

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

Shared Services Joint Committee

Date of Meeting:	24 November 2017
Report of:	Mark Wynn – Director of Corporate Services (Cheshire West & Chester) Pete Bates – Chief Operating Officer (Cheshire East)
Subject/Title:	Joint Council ICT Review Update Report
Portfolio Holder:	Councillor Paul Bates – Cheshire East Council, Councillor David Armstrong – Cheshire West and Chester Council

1. Report Summary

- 1.1. The purpose of this report is to provide an overview of the outcome of the independent review of ICT and the agreed next steps.

2. Recommendation

- 2.1. That the review's recommendations are taken forward to mobilisation stage, namely:
 - I. Strengthen client arrangements and medium term strategic planning;
 - II. Confirm and enhance the ICT Shared Service's key role in supporting common applications and providing commodity ICT while also ensuring full engagement with both clients on projects relating to line of business systems and digital programmes;
 - III. Ensure both Councils fully engage across with the Infrastructure Investment Programme to enable the delivery of key business requirements, to develop the financial case and to maintain momentum;
 - IV. Improve and streamline governance at officer level to enable joint working and shared decision making;
 - V. Draft a shared service agreement and proportionate performance management framework supported by a range of intelligence KPIs;

- VI. Deliver a comprehensive training programme to support further staff development involved in ICT across the two Councils and the shared service
 - VII. (v) Develop a new organisational structure for ICT alongside clear roles and responsibilities
 - VIII. Building on the outline business case, further develop the financial implications relating to a new operating model including clarity on investment and financial / non- financial benefits and new funding arrangements.
- 2.2. That resources to enable the above are defined as a matter of urgency
 - 2.3. That the Committee endorse the shared services agreements dated 1 April 2016 continue to govern existing service provision until the revised agreements including agreed service catalogue, specifications, performance management and revised payment arrangements are in place.
 - 2.4. That the Committee agree the Transactional Services Agreement will now move forward and reflect the changes in the ICT delivery model and the requirements of the Best4Business programme.

3. Reasons for Recommendation

- 3.1. At Shared Services Joint Committee (SSJC) on the 24 March 2017 the Committee noted that an independent and holistic ICT review supported by both Council was required to ensure ICT in its entirety enables both Councils to achieve their objectives.
- 3.2. At SSJC on the 19 May 2017 the Committee noted that Ernst & Young LLP were to conduct the independent review to provide assurance and to determine the optimum alignment and IT delivery model to deliver both councils' future requirements. It was agreed that the outputs from the phases of work would be brought to this Committee.

4. Background

- 4.1. Further background is set out in the committee update reports dated 24 March 2017 and 19 May 2017.
- 4.2. The updated Shared Service Agreement for ICT including the target operating model, agreed service catalogue, specifications, performance management and revised payments will now move forward to reflect the changes outlined in the ICT delivery model.

5. Joint Independent ICT Review Update

- 5.1. The Joint Independent Review (JIR) following comprehensive engagement with representatives from both councils and from the ICT Shared Service concluded earlier this month (6th Nov).
- 5.2. There are a number of positive outcomes relating to the review:
 - 5.2.1. There is consensus on the target end state and on the way forward
 - 5.2.2. There is a markedly higher level of dialogue and matching of expectations between the councils and the Shared Service
 - 5.2.3. The Target Operating Model has been the subject of considerable engagement and review and the councils should be confident in this as a basis for progressing to implementation
 - 5.2.4. The pre-requisites for a successful outcome are well understood by all parties:
 - Strengthening of commissioning
 - Financial transparency
 - Enhanced and simplified governance
 - Modernisation of the IT Shared Service
 - 5.2.5. An outline business case has been formed to understand the costs and benefits of a new operating model.
 - 5.2.6. There is a recognition that cultural change and improved working relationships will underpin success

6. Next Steps

- 6.1. The intention from both Councils is to move forward maintaining this positive momentum to a more detailed business case, programme plan and implementation of immediate activities including:
 - Enhanced and Simplified Governance (End of Dec 17)
 - Simplified Business Engagement model (Business Relationship Managers in Councils) (Jan 18)
 - Improve and coordinate client arrangements and ICT planning activity (Apr 18)
 - Implement a more transparent financial model and business case for the Infrastructure Investment Programme (Apr 18)
 - Introduce and Interim Performance Framework for ICT (Dec 17)
 - Mobilisation of a core team to lead and implement the change (Jan 18)
 - Introduce a programme of culture change across the whole IT service (client and shared service) (Feb 18)

- 6.2. Further planning and costing activities are underway to mobilise a core programme team to support the activity required to achieve the above.
- 6.3. Updates on this development and wider elements will be brought back to SSJC at regular points to update and monitor progress.
- 6.4. A draft high level transition plan outlining key phases for the TOM implementation is attached in Appendix 1.

