

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 27 November 2015

Report of: Cheshire East – Chief Operating Officer
Cheshire West and Chester – Head of Finance

Subject/Title: CoSocius Service Reviews

1.0 Report Summary

- 1.1 The purpose of this report is to update Members on the progress being made in the delivery of the Service Review programme which Members approved at the meeting of this Committee on 27 February 2015.
- 1.2 This report will be accompanied by a summary presentation, which highlights key messages to Members, and is supported by the detail which follows in this document.

2.0 Decisions Requested

Members are asked to:

- 2.1 Note the progress in delivery of the transactional services benchmarking review; and
- 2.2 Note the progress to date with the series of service reviews underway and the opportunities for collaboration and sharing across both Councils identified so far.

3.0 Reasons for Recommendations

- 3.1 To update Members on the progress to date in delivery of the Service Review programme and the direction of travel for each review subject at the time of reporting.

4.0 Report Background

- 4.1 This committee at its meeting on 27 February 2015 approved a programme of work to review the delivery of applications and services by CoSocius to the two Councils. Two significant components of this review programme were:
 - The completion of a benchmarking review of the transactional services (HR contract management and payroll, payments and income), to ensure prices are in line with industry standards; and
 - The completion of a series of “service reviews”, focussing on the key applications and systems provided by CoSocius to the Councils, assessing

the extent to which current and future service offerings meet the strategic requirements of the Councils, both as CoSocius customers and shareholders.

- 4.2 At the meeting of this Committee on 2 October 2015, Members were provided with an update on progress since the inception of the programme. Members also approved a separate series of recommendations relating to the delivery of CoSocius services as in-house Council shared services.
- 4.3 This report will provide an update to Members on the key themes and issues arising from the work to date, and an indication of the direction of travel for each area of review. It will also identify where relevant the impact of the separate CoSocius programme of work to transfer services back into the Councils.

5.0 BENCHMARKING OF TRANSACTIONAL SERVICES

- 5.1 An independent third party, Waterstons Ltd, have been appointed to carry out the benchmarking exercise approved by Members at the February Committee meeting. Fieldwork has taken place during September and October 2015. Waterstons have undertaken a "request for quotation" exercise to determine what other comparable providers in the market would seek to charge for a similar set of services as those provided to date by CoSocius to the Councils.
- 5.2 Waterstons have issued their final report, and their findings are summarised below.
- 5.3 The response from the marketplace to the exercise has been unusually poor when compared to their usual experience in undertaking such a review. 17 suppliers were contacted, 11 agreed to participate, but ultimately only one supplier formally responded to the exercise. Waterstons speculate that this could be due amongst other things to:
- A limited number of suppliers with public sector credentials who provide the breadth of services and the volume of activity currently utilised by the Councils;
 - A limited number of contracts available via government procurement frameworks;
 - The large service providers who might be expected to engage in such a process refusing to do so unless they were allowed to make direct contact with the Councils as part of the process, threatening the anonymity of CoSocius and the Councils;
 - The possible expectation that this exercise would lead to a future full-scale OJEU-compliant procurement exercise, at which point some suppliers may have chosen to engage in discussions; and
 - An unwillingness at this stage to provide estimated costings in case this limited the scope for negotiations during a formal procurement exercise.
- 5.4 The single supplier which chose to participate provided HR & Payroll transactional costing data only. Combined with access to other pricing information and intelligence by Waterstons (which was offered with caveats around relevance to the exercise), it appears that CoSocius charges for these services are broadly in line with the marketplace.

- 5.5 No transactional costing data relating to Payments and Income was obtained through this formal exercise. However, via access to other pricing information and intelligence by Waterstons (again offered with caveats), it appears that CoSocius charges for these services are broadly in line with the marketplace.
- 5.6 In conclusion, a limited but positive degree of assurance has been provided through this exercise around the extent to which CoSocius transactional services represent value for money when compared to other providers in the marketplace.

6.0 SERVICE REVIEWS – PROGRESS UPDATE

- 6.1 The programme of service reviews approved by Members at the previous Committee is set out below, showing proportion of total application support costs charged by CoSocius to the Councils for each review:

Tranche 1 – April '15 to December '15	Tranche 2 – October '15 to May '16
Enterprise Business Systems (50%)	Revenues and Benefits (5%)
Health & Social Care (Adults & Children) (3%)	Cash Receipting and Income Management (2%)
End User Computing (desktop, mobile, etc) (11%)	Highways (1%)
Geographic Information Systems (3%)	Children and Young Persons (1%)
Business Intelligence and Reporting (2%)	Document Management (1%)
Schools Information System (0%)	Elections (1%)
Resource Planning (Homecare) (1%)	Environmental Health (1%)
Customer Service (5%)	Transport (1%)
Planning and Building Control (3%)	

CoSocius cost associated with Tranche 1	CoSocius cost associated with Tranche 2
£5.1m	£0.83m

- 6.2 The scope each review previously agreed with Committee is outlined in Appendix A to this report. However it should be noted that the Children and Young Persons review from Tranche 2 has now been amalgamated with the Health and Social Care review, and the Environmental Health review from Tranche 2 now forms part of much broader “Planning and Regulatory Services” review, as approved by Members at the last meeting of this Committee.
- 6.3 A five stage service review methodology was approved by the Committee. Since the decision to initiate a programme of work to bring delivery of CoSocius activities back into the Councils, this methodology has by necessity been reviewed and amended.
- 6.4 The revised approach reduces the emphasis on the need for a decision to be taken on a “competitive” choice between a proposal from CoSocius reflecting a strong focus on the company’s commercial opportunities, and a third party option identified by the Councils through market testing. Instead, all three organisations are now working collaboratively to identify and commission the most appropriate solutions and the most cost-effective hosting and support models, to ensure both Councils’ requirements are met at an acceptable cost, and with CoSocius’ ICT

Delivery team – in due course to become part of Cheshire East Council - playing an appropriate and agreed role in each case.

