have ICS rolled out by 30 June 2008, which is very similar to the position as it stood in March this year.
- There is currently no project structure in place specifically to manage the requirements and roll-out of ICS.

I am therefore writing to you to seek your urgent help in establishing clearly:

- your authority's plans for moving as quickly as possible to the implementation of a system that is compliant with both the Phase 1 and Phase 1B requirements that we have published; and
- whether this will take place within the timescales referred to in the relevant conditions under which my Department has granted funding.

It would be particularly helpful to have a note on these issues within the next two weeks, so that we can agree on the best way forward. My team will be keeping in touch regularly with yours, and will be available if necessary to assist yours, particularly in advising on the procurement of a compliant system from a commercial vendor.

Yours sincerely,



JEANETTE PUGH

DIRECTOR, SAFEGUARDING GROUP

cc: Roger Crouch, Government Office for the West Midlands.

Copy of Council response to letter from the DCSF regarding progress on ICS.

Children & Young People's Directorate

Dr S Menghini

Ms J Pugh
Director, Safeguarding Group
Department for Children, Schools and Families
Room 201
Caxton House
6-12 Tothill Street
LONDON
SW1H 9NA

Your Ref:

Our Ref: SM/CM

Please ask for: Sharon Menghini

Direct Line / Extension: (01432) 260039

Fax: (01432) 340189

E-mail: smenghini@herefordshire.gov.uk

2 November, 2007

Dear Ms Pugh,

INTEGRATED CHILDREN'S SERVICES (ICS)

Thank you for your letter dated 23 October 2007 regarding the progress of the implementation of ICS by Herefordshire Council. I would like to assure you of our commitment to the implementation of ICS and appreciate the opportunity to address the concerns in your letter. I believe this can be done by covering the following areas:

- Summary of the work completed regarding system selection.
- An outline of the key milestone dates relating to the completion of the system selection process.
- Details of the scope and phasing of the proposed implementation project
- Provide details of some key milestone dates (as they currently stand) from the proposed plan.

As you correctly state, Herefordshire Council are currently working with a partner (Deloitte) on the Herefordshire Connects programme. A key work stream of the programme is the implementation of a new social care system covering both Adult Social Care and Children's Services. From a Children's Services perspective it is vitally important that the implementation of a new system is fully compliant with both Phase 1 and Phase 1b of ICS, and this is why we have taken the system selection process as seriously as we have.

As part of the original bid from our partner, SAP was the recommended solution for Social Care for Herefordshire Council; however following a number of reference site visits and advice from our partner as to whether SAP Social Care represented value for money, it was decided to consider alternatives to the proposed SAP solution.

As a result four additional Social Care solutions were assessed in terms of whether they fulfilled the requirements of Herefordshire Council. These solutions were from Capita, Corelogic, Liquidlogic and OLM.

Following initial discussions with all suppliers the decision was taken to invite Corelogic and OLM to attend supplier demonstration days involving a large cross section of staff covering Adult's Services, Children's Services, Herefordshire Connects and the ICT department. The supplier demonstration days included product demonstrations, scenario based presentations that were scored by the attendees (the scenarios were provided by the council and were the same for both suppliers) and a number of break-out sessions covering areas like IT, Finance and Performance Management.

Following the supplier demonstration days a recommendations report was produced using the scores provided from the scenarios, a report from the ICT department and other notes provided by the attendees of the demonstrations. The report recommended that Corelogic be recognised as the preferred supplier and that further discussions were commenced via our partner.

A proposal for the implementation of the integrated social care system (ISCS) has been received from our partner and is currently being reviewed by the Council. A report will be submitted to Cabinet on the 15th November for approval and engagement with the suppliers will start on the 19th November.

Prior to the 19th November the Council will be starting the implementation project and will be setting up the project team required to progress the implementation of the new system, along with ensuring that key project documentation is developed. This documentation will include a project initiation document, risk and issue logs, product lists, product descriptions, project roles and responsibilities, a resource plan (to ensure that commitments to provide resources from the key areas can be obtained) and general information gathering. I would be more than happy to ensure that the Council Project Manager contacts your team to arrange a meeting in November for an update on progress.

