Cheshire East Council

Cheshire West and Chester

Shared Services Joint Committee

Agenda

Date:	**Friday 22nd January 2016**
Time:	**2.00 pm**
Venue:	**G1 - Wyvern House, The Drumber, Winsford, CW7 1AH**

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

   To note attendances, substitutes, and any apologies for absence.

2. **Declarations of Interest**

   To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. **Public Speaking Time/Open Session**

   Members of the public are entitled to address the Joint Committee on reports contained within the agenda. One person can speak in support of each item, and one against, with a limit of three minutes each. It would be helpful if any person wishing to speak would give prior notice to the Democratic Services Officer named below.

4. **Minutes of Previous meeting** (Pages 1 - 6)

   To approve the minutes of the meeting held on 27 November 2015

For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public
Contact: Rachel Graves
Tel: 01270 686473
E-Mail: rachel.graves@cheshireeast.gov.uk

5.   **Cheshire Archives and Local Studies Shared Service: Accommodation Project Update** (Pages 7 - 32)

To consider a report on the current position with regard to the Archives relocation proposal which recommends a way forward for the proposal

6.   **Update on the Implementation of Shared Service Arrangements to Provide ICT, HR and Finance Services to Both Authorities.** (Pages 33 - 38)

To consider a report which provides an update on the progress made in regards to the mobilisation of the programme of work required to deliver the establishment of a Shared Service for the delivery of ICT and establishment of a Shared Service for the delivery of HR & Finance

7.   **CoSocius Service Reviews** (Pages 39 - 76)

To consider a report on the progress being made in the delivery of the Service Review programme

Minutes of a meeting of the **Shared Services Joint Committee**
held on Friday, 27th November, 2015 at Committee Room 1 - Wyvern House,
The Drumber, Winsford, CW7 1AH

PRESENT

Councillor D Brown (Chairman)
Councillor D Armstrong (Vice-Chairman)

Councillors L Gilbert (substitute for Cllr JP Findlow), B Clarke (substitute for Cllr P Donovan) and A Claydon (substitute for Cllr L Gittins)

Officers
Cheshire East Council
Peter Bates, Chief Operating Officer
Jackie Gray, Corporate Manager, Business Intelligence and Data
Suzanne Antrobus, Legal Team Manager Commercial Projects and Property
Rachel Graves, Democratic Services Officer

Cheshire West and Chester Council
Mark Wynn, Head of Finance
Aaron Thomas, Programme Manager
Eric Burt, Health and Safety Manager

14 **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors JP Findlow, P Groves, L Gittins and P Donovan.

15 **DECLARATIONS OF INTEREST**

Councillors D Brown and D Armstrong declared an Outside Body Interest as an appointed Member of the CoSocius Shareholder Board.

16 **PUBLIC SPEAKING TIME/OPEN SESSION**

No members of the public were in attendance and no questions had been submitted prior to the meeting.

17 **MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 2 October 2015 be noted.

18 **SHARED SERVICES MID-YEAR PERFORMANCE 2015-16**

The Committee considered a summary of the mid-year position for the remaining Shared Services, including both financial and non-financial performance.

It was reported that the mid-year financial outturn forecast was an aggregated overspend of £44k, predominantly attributed to the Occupational Health Unit. Five of the Shared Services had been rated as 'Green' in terms of their overall performance and two were rated as 'Amber' – these being Emergency Planning and the Occupational Health Unit. An update on all the Shared Services as at mid-year was provided in the Appendices to the Report.

Work would commence shortly on the four year Business Plans for the period April 2016 to March 2020 for each of the Shared Services.

The Strategic Risk Register had been amended to include the reversion of CoSocius into a Shared Service arrangement.

RESOLVED: That

1   the Shared Services mid-year performance for 2015-16 be noted; and

2   the revisions to the Shared Services Strategic Risk Register be noted.

19 **OCCUPATIONAL HEALTH UNIT - PROCUREMENT OF OCCUPATIONAL HEALTH SERVICES 2016**

The Committee considered a report which provided an update on the future delivery option for the Occupational Health Unit.

It had been agreed that a joint arrangement between Cheshire East Council, Cheshire West and Chester Council and Warrington Borough Council be entered into. Representatives from the three Councils had met to commence the procurement process and identify issues relevant to each authority. These included:
  * the scope of the services required by each authority
  * the use of premises in Cheshire East/Cheshire Wet
  * TUPE implications for OHU staff
  * Pension arrangements for staff who TUPE to the new supplier
  * transfer of medical records and merging of software systems

A Procurement Initiation Plan was being placed on The Chest on-line procurement system to advise potential suppliers that there was a contact being planned and a 'Supplier Information Day' had been organised for 9 December 2015 in order that potential suppliers could be advised of the

scope and nature of the contract before entering into a formal bidding process.