7. Wards Affected and Local Ward Members

- 7.1. All wards

8. Implications of Recommendation

8.1. Policy Implications

Strategic policy implications are limited and likely to be more pronounced at an operational level.

8.2. Legal Implications

Legal will be fully involved in developing the revised agreements, governance approach and any subsequent appointments of specialist teams or third party contracts required for the transformational programme.

8.3. Financial Implications

The EY review cost were approved by Committee on the 21st March (£150K).

The financial implications of the operating model have been estimated during the EY review but require further detailed work under a dedicated Finance workstream. Full details of the financial implications will be confirmed with the Joint Committee in due course.

Equality Implications

There are no equality implications

8.4. Rural Community Implications

There are no impacts on the rural community

8.5. Human Resources Implications

Any implications on Human Resources will be fully set out in the Cabinet reports.

8.6. Health and Wellbeing Implications

There are no implications on Health and Wellbeing

8.7. Implications for Children and Young People

There are no implications of Children and Young People

8.8. Overview and Scrutiny Committee Implications

There are no specific impacts.

8.9. Other Implications (Please Specify)

None

9. Risk Management

9.1. The delay in agreeing the revised ICT and Transactional Services Agreements is impacting on the transformational programme. However, it is necessary that the outcomes from the jointly commissioned EY Review can shape transformation programme in order to achieve the optimum future ICT model and maximise return on investment for both councils.

9.2. The new ICT and Transactional shared services agreements will also need to incorporate the recently finalised duties set out in the contractual arrangements for B4B with Agilisis.

10. Access to Information

10.1. Previous ICT update reports which set out the background are available publically.

11. Contact Information

Contact details for this report are as follows:

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Appendix 1: Draft High Level Transition plan

Phase 0

Mobilisation

Dec – Jan

Planning and preparation in order to achieve effective delivery of the ICT operating model.

- Enhanced and Simplified Governance
- Introduce and Interim Performance Framework for ICT
- Simplified Business Engagement model (BRM's in Councils)
- Mobilisation of a core team to lead and implement the change

Phase 1

Detailed Design

Feb - May

Development of the detail of the Target Operating Model and the associated organisation design. Also, introduction of quick wins

- Improve and coordinate client arrangements and ICT planning activity
- Implement a more transparent financial model and business case for the Infrastructure Investment Programme
- Functional baseline and detailed TOM definition

Phase 2

Deployment

Apr - Dec

Introduction of the Target Operating Model components, including process, working practices, tooling and standards, performance management and governance. Also, implementation of the target organisation, roles and responsibilities.

Phase 3

Interim Operation

Dec- Apr

A period of operation in which performance is monitored and changes and refinements made in the operating model and, exceptionally, in roles and responsibilities