We are currently working with our partners on developing a detailed implementation plan for the ISCS project and during this detailed planning stage we will be doing everything possible to ensure delivery of the first phase of the project is completed by the end of June 2008. To ensure that the implementation of ICS is achievable within the available timescales the implementation of the ISCS has been phased accordingly and the details are provided below:

Phase 1 (November 2007 – June 2008): replacement of existing case management systems to meet the core social care requirements including ICS, statutory reporting for Adults and Children social care. Additionally the advantages/disadvantages of including CAF/eCAF will be explored. Within this phase we will be implementing paper based versions of the ICS exemplars prior to the actual system implementation. We are adopting this approach to ensure that practitioners have the experience of the new processes prior to using the new system to mitigate the risk of adopting a big-bang approach.

Phase 2 (July 2008 – September 2008): Implementation of financial assessment processes and commitment accounting interfaces to the corporate financial system. If eCAF was not implemented as part of Phase 1 it would be completed during this phase.

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550, Derek Forknall, Project
Manager 01432 383438 or David Powell, Head of Financial Services 01432 383173

Phase 3 will be defined on completion of Phase 1 and will include areas including links to a Corporate Document Management System, Mobile Working, integration with Education systems amongst others.

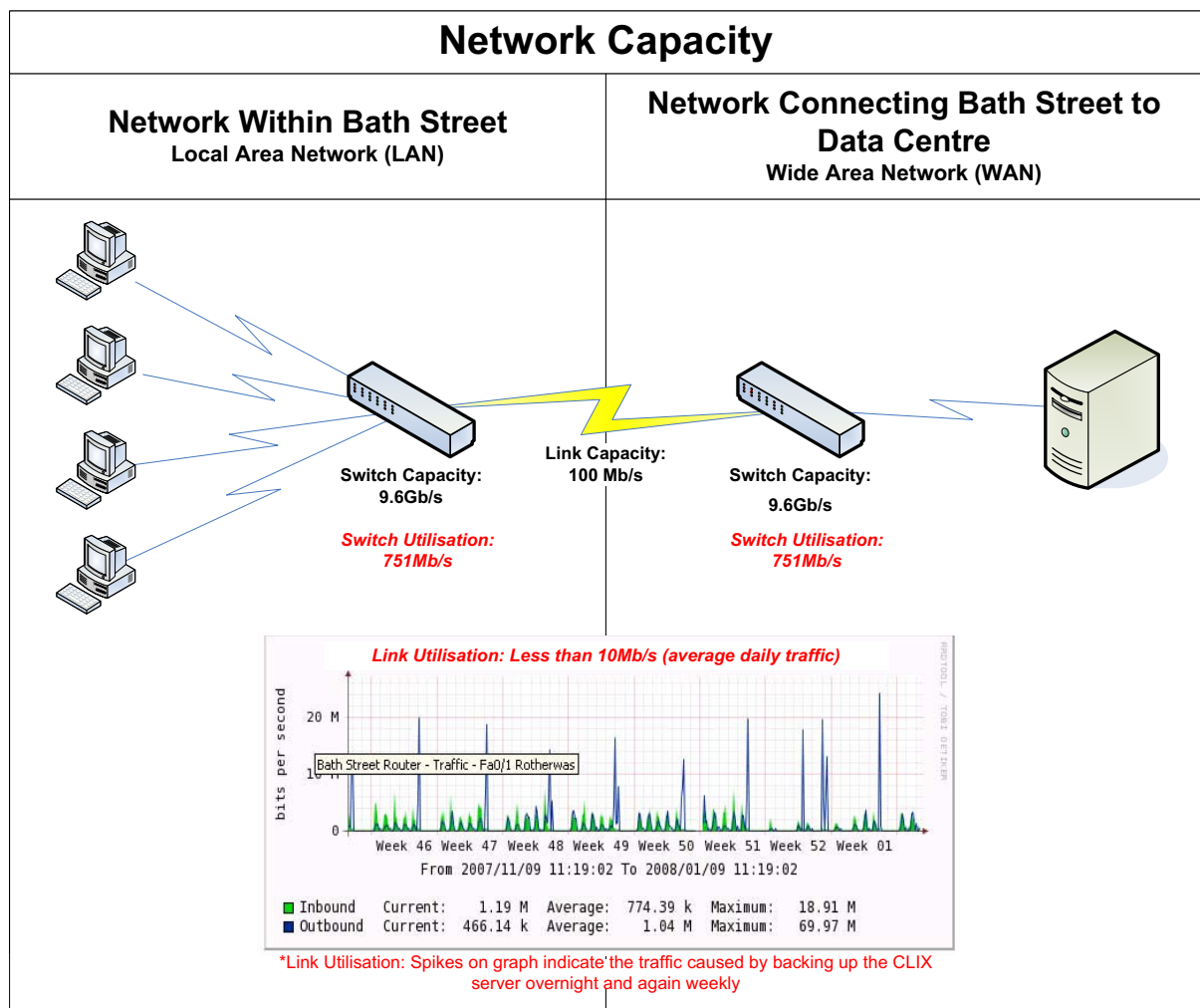
As previously stated I can assure you that we are committed to ensuring the implementation of delivery of ICS by the end of June 2008 and that this is a key component to the overall transformation of children's services provided by Herefordshire Council.