It had become apparent that with the large amount of work associated with the procurement exercise, the 1 April 2016 deadline would not be achievable. However, a start date of 1 September 2016 would be achievable and this would also tie in with the ChESS/SBSA services to schools' contract which followed the academic year.

RESOLVED:

That the report be noted and the start date for the contract of 1 September 2016 be approved.

20 **SHARED SERVICES PROJECT UPDATE.**

The Committee considered a report on the progress being made on key change projects within the Shared Service arrangements in relation to Archives and Local Studies and the Archaeology Planning and Advisor Service.

It had been agreed that an alternative site for the Archives and Local Studies service would be sought in either Chester, Crewe or Winsford, with the potential for a two site solution not being ruled out. Prior to determining the accommodation requirements the Archives Service was focusing on service delivery to meet future demands, not least in terms of technological developments. Developing this vision would be fundamental to informing a successful Heritage Lottery Funding bid.

The Archive Service had been subjected to a further inspection under the new National Archive Accreditation Scheme. It was reported that the outcome from the inspection were positive and that the key findings were:
- the Service had a strong vision for the future, which was based on a good understanding of the people and possibilities involved
- the Service had good structures in place, with strong management and leadership
- the Service understood where its priorities lay in the future
- the Archive's primary home was working against them; being a drain on resources and preventing further development of the service offer.

Progress from the review of the Archaeology Advisory and Planning Service was detailed in the Report. The second phase of the review had commenced to determine the most appropriate and effective means of joint working arrangements post 31 March 2016 and needed to take account of the wider scope of developing service delivery options and commercial opportunities currently being explored by Cheshire West and Chester Council.

RESOLVED: That

1   the progress on the delivery of the Cheshire Achieves and Local Studies Relocation Project be noted; and

2   the progress with the second phase of the service review of the Archaeology Planning Advisory Service be noted.

21 **COSOCIUS SERVICE REVIEWS**

The Committee consider a report on the progress being made in the delivery of the CoSocius Service Review programme.

Details of the progress against each service review in each Tranche 1 were detailed in the Report and summary presentation.

It was noted that the response from the benchmarking exercise, carried out by Waterstons Ltd, had been poor, with only one supplier formally responding to the exercise. The single supplier had only provided HR & Payroll transactional costing data. No transactional costing data relating to Payments and Income were obtained through this formal exercise. Combined with access to other pricing information and intelligence by Waterstons, it appeared that CoSocius charges for these services were broadly in line with the marketplace.

RESOLVED: That

1   the progress in delivery of the transactional services benchmarking review be noted; and

2   the progress to date with the series of service reviews underway and the opportunities for collaboration and sharing across both Councils identified so far be noted.

22 **UPDATE ON THE IMPLEMENTATION OF SHARED SERVICE ARRANGEMENTS TO PROVIDE ICT, HR AND FINANCE SERVICES TO BOTH AUTHORITIES**

The Committee consider a report on the progress being made in regards to the establishment of a Shared Services for the delivery of ICT and the delivery of HR and Finance.

Following the decision to revert to a shared service agreement to provide ICT, HR and Finance, a fortnightly Joint Programme Board had been established and was made up of Workstream Leads who represented the key areas of activity within the programme.

Communication was underway with all affected staff to inform them of the TUPE Transfer Date, future employer and associated terms and conditions.

RESOLVED:

That the progress with the mobilisation of the programme of work needed to establish the two shared services be noted.

The meeting commenced at 2.00 pm and concluded at 3.45 pm

Councillor D Brown (Chairman)

This page is intentionally left blank

CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting:	22 January 2016
Report of:	Peter Bates - Chief Operating Officer, Cheshire East
	Mark Wynn – Director of Finance, Cheshire West & Chester
Subject/Title:	Cheshire Archives and Local Studies Shared Service: Accommodation Project Update

---

1.0 Report Summary

1.1 This report provides a summary of the current position with regard to the Archives relocation proposal and recommends a way forward for the proposal. It also reports on the vision for the Archives and Local Studies service and on the award of Accredited Status to the service, together with the recommendations for the service arising from the Accreditation inspection.

2.0 Decision Requested

2.1 It is recommended that:

1. Progress to date on the Archives relocation project as set out in this report be noted.

2. Proposals for the future Joint Committee decisions concerning this project as outlined in Section 11 of this report be endorsed.