- 6.5 The updated methodology is outlined at Appendix B to this report.
- 6.6 In practice, all three organisations are working positively towards identifying wherever possible a shared vision and approach to delivery of key systems and services, using technology as a platform for discussions with the business around common and/or shared processes where possible. It is expected that while financial savings will be achievable through greater sharing of systems and underlying technologies, the opportunities from increased sharing and collaboration on business process design and delivery will also be significant.
- 6.7 Progress against each Tranche 1 review is outlined below.

Enterprise Business Systems

- 6.8 Very positive progress is being made with this review. The Councils have produced a joint “Enterprise Resource Planning” (“ERP”) strategy and a set of “capabilities” using an industry-standard methodology, setting out the features which are deemed to be “must haves” and “nice to haves” from a future ERP solution. This view addresses both the Councils as customers of the solution, and the Transactional Services team within CoSocius, which in due course will rely on the ERP solution to deliver services to both Councils as part of the new shared service arrangements to be hosted by Cheshire West and Chester Council.
- 6.9 As previously reported, early market consultation has identified a clear trend whereby local authorities are tending to move away from the large “tier 1” providers towards less costly “tier 2” providers.
- 6.10 Soft market testing is now underway. Both Councils and CoSocius are engaged in a series of workshops with a mix of software vendors and “resellers” – the latter being organisations who work alongside software vendors to deliver system implementations.
- 6.11 All suppliers and resellers participating in these sessions have had sight of the Councils’ shared ERP strategy, and have responded to a pre-workshop questionnaire which helps to gather information on how the solutions meet our key strategic requirements such as cost-effectiveness, flexibility and scalability, ease of use, and security.
- 6.12 Through these soft market testing sessions, key stakeholders across all three organisations are gaining sight of a range of potential solutions on the market, with a view to concluding on the question of whether the Councils require a “tier 1” or “tier 2” product, the extent to which separate but aligned solutions for Financials and HR / Payroll would be suitable, and the possible implementation approaches that could be adopted. Where appropriate, subsequent discussions with reference sites will be held following the conclusion of the soft market testing sessions, to further inform the Councils’ view on the most appropriate solution to deliver our needs, ahead of a formal procurement exercise in 2016.

- 6.13 The sessions are also expected to inform a full set of defined business requirements (building on the existing “capabilities” analysis) which will support a formal procurement exercise. A final decision on the actual product to be implemented will be made through this formal procurement process.
- 6.14 The soft market testing does not rule out any supplier or product once the formal procurement stage is reached. Nor does the involvement of suppliers / products in the soft market consultation stage necessarily mean they will be selected via the procurement process.
- 6.15 By the time of the next Committee meeting in January 2016, it is expected that:
- A decision will have been reached on the functionality which the Councils believe they wish to procure;
 - An agreed set of requirements will have been signed off ahead of a formal procurement exercise; and
 - Ahead of implementation, a programme team will have been established to begin a series of preparatory activities which are required to ensure the implementation programme hits the ground running once procurement activity is complete.
- 6.16 Initial work is also underway in parallel to gather requirements in relation to the Tranche 2 service review, **Cash Receipting / Income Management**.

Health and Social Care / Children and Young Persons

- 6.17 Despite both Authorities using the same core applications to deliver social care across Adults and Children’s Services (“Liquid Logic” and “Controcc”), the system has to date been procured differently, deployed and hosted differently, and is supported differently, across the two Councils, and even within each Council for the Adults and Children’s user base in each organisation. The same is true of the core system which supports Children and Young Persons services (“Tribal”). The two Councils also currently use a different combination of Liquid Logic and Tribal “modules” in order to deliver the same outcomes.
- 6.18 Given the historic procurement routes and differing contractual positions which currently exist as a consequence, both Councils are undertaking appropriate contract renewal activities to ensure current arrangements remain legally compliant, while allowing the objectives of the service review to be pursued.
- 6.19 This is a complex review with many interested stakeholders. A detailed engagement plan has been developed and is underway. Initial meetings have been held with key stakeholders in relation to Adults and Children’s social care delivery in both organisations, and meetings with stakeholders relating to Education services (in respect of the expanded scope of this review) are underway. This is against a backdrop where both Councils are already working collaboratively on certain initiatives such as the Cheshire Care Record and Integrated Early Support. There is a need to ensure the work on these specific initiatives are aligned to maximise the outcomes which can be achieved from the multiple funding streams which are currently available to support this work.

- 6.20 The two Councils have already expressed an openness and willingness to explore collaborative working, initially on procurement approach, underpinning technical infrastructure and/or support arrangements, and in the longer term on common or shared delivery processes which make best use of a common and shared technology solution. The CoSocius contribution to this review will initially focus on a professional ICT Delivery recommendation on the most appropriate hosting and support model, having regard for the existing models currently in place and the pros and cons of each.
- 6.21 It is also expected that existing commissioned change activity in this area, particularly in relation to delivery of Care Act requirements, will help to confirm business requirements across both Councils and to inform the solution proposal which the three organisations work towards.
- 6.22 By the time of the next Committee meeting in January 2016, it is expected that:
- Both Councils, with CoSocius, will be working towards agreeing a preferred delivery and support model for the core Social Care and Education products, and on the extent to which those products are used in tandem to deliver the breadth of functions and services required;
 - Both Councils will have undertaken contract renewal / compliance activities to safeguard the ongoing delivery and support of the relevant products while such decisions are being taken; and
 - Both Councils will also be working with CoSocius to agree a preferred delivery method for certain other key components of the Health and Social Care agenda driven by the Care Act.

