

# HEREFORDSHIRE CONNECTS PROGRAMME UPDATE

## PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY & FINANCE

**CABINET**

**DATE: 7<sup>TH</sup> JUNE 2007**

### Wards Affected

County-wide

### Purpose

The purpose of this report is to update Cabinet on the progress made in the contract negotiation and due diligence period following identification in April of Deloitte as preferred supplier for the Herefordshire Connects Programme.

### Key Decision

This is not a Key Decision.

### Recommendation(s)

- THAT (a) Cabinet notes progress made in contract negotiation;**
- (b) Cabinet, in endorsing the above recognises that detailed negotiations continue to be programmed and accepts that the Cabinet Member (Resources) and the Cabinet Member (Corporate & Customer Services and Human Resources), and the Leader should exercise jointly their powers in the constitution to authorise the completion of the master agreement subject to satisfactory conclusion of contract negotiations and due diligence; and**
- (c) Cabinet receives a further progress report, including highlight programme plan, in July.**

### Reasons

To note progress with this phase of the Herefordshire Connects Programme, and to make arrangement to enable the master agreement to be completed.

### Considerations

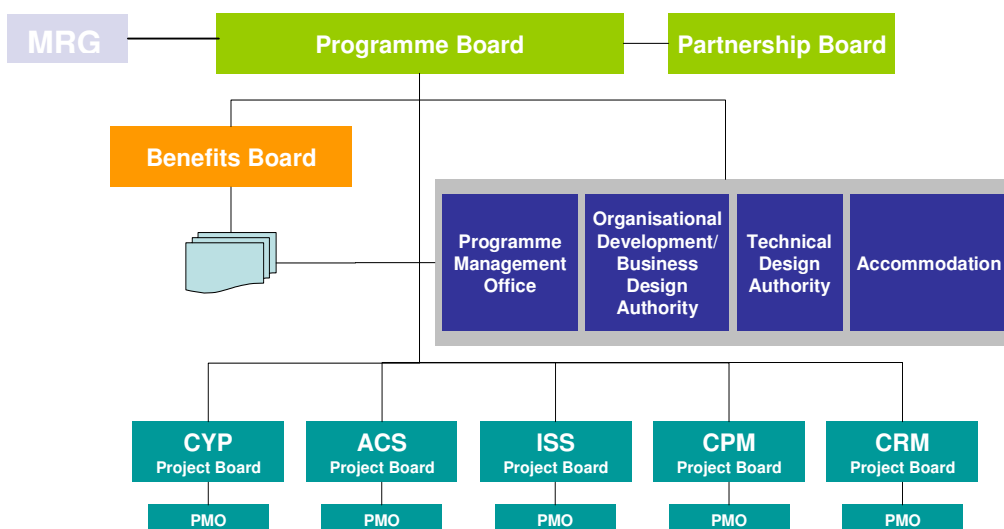
1. Further to the Cabinet Paper of 12 April 2007, which confirmed the decision to select Deloitte as the preferred supplier, this report provides an update to Cabinet on progress in the programme.
2. Phase 3 of the programme is Programme Definition. The objectives for this phase are listed below (taken from the Project Initiation Document for this phase):

*This phase of the Programme has the following objectives:*

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

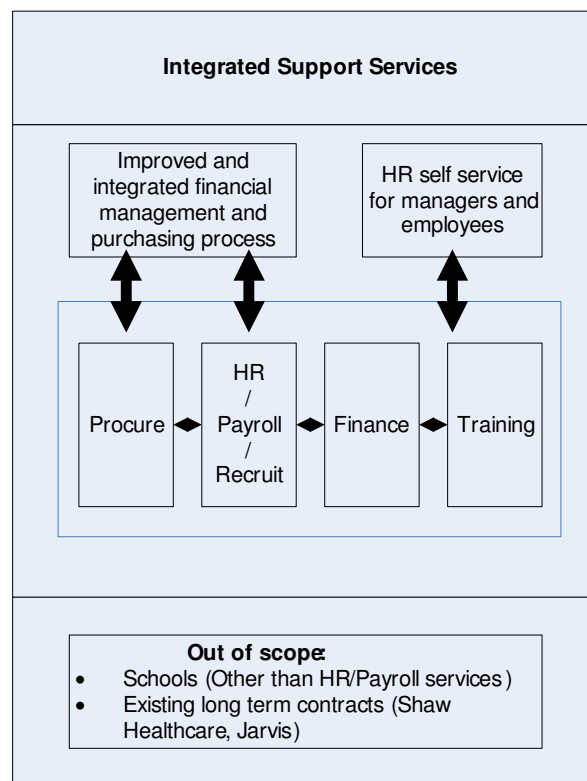
- Conduct a review of the three business cases (Integrated Customer Services, Integrated Support Services, Performance Management) to ensure that they provide a robust basis for Phase 4
  - Conduct a benefit review in line with the report to Cabinet and define and prioritise the requirements for Phase 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 are completed
  - Ensure all documentation is signed off and audit ready
  - Conduct weekly Programme review meetings with Deloitte
3. *Benefits Review.* The original business case for Herefordshire Connects was based on a number of cost savings being driven out across the Council. In order to ensure that the Council can indeed deliver on these savings, each benefit line was investigated and challenged to ensure that the figures are robust and 'bankable'. 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 & Efficiency Review Manager, and the figures have now been accepted as valid. Independent advice throughout this process has been provided by CAPITA plc.
4. *Reference Visits.* Five site visits have been completed. Approximately 35 staff have been involved in these. Three of the visits have been to assess the technology with an emphasis on Social Care and Performance Management. Three visits focussed on Deloitte and Shared Services
5. *Governance.* A model for detailing managerial arrangements has been agreed by Corporate Management Board. This is illustrated below.