3.0 Reasons for Recommendations

3.1 The need to find a replacement facility for the current Record Office in Duke Street, Chester, has been recognised by elected members from both authorities and is a key recommendation arising from the Accreditation report from November 2015.

3.2 Since 2012 work has been carried out on building a detailed understanding of the requirements and potential costs of an archive facility, but it is important to note that this facility, while important in its own right for access to and preservation of Cheshire's archival heritage, is the base for a service which engages a wider range of people than visitors to the Record Office, through outreach programmes, access in libraries and online. This project is about that wider engagement with people, bringing the collections closer to them.

3.3 In order to progress this project, both authorities will need to agree a shared vision for the service and agree the next steps. Accredited status lasts for 6 years, but the

service will need to report on progress towards securing better accommodation in Autumn 2017.

4.0   Wards Affected

4.1   This report relates to Shared Services that operate across both CE and CWAC so all wards are affected in both Councils.

5.0   Local Ward Members

5.1   Not applicable.

6.0   Policy Implications including

6.1   None.

7.0   Financial Implications

7.1   Costs for this service are shared equally between Cheshire East Council and Cheshire West and Chester Council. To ensure that this project is able to progress to the next stage, as outlined in 11.3 and 11.4 of this report, both Councils have submitted business proposals into their respective budget setting processes. This resource will help to ensure that this project moves forward, in order to meet the statutory requirements and the expectation of service users and other key stakeholders.

7.2   The service will submit an application to the Heritage Lottery Fund (HLF) in order to propose a business case for relocating the service and request additional financial support from the HLF to enable this, but it is also anticipated that the capital receipt from the sale of the current Record Office in Duke Street, Chester, can be put towards delivery of the relocation project.

7.3   Financial implications of the preferred options willl be explored wth a more detailed options appraisal in order to better inform the decisions made by the Joint Committee and each authority on future service provision. This is estimated to cost £4K and will be funded through the service's revenue budget.

7.4   The public consultation exercise, as outlined in paragraph 11.5, will be undertaken internally at minimum cost to the Councils.

8.0   Legal Implications

8.1   The Shared Services Administrative Agreement sets out the overall arrangements in relation to the manner in which authorities will work together. The Shared Service Agreement sets out the mechanisms by which the Shared Services operates.

9.0   Risk Management

9.1   Changing and diverging client requirements can make it more difficult for Shared Services to provide an equitable response and therefore periodic review of the sharing arrangements are required to ensure that they remain viable for all parties.

9.2   The capital bidding processes of each council will need to be coordinated, so as to ensure the parallel progress of the Archives accommodation project through both councils and to reduce duplication of effort.

9.3   Formal discussions with the HLF will begin early this year, as noted in the project timetable (Appendix 1), to ensure that officers have a good understanding of the HLF's requirements and reduce the risk of failure to secure external funding.

10.0   Background, Vision and Options

10.1   As previously reported, it has been identified by The National Archives and recognised by elected Members in both authorities that the current building which houses the service is no longer fit for purpose. Options for the future delivery of the service were recommended to Joint Committee in January 2015. Since that time the service has been awarded Accredited Archive status under the new UK Archives Accreditation Scheme and although the feedback report (Appendix 2) from The National Archives was very positive about the direction in which the service was moving, it noted that:

> "the service's future development lies with finding new premises which will benefit the collections and allow its people-centred vision to be delivered more effectively than is currently possible".

10.2   In order to satisfy the requirements of the Accreditation Scheme, a long term solution to this requirement for new premises will need to be found within the next two years. In addition, in order to meet external funding requirements and deadlines, firm plans for the service's long term future must be in place by Spring 2017. Delivery of the project is anticipated from late 2018/19 onwards.

10.3   Facilitated by an independent consultant, the service has recently been working with stakeholders, customers and staff to develop a strong, ambitious vision, in preparation for a bid to the Heritage Lottery Fund (HLF) to support the delivery of this vision. This follows informal advice from other archive services and from the HLF itself, whose priorities are around benefits to heritage, benefits to people, more people participating in heritage, and innovation.