End User Computing

- 6.23 A great deal of activity in relation to this review is being driven forward through the “Infrastructure Programme” which CoSocius has proposed to the two Councils, as mechanism for delivering the Councils’ shared “Microsoft First” strategy.
- 6.24 At the time of reporting, this strategy has been signed up to by both Councils and CoSocius. A series of specific product decisions over the remainder of the financial year 2015/16 are now being taken following an assessment of existing tools in use and the Microsoft options available to replace them. This will ensure a joint and collaborative approach to delivery of key end user computing components, including:
- Microsoft Office 365 – delivery of email and Office products such as Word and Excel from the “cloud” rather than from locally-managed facilities;
 - Cloud-hosted storage of data using Microsoft Azure
 - Skype for Business – delivery of telephony via a user’s PC rather than via a dedicated (and costly) telephone connection; and
 - Other end user computing functions such as encryption, anti-virus protection, and flexible delivery mechanisms which support flexible access to the Councils’ key systems.

- 6.25 The remaining component of this review relates to requirements around asset management – in other words, the process of managing computing devices from their initial procurement and setup through to their decommissioning and disposal. The CoSocius response to these requirements is being developed outside the Infrastructure Programme and will be reviewed alongside market testing outcomes in due course.
- 6.26 By the time of the next Committee meeting in January 2016, it is expected that:
- Both Councils, with CoSocius, will have signed off the Infrastructure Programme for the delivery of some of the End User Computing requirements, with the remainder timetabled for Q1 2016; and
 - An Asset Management proposal will be in development by CoSocius, and will have been compared to the market through appropriate external engagement.

Geographic Information Systems (GIS)

- 6.27 GIS is a system which exists in its own right as a method of managing a range of geographic data sets, and which also integrates to a number of line of business systems which rely on that geographic data. Both Councils use an existing system which is ageing and which requires replacement.
- 6.28 All three organisations have already been working collaboratively for some time on defining business requirements and developing potential solutions including an understanding of the implementation cost of those solutions. There are clear opportunities for both authorities to share a solution, supplier and an appropriate support wrap.
- 6.29 At the time of reporting, CoSocius are developing a “hybrid” approach which combines some elements provided by the Councils’ existing GIS supplier, supplemented with some elements which use “open source” software, and are undertaking a proof of concept exercise to develop an understanding of the implementation costs of this approach. This work is expected to conclude in January, but a view on likely implementation costs will be available to the Councils imminently.
- 6.30 In parallel, the Councils are working with our existing GIS supplier on a trial of their new product, to review the feasibility of a pure third party solution, and to inform an estimate of costs based purely on this approach. This work is expected to report back in December.
- 6.31 Alongside this activity, soft market testing will be carried out, recognising the well-developed marketplace for GIS products, to determine whether working with other suppliers may offer alternative solutions which offer better value for money.
- 6.32 By the time of the next Committee meeting in January 2016, it is expected that:
- Both Councils, with CoSocius, will have agreed on a preferred approach to delivery of a GIS platform and solution, including the extent of the service wrap provided by CoSocius, and the roles and responsibilities which must exist within the Councils to support effective GIS delivery.

Business Intelligence and Reporting

- 6.33 This Service Review is focusing on the key strategic questions to be addressed by Business Intelligence (“BI”), and on the strategic adoption of an incumbent CoSocius-hosted corporate BI tool – Microsoft Business Intelligence (MSBI), to help address these. The costs and benefits of migrating existing 'legacy' reports into MSBI are also being considered. The roles required to support a successful corporate BI tool, including any opportunities for synergies across organisations, will also be referenced (with due regard to the relationship with GIS roles, noted in the previous section).
- 6.34 Both Councils have articulated their Strategic Intelligence vision, and have worked collaboratively with CoSocius subject matter experts via a series of practical workshops to develop a mutual understanding of how MSBI can be used (potentially in conjunction with other specialised enquiry and presentation tools) to deliver this vision.
- 6.35 In parallel, CoSocius are in the process of developing a view of the likely implementation costs for a future set of strategic reports. This cost estimate can be flexed based on a range of assumptions such as report complexity, number of data sources, etc. This will be used to support ongoing discussions with the business on the cost of developing new reporting capabilities, and will also inform an assessment of the business case for migrating legacy reports using non-MSBI tools to the strategic platform.
- 6.36 Limited soft market testing will focus on an evaluation of alternative MSBI suppliers to understand whether the costs of migration to the CoSocius solution represent best value for the Councils or whether working with alternative solution providers may deliver a more cost effective approach. As an in-house incumbent solution already exists, it is expected that the outcome of this review will be a validation of the value proposition from the CoSocius product, which will support ongoing discussions with business stakeholders around the commissioning of new work.
- 6.37 By the time of the next Committee meeting in January 2016, it is expected that:
- Report development cost estimates will have been finalised by CoSocius;
 - Soft market testing will have confirmed the value for money proposition in the CoSocius cost estimates for report development; and
 - A decision will have been reached on whether a business case exists for the migration of some or all legacy reports to MSBI in the short term, balancing migration costs against the ongoing cost of supporting legacy platforms.

Schools Information Management System

- 6.38 Although CoSocius provides a wide range of services to local authority schools, this review focusses on the Capita SIMS product, being the widely used system to deliver schools management and reporting capabilities to all types of school across the two Boroughs.

- 6.39 Through this review the Councils have confirmed their statutory reporting requirements and have expressed a shared requirement to explore how these can be met in a timely and cost effective manner.
- 6.40 Schools have discretion over the package of services purchased from CoSocius and make these decisions on an academic year basis. Hence any alternative delivery models for the provision of statutory reporting information to the Councils must also be attractive to the schools community.
- 6.41 CoSocius are developing two proposals for consideration. One centres around a mechanism already in place for Cheshire East Council and its schools, which is costly compared to the equivalent Cheshire West and Chester Council mechanism but which provides more timely and relevant data to the Council. The other offers a cloud-hosted approach to delivering the SIMS product, which allows a centralised approach not only to support to the system, but also to the extraction and provision of statutory data requirements to the Councils.
- 6.42 By the time of the next Committee meeting in January 2016, it is expected that:
- CoSocius will have developed their proposals for delivery of SIMS to schools and reporting requirements to the Councils, with a preferred option being clear;
 - Discussions and negotiations with schools will be underway regarding the preferred option and the implications for schools wishing to migrate from the current hosting and support model, with a view to decisions being taken in time for the 2016-17 academic year.