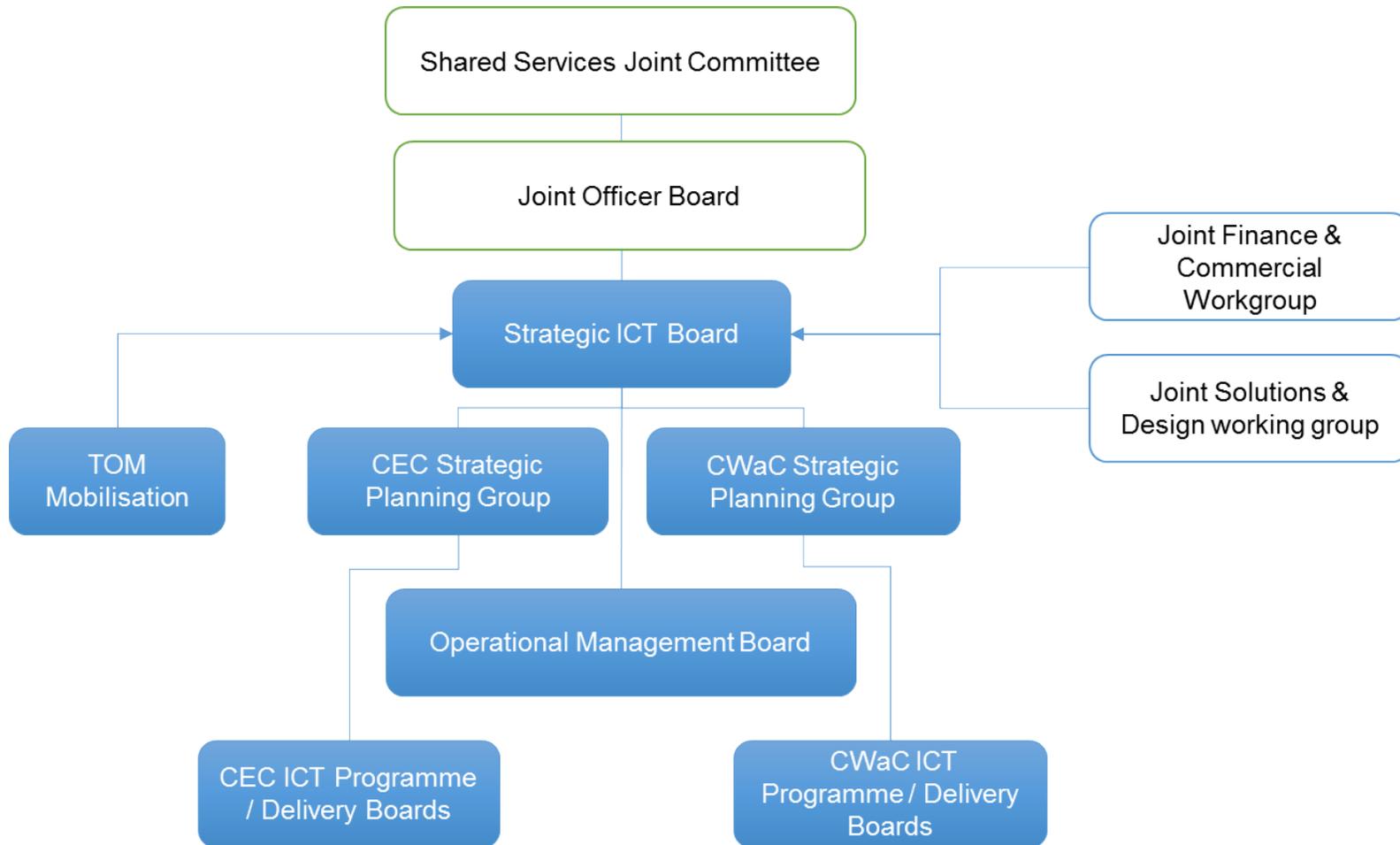
Phase 4

Target State Operation

Apr 19

'Business As Usual' and ongoing continuous improvement

Appendix 2:
Simplified
Governance



Governance Group	Purpose	Key Members
Strategic ICT Board	<ul style="list-style-type: none"> • Oversight and Decision making board for all elements of ICT both Client and Shared Service. • Strategic planning and alignment • Act as Programme board for ICT TOM implementation • Operational oversight of ICT SS & performance • Sign off / Agreement of Change and BAU Plans 	<ul style="list-style-type: none"> • CEC CIO • CWaC Dir PSR • CEC Client Lead • CWaC Client Lead • ICTSS Operational Lead • Finance & Commercial Management • TOM Programme Mgr. • S151's (Quarterly attendance)
Strategic Planning Groups	<ul style="list-style-type: none"> • ICT Strategy and longer term blue print design • Strategic planning <ul style="list-style-type: none"> ○ Short term (12 months), Medium Term (12 – 36 months) • Commissioning and engagement for future portfolio's of change with ICTSS & External providers • Portfolio Management • Vendor Management • Joint planning activities across councils and ICT SS 	<ul style="list-style-type: none"> • CEC CIO / CWaC Dir PSR • Client Lead • Wider Council ICT SMT • Transformation / Change Lead
Operational Management Board	<ul style="list-style-type: none"> • Decision making forum for Service Operations and Management • Oversight of BAU Projects • ICTSS Performance management • Service Catalogue Development and Maintenance • Transition sign off from Change to BAU • Problem solving – escalations of Council issues BAU and Delivery 	<ul style="list-style-type: none"> • ICTSS Operational Lead • ICTSS SMT • CWaC Client Lead • CEC Client Lead

	<ul style="list-style-type: none"> • Vendor Management 	
ICT Programme / Delivery Group	<ul style="list-style-type: none"> • ICT Project delivery oversight • Interdependency monitoring • Active engagement with ICTSS 	<ul style="list-style-type: none"> • Client Lead • Delivery Lead • ICT SS Reps

Joint working groups will be set up to support and feed into the Joint Strategic Board:

- Joint Solutions and Design group – Working forum to develop and review joint solution proposals at a business level. In addition to reviewing designs affecting inflight ‘Run’ or ‘Change’ initiatives.
- Joint Finance and Commercial Group - Joint forum to ensure clarity on finance and performance and to review and challenge the financial aspects of joint solution proposals, delivery or BAU