10.4   The vision (see Appendix 3) for the service is

> "Easy access to histories: collecting evidence of Cheshire communities' lives past and present, for everyone, for the future"

The key outcomes arising from this vision, to be delivered over a 10-year period, are that Cheshire Archives and Local Studies will

A) have secured a new building with a welcoming, inspirational environment that is more attractive and accessible to visitors, which provides access to collections and with space for staff, volunteers, collections and future growth;

B) have made a major improvement in its provision and use of ICT to bring the collections closer to people;

C) be reaching more and a wider range of people through public activities onsite and around the county, through its use of information technology, through new opportunities to showcase the collections and by having a more welcoming, accessible and well-located building. We will have transformed local provision in libraries and established local Heritage Hubs;

D) have developed new and innovative partnerships leading to an increased profile across Cheshire and beyond;

E) have increased and diversified funding, putting the service on a more sustainable basis;

F) be a recognised centre of excellence in collections, staff, knowledge and services, consolidating and developing expertise;

G) be a stronger, more visible, better recognised corporate resource for Cheshire West and Chester and Cheshire East Councils.

10.5   As a means of delivering these priorities, both authorities now need to take steps to further investigate how the service can evolve and be delivered to meet the expectations and aspirations of key stakeholders and customers. This will also help to inform the future HLF bid.

Service delivery options

10.6   A number of options to relocate the CALS and continue to provide access to the collection while affording new and appropriate levels of accommodation and storage have been considered by officers following. These are as follows:

1. 1 main base, with access and storage onsite, combined with satellite access points;

2. 2 main bases, with access and storage onsite, combined with a small number of satellite access points;

3. 1 main base, with access and a combination of onsite and offsite storage, with satellite access points;

4. 2 main bases, with access and a combination of onsite and offsite storage, with a small number of satellite access points;

5. All access to collections is virtual. Storage in on one site with no public access;

6. 1 main base with access, but no storage onsite. Series of satellite access points and 1 offsite store.

10.7   Options 3 and 4 have been identified as the preferred options to take forward and Appendix 4 presents the options appraisal.

10.8   The recommendation is to undertake a more detailed options analysis of options 3 and 4. This is in line with the options recommended by Joint Committee in January

2015 and will involve the use of staff and stakeholder workshops and telephone interviews with key stakeholders. The criteria (priority criteria in bold) for this exercise and for a future site options appraisal will be:

1. Cost – capital and revenue.
2. Creates a high level of accessibility via transport and online
3. Maintains the security of the records
4. Maintains the quality of service
5. Is sustainable in the long term
6. The Heritage Lottery Fund and other funders would fund the option
7. The option is flexible and adaptive to future change
8. Option will foster partnerships
9. Provides income opportunities
10. Adds value to the community
11. Helps the service to reach more people and new people
12. Helps to deliver the vision for the service
13. Increases visibility of the service within the councils
14. Secures Accredited Archive and Place of Deposit statuses

11   Moving Forward

11.1   An independent expert will be contracted to deliver the more detailed options analysis, as described above. This will form the basis of a report recommending a preferred service delivery model which will be presented to members of Joint Committee in March 2016.

11.2   A Project Inquiry will be submitted to the Heritage Lottery Fund in April 2016.

11.3   Once agreement on a preferred service delivery model is secured, if required the services of an independent expert will be secured to carry out a rigorous options appraisal of sites already identified as potential homes for the service against the criteria above. It is anticipated that a recommendation about a preferred site(s) will be brought to Joint Committee in July.

11.4   Funding is currently being sought internally (see paragraph 7.1) to support the development of a Round 1 funding bid to HLF. This will be required to secure the services of specialists who will prepare key evidence for the funding bid to the standard required by HLF (e.g. architectural work). It is generally recommended that the development of a Round 1 bid should take 12 months and it is anticipated that a Round 1 bid will be submitted in April 2017.

11.5   A key part of the development of the Round 1 bid will be extensive public consultation. Permission to run this consultation, which will be as wide-reaching as possible in order to inform plans to reach a wider audience for the service, will be sought once the preferred delivery option is determined.

11.6   At the time when a Round 1 bid is submitted to HLF, the match funding from the Councils will need to be in place. It is currently anticipated that this will be in the region of £4.2 M from each authority, not withstanding any significant changes. The

capital receipt from the sale of the Record Office in in addition to this. Work is being progressed to ensure that this funding is part of both Councils' capital programmes.