Resource Planning - Homecare

- 6.43 The existing homecare resource planning system is hosted by CoSocius and operated on an entirely shared basis by both Councils. The system is used to allow staff who deliver home care services to vulnerable service users to manage their schedule while on the move. The existing system has reached end of life and will no longer be supported or indeed functional from February 2016.
- 6.44 Both Councils have expressed a desire to move urgently to a disaggregated cloud-hosted version of the product. Cheshire East has led on a procurement process using a procurement framework which would deliver a cloud version of the current system. Requirements have been defined by Cheshire East and confirmed as appropriate by Cheshire West and Chester.
- 6.45 Cheshire East have signed a contract with the supplier for the new system, and CoSocius have provided an implementation proposal to support the migration from the legacy system. Cheshire West and Chester are working through a procurement process urgently, with a view to making a decision on the supplier of the replacement system, before commissioning CoSocius to deliver the same implementation proposal.
- 6.46 By the time of the next Committee meeting in January 2016, it is expected that:
- The implementation of the replacement system will be well in hand and close to delivery.

Customer Services and Website

- 6.47 This review focusses on the systems being used to deliver customer services, ensuring they are the best choice of solution for delivering the “digital by design” agenda that will enhance customer service whilst allowing savings to be made through increased efficiency in how these services are delivered, eg a greater focus on self-service and online transactions rather than telephony or face-to-face interactions with the Councils.
- 6.48 The Councils’ strategies for delivery of customer services vary significantly, with CWaC having entered into an arrangement with a third party to form Qwest, while CE deliver customer services as an in-house function, working with a strategic partner for delivery of Council digital services.
- 6.49 Having appointed a strategic delivery partner, Cheshire East are now in the process of determining which components of their Digital solution will be delivered using their partner’s product set, and which elements will remain within the Council’s control and commissioned alongside their external partner’s solution. The latter components represent opportunities to work collaboratively with Cheshire West and Chester / Qwest.
- 6.50 Qwest has inherited Cheshire West and Chester’s Customer Relationship Management system Lagan, but is actively reviewing alternative solutions with a view to procuring a strategic solution in the near future. The opportunity to work collaboratively with Cheshire East on this product may introduce benefits in terms of reduced cost of operation per customer, but this will be considered alongside the costs and benefits of other solutions and providers. Discussions between Qwest and Cheshire East are progressing at a senior level to review these opportunities.
- 6.51 Qwest are also in the process of identifying their preferred solution in relation to customer-facing website delivery to CWaC and their citizens. Again, the opportunity to collaborate on a solution with Cheshire East is available, but ultimately the decision on this lies with Qwest as a commercial entity.
- 6.52 Both Councils use Avaya telephony and call centre management systems. The user base for Avaya is likely to diminish as a consequence of the migration of mainstream users to the Skype For Business product and/or an increase in the use of mobile telephony to deliver this product to users. As such, both Qwest and CE are reviewing their requirements in terms of the unique demands of a call centre environment, with a view to making a decision on whether Avaya remains the most appropriate solution. There is greater opportunity to work collaboratively in this regard, despite the divergent business strategies being pursued by the two Councils. Qwest are positive about the opportunity to undertake soft market testing in partnership with CE as a means of driving out third party cost savings for provision of this facility.
- 6.53 By the time of the next Committee meeting in January 2016, it is expected that:

- Qwest will be progressing towards conclusions on the products they intend to procure and implement to deliver customer relationship management and website content management capabilities on behalf of CWaC, and the CoSocius role in delivering these capabilities will be confirmed alongside those product decisions;
- Business requirements in relation to contact centre telephony requirements will have been defined, and soft market testing to review the incumbent provider against alternatives will be under way, with all opportunities for Qwest and CE to work together being pursued.

Planning and Building Control / Regulatory Services

- 6.54 The original scope of this review was already broad, with a complex set of stakeholders to engage. However, as the existing products in use to support these business areas are also in use across a number of other services (particularly in CWaC), the scope has been broadened to cover these other service areas, primarily Regulatory Services, with a view to selecting a solution which meets the needs of multiple stakeholders, and which can significantly increase the extent to which solutions are shared and implementation jointly.
- 6.55 The solution used by CWaC, "IDOX", is a well regarded product which offers a modular approach and which could be used to deliver services in other parts of the Council, potentially allowing some existing applications to be decommissioned. Conversely, the solution used by CE for Planning and Building Control in particular, "Swift", is an aging product which is relatively costly and which presents significant ongoing support risks to the Council. However, other products exist in the marketplace which will be considered when determining the most appropriate solution for both Councils and the diverse range of services within scope of this review.
- 6.56 By the time of the next Committee meeting in January 2016, it is expected that:
- Stakeholder engagement will be well underway, with some early conclusions being available on likely direction of travel in terms of preferred product and preferred hosting and support model.

Tranche 2 reviews

- 6.57 Resourcing demands resulting from the ongoing service review work alongside business as usual and the impacts of the decision to bring CoSocius services back in-house have meant that progress on the Tranche 2 reviews so far is relatively limited. Discussions are in hand across CWaC Business Technology Solution, CE ICT Strategy, CoSocius Applications Support and the Service Review team to identify how best to take these reviews forward in response to these competing demands, and the extent to which additional resources may be required to support this work. It is expected that any additional resources would be affordable within the budget allocated to this programme.
- 6.58 In summary:

- Requirements relating to Cash Receipting & Income Management have been gathered at a high level as part of the Enterprise Business Systems review;
- Business led discussions are underway with the incumbent supplier of both Councils' Highways system to develop proposals for future system delivery;
- CWaC are driving forward a review of the incumbent Transport system, which is an aging product in use by both Councils. Requirements are being defined to support soft market testing. The service review approach will be used to engage CE in this exercise and to agree a shared approach to future solution delivery.
- Activity on Document Management is at an early stage, with a key CWaC supplier being invited to showcase their products to identify possible opportunities for consolidation;
- Activity on Revenues & Benefits and Elections has not yet begun.
- Two Tranche 2 reviews (Children & Young People, and Environmental Health) have been subsumed into existing Tranche 1 reviews (Health & Social Care, and Planning & Building Control respectively).