6. The model is made up of:
  - A single Programme Board (CMB), with a number of project boards reporting to it (Children, Adults, Integrated Support Services, Performance Management and Customer Services)
  - Three bodies would provide support to the model, the Programme Management Office (linking Herefordshire Connects and the Corporate Programmes Team), Organisational Development, and the Technical Design Authority (which would incorporate the policy elements of IPG and the Information 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.
  - A Herefordshire Council/Deloitte Partnership Board (consisting of the existing liaison group) would meet quarterly. Union representation, which has provided considerable challenge and support to the programme so far will be invited to attend part of these Partnership Board meetings.
7. The existing Member Reference Group, consisting of the Leader and Cabinet Members for Resources and Corporate & Customer Services and Human Resources would remain in place, meeting monthly as required. This group is currently exploring the best means by which all members can achieve understanding and ownership of the programme.
8. *Technology Review*. The Technology Review is progressing. The purpose of this period was to challenge the suitability and value for money of SAP as the preferred solution, particularly for social care. This solution has been deployed in two authorities, Trafford and Staffordshire. Initial indications suggest that further investigation is required in relation to both cost and timeframe for implementation. This work is progressing and is not expected to jeopardise the overall timeframe for delivery of the social care solution.
9. *Work Packages*. Eight Work Packages (Programmes of work) have been drafted. These are
  - i. Programme and Change Management
  - ii. Integrated Support Services
  - iii. Children's Services
  - iv. Adult and Community
  - v. Corporate Performance Management
  - vi. Technology
  - vii. Hardware
  - viii. Cost reduction
10. Each work package will be agreed with the relevant member of CMB and key Heads of Service via a number of focussed workshops. This will then form the schedule of works for Phase 4 (implementation phase) of Herefordshire Connects.
11. *Integrated Support Services (ISS)*. The Integrated Service Centre Model. This work package is focussed upon delivering an Integrated Service Centre to support Herefordshire Council's back office operations across finance, procurement, human resources and payroll. This list may not be exclusive. The figure below provides the blueprint vision of the future ISS. Partnerships and the PCT provide an avenue for building critical mass and capacity in this area for further gains to be made.
12. There will be a single primary source for all data, which will 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 on a single version of the truth.

13.



14. As a general principal, Herefordshire would use the business processes developed at Surrey County Council as the basis for discussion about how the Herefordshire model might evolve. This is an optimal way to drive cost savings out through the organisation and is totally consistent with the national and regional transformational agenda.
15. *Cost reduction and 'Quick wins'*. Herefordshire Connects has had a healthy response from staff to a new email address. This was launched to help identify cost savings across the authority. The email address is 'Quickwins@herefordshire.gov.uk'
16. *Programme Support*. The Office of Government Commerce CATALIST contract framework has been used as the basis for the contract, and the council has engaged Eversheds to provide specialist legal support. CAPITA plc have provided on-going support to the council in the areas of benefits, commercial negotiations and quality assurance. The Council has also strengthened the Herefordshire Connects Core Team with the appointment of the fifth Business Transformation Officer. It has been decided that the Herefordshire Connects Team and Deloitte will be based at Plough Lane. This will raise the profile of the Programme ahead of the next phase.

17. *Communications.* The Members Reference Group received a briefing on 31<sup>st</sup> May to update them on progress. A seminar for newly elected members was held on 18<sup>th</sup> May, and a further update seminar for all members is being arranged in the second half of June. A major communications drive has resulted in numerous presentations to employees and the launch of a dedicated web site as well as use of other communications channels.
18. The Audit Commission has continued with its support to the programme and has completed discussions with key staff and some Members.
19. The two unsuccessful suppliers have also been de-briefed.

## Risk

Key Risk	Mitigation
Anticipated Cost savings are not realistic (Benefits savings are not realistic)	A comprehensive four week review of each 'Benefit line' has been completed. The revised figures have been ratified by both Deloitte and Capita plc and been agreed with the Head of Financial Services. In addition a new 'Programme Benefits Board' will monitor and control the delivery of these savings with a direct reporting line in to the Corporate Management Board.
Lack of Council expertise and skills and resources	A detailed set of work shops is currently underway to ensure that every role is assessed and that where gaps exist these are filled in the next four weeks ahead of Phase Four.
Programme Communication is not effective with key stakeholder groups such as Members	Create comprehensive communications and change plan for other public bodies in Herefordshire such as PCT, Police and voluntary sector. Engage with these partners early in programme, and make them a key stakeholder. This is now a central tenet of the Programme and Change Management Work Package.
Funding of programme will require early delivery of savings	Carry out Cost Reduction exercise during Phase Four. This will also align with the implementation of most beneficial 'Quick wins'. Quick wins assessment has already begun.
Lack of Management Buy-in	Effective change planning and managing the change curve, excellent communication to support buy-in through understanding the benefits to be delivered by service users.  Deloitte will bring their expertise to bear in this area. There is also to be an emphasis on as much peer-to-peer contact as is needed so that staff can understand and learn from the experience of other authorities.

## **Alternative Options**

### **Consultees**

Office of Government Commerce

Audit Commission

CAPITA

Eversheds

### **Appendices**