12.0 Access to Information

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

Officer: Peter Bates, Chief Operating Officer – Cheshire East Council /
     Mark Wynn, Head of Finance – Cheshire West & Chester Council
Tel No: 01270 686013 / 01244 977830
Email: peter.bates@cheshireeast.gov.uk /
     markwynn@cheshirewestandchester.gov.uk

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

TIMETABLE 2016-19

Task	J16	F16	M16	A16	M16	J16	J16	A16	S16	O16	N16	D16	J17	F17	M17	A17	M17	J17	J17	A17	S17	O17	N17	D17	J18	F18	M18	A18	M18	J18	J18	A18	S18	O18	N18	D18	J19	F19
KEY DECISIONS																																						
Joint Committee authority to submit external funding bid and agree project development plan	█																																					
Joint Committee approval of delivery model recommendation			█																																			
Joint Committee approval of site(s) recommendation and governance of project							█																															
Councils approve capital match funding for project	█												█																									
SERVICE DELIVERY MODEL OPTIONS APPRAISAL																																						
Staff/stakeholder workshops with external facilitator	█	█																																				
Consultation with high level stakeholders	█	█																																				
Report on recommended delivery		█																																				
SITE OPTIONS APPRAISAL																																						
Appointment of external consultant to carry out site options appraisal				█																																		
Site options criteria agreed with officers and high level stakeholders				█	█																																	
Sites analysed and report produced with recommendation					█	█																																
EXTERNAL FUNDING BID DEVELOPMENT																																						
Project Inquiry submitted to Heritage Lottery Fund				█																																		
Confirm project governance							█																															
Public and partner consultation					█	█	█	█	█	█	█																											
Activity plan developed to fit consultation and vision for service								█	█	█	█	█																										
Concept design(s) developed to RIBA 1, to fit site(s) and activity plan (includes tender process). Building work and non-architectural elements of project e.g. digital installations								█	█	█	█	█																										
Draft Round 1 HLF bid for review by HLF													█	█																								
Submit Round 1 HLF bid															█																							
HLF appraisal process																█	█	█																				
Round 1 HLF decision																			█																			
HLF STAGE 2 APPLICATION PROCESS																																						
HLF permission to start process (indicative)																			█	█	█																	
Stakeholder enagagement and activity development																						█	█	█	█	█	█	█	█	█	█	█	█					
Surveys, consultation, leading to detailed design for capital works (RIBA 3)																							█	█	█	█	█	█	█	█								
Business Plan development																											█	█	█	█								
Draft Round 2 HLF bid for review by																													█	█	█							
Submit Round 2 HLF bid																																		█				
HLF appraisal process (indicative)																																			█	█	█	
Round 2 HLF decision (indicative)																																						█

This page is intentionally left blank

Accreditation Assessment Report, November 2015

Panel Narrative

The Panel commended the service's ethos of development planning and the service's strength of vision. There was an excellent approach to volunteering, particularly in ensuring different types of volunteers are supported to achieve different benefits – the developing work with mental health and back-to-work volunteering was particularly noted in this regard. The Panel recognised the challenges that the service faces within unsatisfactory premises but noted that risk management is strong. They wished the service well in building on these strengths and finding a solution which will safeguard collections and meet user needs.

Assessors' Key Findings

A summary of the assessment for Cheshire Archives & Local Studies

1	The assessors found this to be a service with a strong vision for the future, which is based on a good understanding of the people and possibilities involved.
2	The service has good structures in place to deliver holistically against its policies, with strong management and leadership across the team.
3	Having tackled a number of legacy problems, the service really understands where its priorities lie for the future
4	The archive's primary home is working against them: being a drain on resources and preventing further development of the service offer. Staff are managing the risks well and are developing both temporary and long term solutions. The service's future development lies with finding new premises which will benefit the collections and allow its people-centred vision to be delivered more effectively than is currently possible.

This page is intentionally left blank

Cheshire Archives and Local Studies Vision 2015

A. Introduction

This vision for Cheshire Archives and Local Studies in 10 years time is the result of discussions with users, staff and stakeholders of the service. It aims to bring together the context in which we operate and conveys the ideas and aims of these groups. It is not yet a fully funded vision, but is a basis for future fundraising and work.

The vision will inform future plans such as annual plans and funding applications. It will guide the priorities for the service in the next few years and will be reviewed regularly.

B. Context headlines

- Cheshire Archives and Local Studies service is based at Duke Street, Chester and provides a shared service to both Cheshire West and Cheshire East Councils.
- The service collects and preserves historical records and the local studies collections relating to both the ancient and modern county of Cheshire, the diocese and the city of Chester.
- It provides core archive services to Warrington and Halton Borough Councils under a Service Level Agreement.
- It has 11km of shelving in specialist strongrooms storing the collections on various sites.
- The records are available for study free of charge. Public access to original items in the collections is provided via a searchroom that is open 4 days a week.
- Access to archives is also provided via http://archives.cheshire.gov.uk This website hosts the collection catalogue, Cheshire image database, digitized tithe maps and related documents and links to other databases.
- Cheshire Archives and Local Studies has a partnership with www.findmypast.co.uk to provide access to digitized images online.
- To care for the collections and to provide a service to the public, a conservation service works to preserve and conserve documents, maps, plans and photographs to preserve them for future generations.
- The service runs an activity programme including monthly talks, attendance at events countywide, introductory talks for groups and a university programme.
- Cheshire Archives and Local Studies service also supports community projects in developing their heritage projects. E.g. http://www.anfieldbc.co.uk/archive.html
- All this work is supported by a programme of volunteering, which supports work in conservation and indexing collections.