7.0 Next Steps

7.1 The programme of work to deliver the reorganisation of CoSocius service delivery, in support of the decisions taken at the previous meeting of this Committee, is being developed. The mutual impact of the service review programme and the reorganisation programme will be kept under continual review to ensure both reviews support each other and deliver optimum outcomes for both Councils.

7.2 In the meantime, the service review programme will continue to work towards the outcomes outlined in this report ahead of the next Shared Services Joint Committee on 22 January 2016.

8.0 Wards affected

8.1 None.

9.0 Policy implications

9.1 None.

10.0 Financial Implications

10.1 Each Council spends a significant amount of money on provision of line of business applications. The reviews currently in progress will ensure that the Councils receive value for money for their taxpayers. The service reviews underway will ensure that this situation is continually monitored in a fast changing ICT environment.

11.0 Legal Implications

11.1 The report to the Committee in February 2015 on the subject of CoSocius included a number of proposals which were to be incorporated into the contracts between the Councils and CoSocius (affecting the Shareholder Agreement and the Operating Agreements), with the intention of providing all parties with clarity and certainty. The proposals included a number of specific outcomes in

contractual terms which could arise from the outcomes of the service review programme.

- 11.2 However, the decision taken at the October meeting of this Committee to bring CoSocius activities back in-house has negated the need for such contractual changes. Instead, the programme of work to reorganise CoSocius services back into Council delivery functions has a specific Legal workstream which is addressing the legal requirements associated with this decision.
- 11.3 Where the decisions flowing from reviews requires procurement activity, this will be carried out in accordance with the Public Contracts Regulations 2015, including any pre market consultation.

12.0 Risk management

- 12.1 Programme risks are being identified and reported as necessary to the Transition Board through normal programme management mechanisms. The Board will escalate any significant risks to the Committee as appropriate during the course of the programme.

13.0 Access to Information

- 13.1 The background papers relating to this report can be inspected by contacting the report writers:

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Background Documents:

Documents are available for inspection at:

Cheshire East Democratic Services

Westfields

Middlewich Road

Sandbach

CW11 1HZ

or:

Cheshire West & Chester Democratic Services

HQ Building,

Nicholas Street,

Chester,

CH1 2NP

Appendix A – Scope of Service Reviews

Service for Review	Description
Enterprise Business Systems	<p>The Enterprise Resource Planning (ERP) system offers an integrated suite of applications covering core business functions including transactional shared services, corporate finance, strategic and operational human resources. The application is comprised of modules some of which are Payroll, HR, Procurement, vendor management and invoicing, customer management and invoicing and General Ledger. The applications support 8000 users, processing 69 payrolls and salary payments in excess of £20,000,000 per payroll period across Cheshire East/Cheshire West and Chester. Integration extends into other key line of business systems such as Social Care (Adults and Children) and Cash Receipting and Income Management. This system is used jointly by Cheshire East/Cheshire West and Chester, approximately 300 maintained schools, approximately 50 academies, town councils, Cheshire Pensions and other SLEs/ASDVs.</p> <p>The review will assess the viability of this system to support the current and future business requirements and operating models for the existing user base. This will require an analysis of the related business processes through the above organisations and CoSocius.</p>
Social Care (Adults and Children)	<p>The review will assess the viability of the underlying systems to support the delivery of adults and children social care. This will include reporting mechanisms, delivery of finance care packages, and delivery of the early support models through multidisciplinary teams. Key systems licences are approaching renewal in this area.</p> <p>Key influencing factors in the review will include the regional Pioneer bid, Complex Dependency bid, and care act changes, which are driving integration across health professionals and transparency for the customer.</p> <p>This is a key area for review as it is seen as a prime commercial opportunity for CoSocius as all councils look at the way they deliver social care.</p>
End User Computing (Desktop, mobile, telephony and network, etc)	<p>The review will assess the technology platforms required to support end user computing across client organisations, identifying opportunities for harmonisation across CoSocius customer base, simplification of CoSocius product offerings, and how this can support future flexible and mobile working requirements driven by organisational change and respective accommodation strategies.</p>

Service for Review	Description
Geographic Information System	<p>The current Geographic Information System (GIS) provides an integrated mapping service to multiple high profile services within East and West, including Planning, Highways, Elections, and other public facing Services. GIS also manages over 900 spatial datasets made available to Cheshire West, Cheshire East, the Cheshire Public, and any wider audience via both internet sites, with approximately 100,000 visits to GIS internet sites per month. The current solution is old and needs to be replaced. Without having a true marketable service, there are regular approaches from external organisations to provide GIS Services, either as Service Offerings or via an Invitation to Tender. There is also opportunity to extend GIS to other East and West teams such as Schools, Transport. Work is already underway, to gather requirements for a robust, future, marketable GIS Service. There is a recognised gap in the external market, particularly locally. It is also an excellent means to engage with external clients around potential data sharing and joined up working. Review would recognise the enormous potential for GIS as a marketable, commercially profitable Service within an increasingly demanding customer base, as well as realise obvious business efficiencies through greater internal use of GIS and greater understanding of Service needs.</p>
Business Intelligence and Reporting	<p>This platform is shared across CoSocius and its clients, and is used for the delivery of Management Reporting and Business Intelligence. The current capability is delivered through a disparate set of solutions (including Oracle, SAP Business Objects and Microsoft Sharepoint) that struggle to present a holistic picture. The review is required to inform strategic direction and bring BI capabilities together. Improved BI and Reporting will strongly support process improvement for all three parties.</p>