Yours sincerely,

SHARON MENGHINI
DIRECTOR OF CHILDREN'S SERVICES

Further information on the subject of this report is available from
Akif Kazi, Herefordshire Connects Programme Manager 01432 261550, Derek Forknall, Project
Manager 01432 383438 or David Powell, Head of Financial Services 01432 383173

56. Appendix C: Network Capacity at Bath Street Offices



Summary

There is sufficient network capacity (capability) to accommodate the new social care system.

Rationale and Method

The new social care system will sit on a server in the Council's data centre facility at Plough Lane. This new system will be accessed by social care employees from their computers at Bath Street.

In order to investigate and evidence that the network is capable of supporting the new social care system we must look at how a computer at Bath Street will talk to a server in Plough Lane.

Network Within Bath Street (Local Area Network)

A computer is plugged into the network at Bath Street. A switch at Bath Street aggregates all these connections into a single link ready to go out of the building. The switch has a certain capacity to transmit data. By measuring the current load or volume of data being handled by the switch we can see whether or not capacity will be exceeded by adding the load of the new social care system.

The switch at Bath Street has a capacity of 9.6Gb/s (Gigabytes per second) or 9830Mb/s (Megabytes per second), the current load is 751Mb/s.

The new social care system is expected to add a further 86Kb/s (Kilobytes per second) or 0.08Mb/s. This is based on figures from Corelogic of an average of 2Kb/s per user whilst using the system for 43 users in Bath Street.

Conclusion: Sufficient capacity

Network Connecting Bath Street to Data Centre (Wide Area Network)

The switch then sends this data from one building to another via a wide area network link. In this case a switch at Bath Street sends this data to another similar switch at Plough Lane. This switch then sends the data to the server in the data centre.

The link between Bath Street and Plough Lane has a capacity of 100Mb/s.

The current load on this link fluctuates minute by minute but is monitored and the load logged. Over the last two months (the period over which the link was measured) the load did not rise above 10Mb/s in normal day to day usage – 10% of capacity.

Nightly and again weekly, the load can increase to up to 30 Mb/s – 30% of capacity. This occurs as the data on the current social care server which sits at Bath Street backs up its data to Plough Lane to ensure we are storing more than one copy of the data.

The new social care system is expected to add a further 86Kb/s (Kilobytes per second) or 0.08Mb/s. This is based on figures from Corelogic of an average of 2Kb/s per user whilst using the system for 43 users in Bath Street.

It should be noted that as the current social care system will be removed from Bath Street, the effect on capacity will actually be to reduce overall load.

Conclusion: Sufficient Capacity