Pressures on the service:

- The collections are stored across two sites (from April 2016). Indeed almost 50% of collections are stored in locations other than the HQ in Duke Street. This causes delays

in access to the archives, difficulties in managing the collections and spreads precious resources thinly.

- The space that we have for storage of future collections is running out. From April 2016 we will have enough space for about 5 more years' worth of new acquisitions.
- Only 75% of the storage meets the required storage standard. In the long term this will damage the collections and prevent public access to the collections.
- Some of the collections are stored in poor conditions already causing damage and some collections are stored in locations for which we pay an ongoing charge. This has an impact on our overall budget.

Our current users:

- We have fewer users researching in the onsite searchroom than in previous years. Many more are using our website and making enquiries via email and phone.
- More people are undertaking genealogical research online and via our partner websites.
- We know that people are interested in participating in more activities than we are able to provide.
- We know our users have a limited demographic and we want to get a wider range of people involved.

Recent changes:

- As with all council services we have fewer resources to enable us to deliver the service. We need to make sure that we are using those resources efficiently.
- People using the service expect immediate access to collections and information which we are unable to provide when collections are held in a number of locations. They also expect immediate access to information and advice online.
- New technology offers us new opportunities to provide existing and new services using digital tools, both online and onsite.
- More people are interested in volunteering than before.

Likely future changes:

- We know that in the future we are likely to have to run the service using fewer resources.
- A recent change to how long public records are closed (20 year rule) means that more archives will be coming into the care of the service.
- Todays digital world means that in the future we will have more digital records to manage and provide access to.
- People will be accessing services in different ways, especially those who have grown up with the web. The web and digital access could become their primary method of communication in the future.

C. Our Vision

Our vision for the service is:

EASY ACCESS TO HISTORIES: COLLECTING EVIDENCE OF CHESHIRE COMMUNITIES'
LIVES PAST AND PRESENT,

FOR EVERYONE, FOR THE FUTURE

D. Our Mission

The service identifies, collects and cares for archives and publications that are the evidence of Cheshire communities' lives past and present. We deliver access for all to our collections for information, learning and enjoyment to make sure archives survive so that future generations will be able to do the same.

E. Headline Outcomes

We have developed 7 headline outcomes that we are seeking to achieve over the next 10 years:

Cheshire Archives and Local Studies has secured a new building with a welcoming environment that is more attractive and accessible to visitors, which provides access to collections and with space for staff, volunteers, collections and future growth.

Cheshire Archives and Local Studies uses Information Technology to bring the collections closer to people. The service has made a major improvement in its provision and use of Information Technology

Cheshire Archives and Local Studies is reaching more and a wider range of people through new public activities onsite and around the county, through its use of information technology, through new opportunities to showcase the collection and by having a more welcoming, accessible, well located building. We have transformed local provision in libraries and established local Heritage Hubs.

Cheshire Archives and Local Studies has developed new and innovative partnerships leading to an increased profile across Cheshire and beyond.

Cheshire Archives and Local Studies has increased and diversified funding, putting the service on a more sustainable basis.

Cheshire Archives and Local Studies is a recognized centre of excellence in collections, staff, knowledge and services, consolidating and developing expertise.

Cheshire Archives and Local Studies is a stronger, more visible, better recognised corporate resource for Cheshire West and Chester , Cheshire East, Warrington and Halton Borough Councils.

1. Cheshire Archives and Local Studies has secured a new building with a welcoming environment that is more attractive and accessible to visitors, which provides access to collections and with space for staff, volunteers, collections and future growth.

To reach this outcome our planned activity includes:

- Creating new public space in our main building (s) which:

  - Are accessible, welcoming and bright
  - Provide more browsing space and opportunities to interact with collections more easily.
  - Provides more public spaces for activities
  - Gives people confidence in using the archive services
  - Attracts new and more regular visitors and draw people into the service
  - Brings archives alive and make the collections relevant to all generations, using hi-tech tools including sound and vision
  - Reflects and explores the themes of Cheshire's history e.g. Salt, Railways.
  - Creates exhibition spaces

Lets create a space that's welcoming to enjoy a coffee and research your family history.