Service for Review	Description
Schools Information System (SIMS)	<p>The vast majority of LA maintained schools across East and West use Capita SIMS. The LA's pay an annual entitlement license fee to Capita, which is based on a per pupil cost for primary/special schools and secondary schools. This entitlement fee covers SIMS core and curriculum modules. Some schools will also pay a license fee direct to Capita for extended modules. Currently each school locally hosts their SIMS application; however CoSocius now have a private cloud solution available for all primary schools to purchase. When a school converts to an Academy, they have to purchase their original license from Capita (Schools Direct Licensing) as well as pay their own annual entitlement fee for support and maintenance at a non-reduced rate. The range of support services that CoSocius can offer schools is vast. The relationship between Local Authorities and education establishments are in a state of constant flux dictated by DfE requirements. CoSocius need to be positioned so that they can respond effectively to schools ever changing ICT related requirements.</p>
Resource Planning (Homecare)	<p>Homecare roster is a legacy solution in need of renewal which integrates with mobile working handsets. There are currently issues associated with the age of the mobile technology and its level of email integration for mobile working. This review presents an opportunity for the business clients to assess their needs and what mobile working requirements mean to future implementations.</p>
Customer Service and Website Content	<p>The two clients have established differing strategies for Customer Services and this exercise will present an opportunity to understand the implications of this, and the opportunities for CoSocius in light of the two strategies. Cheshire West and Chester has recently entered into a contractual arrangement with a JV partner for the delivery of Customer Services and Facilities Management and both Councils are leading separate agendas to look at all customer facing contact and its integration with the digital platform.</p> <p>This approach has been strongly influenced by the need for the digital agendas to drive a very clear customer identify for each borough and will assess the implications of the diverging business strategies on the technology platforms and subsequent CoSocius product offerings; not limited to but including customer authentication/registration, customer portal, master data management, website and technology/data integration, etc.</p>

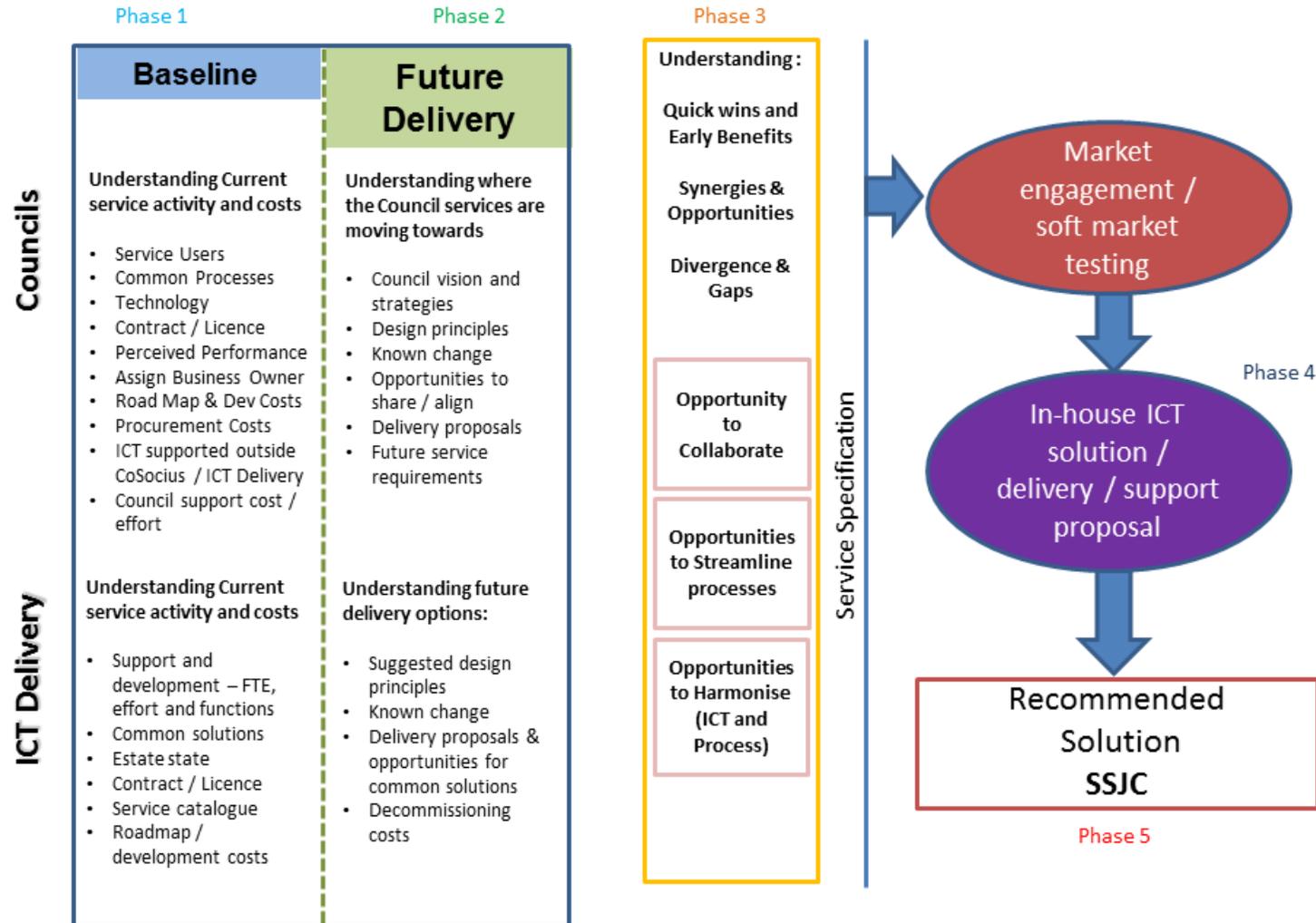
Service for Review	Description
<p>Planning and Building Control</p>	<p>East and West Planning and Building Control Systems deal with over 500 Planning Applications each month, and over 200 Enforcement Cases. There are approximately 600,000 visitors to the Planning websites each month.</p> <p>East and West are currently utilising different solutions for this area, both of which are currently up for review from a licensing perspective. This area comes under significant scrutiny from the public. The review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions being adopted across East and West, and assess options in light of the digital agenda being adopted by both clients.</p>
<p>Revenues and Benefits</p>	<p>The Revenues and Benefits System Landscape and Support Model is particularly complex, mainly due to the rapid need to implement legislative change within the Business Area. There are over 25 supported systems that deliver the service to both East and West. The systems hold, amongst other information, over 315,000 Council Tax Accounts that are accessed by over 500 users. Through Council Tax and Business Rates, a revenue income is generated in excess of £300,000,000 per authority. The review will provide an opportunity to assess the extensive systems estate and the viability of these systems to support the current and future business requirement / operating models for the existing user base, which will require an analysis of the related business processes through the above organisations and CoSocius.</p> <p>There is clear scope for efficiency across the two authorities and for the development of a marketable solution for CoSocius to take to the wider market.</p>
<p>Cash Receipting and Income Management</p>	<p>The Cash Receipting and Income Management system is the single corporate means of making internet, intranet (via Contact Centre), telephone, face to face and paypoint payments for the vast majority of Council Services. The System deals with almost 1,500,000 transactions every year. It is predominantly the same system used by both East and West, with similar supporting business processes in East and West.</p> <p>The technical solution for this area is the same for both Councils but separate environments are maintained. This review will assess the benefits of bringing this system together, ensuring consistency across business processes and standardising systems architecture, whilst considering both councils digital agenda.</p>