Visioning workshop participant

- Creating new means of access to collections in a variety of locations around the county. These could be heritage hubs containing sound/film booths and other digital tools in libraries, museums and a variety of other sites. These sites could also be a focus for our activity outside the main building (s)
- Creating new collections storage which reaches the required storage standards. It will house collections in a safe and efficient manner, with room for expansion.
- Creating improved spaces for staff and volunteers to work on collections. This will support more efficient working and allow increased numbers of volunteers.

2. Cheshire Archives and Local Studies uses Information Technology to bring the collections closer to people. The service has made a major improvement in its provision and use of Information Technology

To reach this outcome our planned activity includes:

- Updating hardware, software and online offer. Improving databases. Using Linked data.
- Keeping ahead of the IT game and keep an eye on trends in how people are using IT
- Providing WIFI to enable BYOD (Bring your own device)
- Using IT to interpret collections and engage people with heritage using tools such as augmented reality, wall projections/public art
- Crowdsourcing descriptions of archives
- Consolidation and developing a digital preservation programme
- Including an IT person on the development project group

In buildings Information Technology will be used to:

- Support interactivity with collections
- Allow different ways of access to collection
- Personalise the service for users throughout
- Provide access to born digital records
- Improve user interface
- Create your access point to democracy access point

"We want a massive improvement in IT provision – Lets get ahead of the game!

Visioning workshop participant

Online Information Technology will be used to:

- Provide easy access to information
- Meet the needs of different users in accessing and engaging with collections
- Provide easy routes into a visit to the archive service
- Provide standalone online contact with the service
- To engage new users and to bring people into the service
- Create an online query service: Ask Archivist!
- Personalise the service available. e.g. map of Cheshire

the

My

Lets develop dynamic collections information – captured as people work with collections

Visioning workshop participant

Cheshire Archives and Local Studies Draft Vision 2015

3. Cheshire Archives and Local Studies is reaching more and a wider range of people through new public activities onsite and around the county, through its use of information technology, through new opportunities to showcase the collection and by having a more welcoming, accessible, well located building. We have transformed local provision in libraries and established local Heritage Hubs.

To reach this outcome our planned activity includes:

- A programme of research and consultation to enable us to understand current audiences, current non-users and the needs of potential users. We will ask non-users how they would like to access our services and identify priority audience groups that we want to reach.

> *Lets have a more visible archive service!*
>
> Visioning workshop participant

- An aim to excite people about the heritage of Cheshire. We will explain the collections but also tell the stories they contain.
- An increased, regular programme of Public Relations, including social media.
- Develop Heritage Hubs around the county providing digital access to collections.
- Working with library services and their users to transform local access points.
- Attending different events in Cheshire which will reach different audiences to our current users
- Talking to users and find out how they are using the service and what their priorities are for the future
- Prioritising working with schools as schoolchildren will be our future users. Our offer will reach wider than the history curriculum, into science, technology and a range of subjects.
- Continue the evaluation of current outreach activity
- Digitisation programme with partners and alone.
- Prioritising the mass audiences
- Securing a dedicated staff resource for this work
- Creating an ongoing programme of pop up archive services at motorway services, festivals, train stations. Later on a longer term basis at healthcare sites, libraries and museums
- An expanded volunteering programme
- Finding new creative ways of telling stories via theatre, drama, music partnerships
- Considering how we can provide more personalised access to collections
- Working with tour operators, hotels, retailers to drive users to the service, to provide access to collections in different ways and to interpret archives more widely. Becoming more closely involved in the visitor economy of Cheshire.

4. Cheshire Archives and Local Studies has developed new and innovative partnerships leading to an increased profile across Cheshire and beyond.

To reach this outcome our planned activity includes:

- Being proactive in seeking partnerships through a dedicated resource.
- We will seek partnerships which will enable us to deliver our vision for the service with for example:
  - Local authorities
  - Universities
  - Schools
  - Public health/adult social care
  - Arts & Cultural organisations
  - Libraries
  - Online – Commercial partners and online communities
  - Local groups

5. Cheshire Archives and Local Studies has increased and diversified funding, putting the service on a more sustainable basis.

To reach this outcome our planned activity includes:

- A programme of income generation through a range of charged additional services.
- Developing the range of merchandise we sell, especially items based upon our collections.
- Working to develop services for the community which can be commissioned by other organisations and delivered with a range of partners. e.g. health and wellbeing activities for the NHS.
- A fundraising programme

6. Cheshire Archives and Local Studies is a recognized centre of excellence in collections, staff, knowledge andservices, consolidating and developing expertise.