Service for Review	Description
Highways	<p>The Confirm application is used by both Councils but maintained separately. It is due for contract renewal and this review will provide an opportunity to ensure a modern, fit for purpose system and business process is assessed for both Councils and its partners.</p> <p>The review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions being adopted across East and West and assess options in light of the digital agenda being adopted by both clients.</p>
Children and Young Persons	<p>These business areas are currently serviced by a collection of legacy applications, standard to both Councils but maintained separately. The Tribal Synergy CYPD Suite is a Children's Education Case Management System used in West and East. It is a multi-modular system for specific service areas such as Admissions and Special Educational Needs (SEN). This review will provide the opportunity to modernise the technical solution to support an evolving business model.</p> <p>The review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions supporting East and West and assess options in light of the digital agenda. Joint working is already underway to identify appropriate procurement routes and potential options.</p>
Document Management	<p>There are currently a number of different, document management solutions in place across both Councils, in some cases directly linked to specific applications, e.g. Civica for Revs and Bens (Cheshire West and Chester). The enterprise SharePoint platform currently holds some 1.36 million documents, enabling collaboration, workflow, security, records management and version control seamlessly with Microsoft Office and 3rd party applications, including mobile. This review will provide an opportunity to review the needs of the Councils and CoSocius to recommend a standard document management solution going forwards, not only realising efficiencies through reducing spend on existing systems and systems support, but also by having a shared, consistent approach to document management.</p>
Elections	<p>Both Councils use different systems but the business process will be in line with the necessary governance required to support the political process across all local authorities. This review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions being adopted across East and West and assess options in light of the digital agenda being adopted by both clients.</p>

Service for Review	Description
Environmental Health	<p>This will include Trading Standards, Pest Control, Licensing, etc.</p> <p>East and West are currently utilising different solutions for this area, both of which are currently up for review from a licensing perspective. This area comes under significant scrutiny from the public.</p> <p>The review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions being adopted across East and West and assess options in light of the digital agenda being adopted by both clients.</p>
Transport	<p>East and West are currently utilising different solutions for this area, both of which are currently up for review from a licensing perspective.</p> <p>The review will provide an opportunity to evaluate the two business strategies, re-evaluate the solutions being adopted across East and West and assess options in light of the digital agenda being adopted by both clients.</p>

Appendix B – Revised Service Review Methodology

Revised Service Review Methodology



Revised Service Review Methodology

Phase 1

Phase 2

	Baseline	Future Delivery
Councils	<p>Understanding Current service activity and costs</p> <ul style="list-style-type: none"> • Service Users • Common Processes • Technology • Contract / Licence • Perceived Performance • Assign Business Owner • Road Map & Dev Costs • Procurement Costs • ICT supported outside CoSocius / ICT Delivery • Council support cost / effort 	<p>Understanding where the Council services are moving towards</p> <ul style="list-style-type: none"> • Council vision and strategies • Design principles • Known change • Opportunities to share / align • Delivery proposals • Future service requirements
ICT Delivery	<p>Understanding Current service activity and costs</p> <ul style="list-style-type: none"> • Support and development – FTE, effort and functions • Common solutions • Estate state • Contract / Licence • Service catalogue • Roadmap / development costs 	<p>Understanding future delivery options:</p> <ul style="list-style-type: none"> • Suggested design principles • Known change • Delivery proposals & opportunities for common solutions • Decommissioning costs

Phase 1 & Phase 2

The first 2 phases will establish a baseline of the way in which the current service operates and overlay this with a view of the future direction of the service to understand the scale of change and potential benefits to the Councils.

Phase 1 will capture a detailed view of how each organisation currently delivers its services, the technology to underpin it and all associated costs.

Phase 2 will provide a view of the future directions for each service area based on organisational and service strategies, delivery vehicles, design principles and planned future changes. The ICT Delivery function will support this with a professional view on potential strategies and solutions, building on existing knowledge of current solutions and activities.

Both phases will need to be completed in conjunction with existing change teams and business representatives.

During these phases external support to understand the potential market view may be taken.

Output: Phases 1 & 2 will be used to understand the difference between current and future anticipated delivery which will be essential to recognise opportunities, early benefits and inform a future technology solution.

Revised Service Review Methodology

Phase 3

Phase 3 will draw together all of the analysis from the previous phases to create a cross-Council view of services and technology to identify:

Quick wins and Early Benefits: Simple changes that can be made in the short term to make efficiencies or improvements in quality. May involve tactical improvements which do not conflict with strategic direction.

Synergies & Opportunities: Alignments of technology, processes and future directions (including opportunities to share solutions more widely in future)

Divergence & Gaps: Differences in organisations future direction, technology and design principles.

This will inform the type of service specification that will be taken forward to market testing i.e. a Joint Council specification or separate ones.

Output: The output from this activity will be a Service Specification, which will be used to direct external soft market testing and to inform any resulting proposal from the in-house ICT Delivery function.

Phase 3

Understanding:

Quick wins and Early Benefits

Synergies & Opportunities

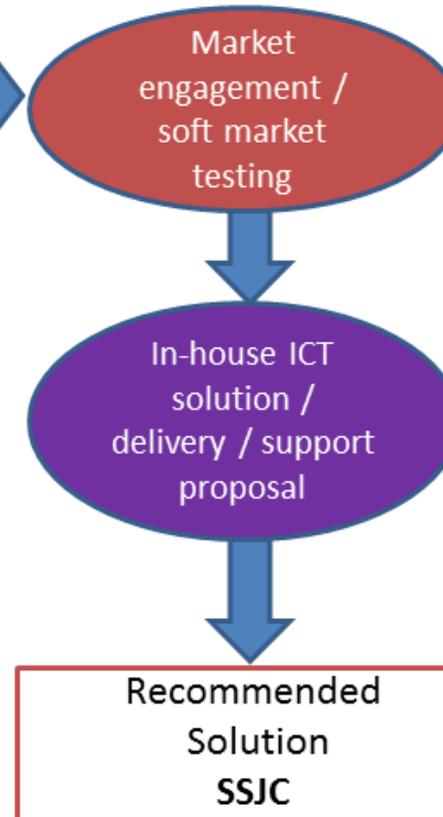
Divergence & Gaps

Opportunity to Collaborate

Opportunities to Streamline processes

Opportunities to Harmonise (ICT and Process)

Service Specification



Revised Service Review Methodology

Phase 4

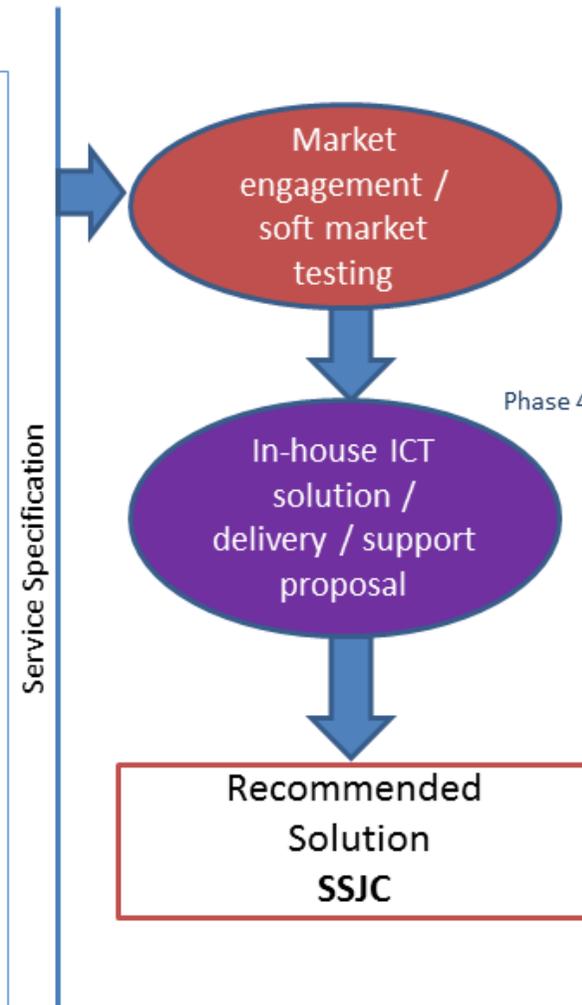
Phase 4: The service specification created in phase 3 will be taken forward to testing through a soft market procurement mechanism to establish what solution, costs and benefits could be provided by the market.

The ICT Delivery function will support the soft market testing alongside the Councils, and will use the intelligence gained from this process to support a proposal for future delivery. This would not preclude the Councils considering a procurement process to secure a solution directly from an external provider should this be felt to be the optimum solution. However this would require some form of ICT Delivery “wrap”, which could be as minimal as providing a network connection to an external solution. At the other end of the scale the ICT Delivery proposal could involve a full implementation and ongoing support service.

Where appropriate multiple service specifications could be released as a package to ensure a viable market comparison can be established and that the maximum value for money can be established through economies of scale.

Whichever approach to solution delivery is taken, appropriate approvals would be required to support any investment required by both Councils.

Output: Phase 4 output will be a proposal which identifies the preferred solution or solutions to deliver the requirements outlined in the service specification. This will incorporate the information obtained from market providers and proposed delivery / support models from the ICT Delivery function. These will also include an outline implementation plan, including indicative costs and resourcing requirements.



Revised Service Review Methodology

Phase 5

Phase 5:

The recommended solution presented to Committee will identify the preferred method of delivering the service specification identified through earlier phases of work, via an appropriate combination of working with external providers and the in-house ICT Delivery function. The solution will be selected using appropriate value for money criteria such as:

Financial

Costs, savings and benefits
Payback / return on investment

Quality

Functionality to meet the specification
Strategic fit & flexibility
Deliverability
Customer benefits

The Councils will use these criteria to analyse the available options and reach a decision on the preferred solution and preferred approach to delivery, including the role of the ICT Delivery function.

Output: A recommendation will be brought to Members based on the Councils' analysis of available solutions against the criteria listed above.

The approved recommendation from Members at this stage will be taken forward to a procurement and implementation programme.