To reach this outcome our planned activity includes:

- Consolidating our status as an Accredited Archive Service
- A programme of sharing our knowledge with other archive services
- Developing the expertise of our staff and volunteers through a programme of training and development.

7. Cheshire Archives and Local Studies is a stronger, more visible, better recognised corporate resource for Cheshire West and Chester, Cheshire East, Warrington and Halton Borough Councils.

To reach this outcome our planned activity includes:

Cheshire Archives and Local Studies Draft Vision 2015

- Creating new evidence of the impact of the service and mechanisms to collect this evidence.
- Tell the stories of how the service assists the councils in delivering their purpose including supporting democracy, saving money, risk management and adding value.
- Providing a clear explanation of why the archive and local studies services undertakes its work
- Using the councils Intranet to convey these messages
- Undertaking an internal promotional campaign which is tied to achieving Archive Service Accreditation
- Organising a programme of advocates throughout the organisations at a high level that can advocate for the service and collect evidence.

F. Delivery options and their assessment

We consider that there are 6 options for delivery of this vision:

Option 1: 1 main base building with access and storage onsite & satellite access points	*Option 2:* 1 main base building with access. A mix of storage onsite and offsite. Satellite access points	*Option 3:* 1 main base building with access but no storage onsite. An offsite store. Satellite access points
Option 4: 2 main base buildings with access & storage onsite. A small number of satellite access points	*Option 5:* 2 main base buildings with access. A mix of storage onsite and offsite. A small number of satellite access points	*Option 6:* All access to collections is virtual. Storage is on one site with no public access

We intend to appraise how far each option meets the following assessment criteria:

1. **Cost – Capital and revenue.**
2. Creates a high level of accessibility via transport and online
3. **Maintains the security of the records**
4. Maintains the quality of service
5. Is sustainable in the long term
6. **The Heritage Lottery Fund and other funders would fund the option**
7. The option is flexible and adaptive to future change
8. Option will foster partnerships
9. Provides income opportunities
10. Adds value to the community
11. **Helps the service to reach more people and new people**
12. Helps to deliver the vision for the service
13. Increases visibility of the service within the councils
14. Secures Accredited Archive and Place of Deposit statuses

The priority criteria for assessment are listed in bold.

We will then work to develop the chosen option in 2016 onwards.

Appendix 4

Options Assessment: Re-Locating the Cheshire Archives and Local Studies (CALS) Service

A number of options to relocate the CALS and continue to provide access to the collection whilst affording new and appropriate levels of accommodation and storage for the collection have been considered by Officers, and Members of the Shared Services Joint Committee. These are as follows:

1. 1 main base, with access and storage onsite, combined with satellite access points;
2. 2 main bases, with access and storage onsite, combined with a small number of satellite access points;
3. 1 main base, with access and a combination of onsite and offsite storage, with satellite access points;
4. 2 main bases, with access and a combination of onsite and offsite storage, with a small number of satellite access points;
5. All access to collections is virtual. Storage in on one site with no public access;
6. 1 main base with access, but no storage onsite. Series of satellite access points and 1 offsite store.

A summary of the key considerations taken into account is set out below. Options 3 and four have been identified as the preferred options to take forward . The recommendation is to undertake a more detailed options analysis of these two options to explore the risks, benefits and costs of each.

The other Options could potentially be pursued but are considered by officers to be overall less advantageous in this particular instance than the preferred Options identified above. The Joint Committee's decision to look more closely at options 3 and 4 is based on the following information.

Option 1

1 main base, with access and storage onsite, combined with satellite access points

This Option would ensure that the whole archives collection is housed in one place, making it easy for users to access to the collections. The use of satellite access points will increase the potential to engage with new audiences and bring the collections closer to new and existing users, although there would be associated costs of managing this more remote service.

Financially, there will be no ongoing revenue costs for offsite storage, as the entire collection will be stored at and accessed from one main base and there may be the

potential to rent expansion space to other archives services. However, the capital costs are higher with establishing a new, user friendly access point and storage onsite when compared with a combination of onsite and offsite storage.

The access for users would be more convenient if the entire collection were to be housed on one base, and would reflect the way in which users of archives make use of archive collections: generally people do not know what it is they want or need to look at in advance of a visit and their use of the collections over the course of a visit is unpredictable. This option would also enhance volunteer activity, make processing of collections by staff more efficient and would facilitate digitisation and outreach activity with the collections.

This option would reduce risks to the collections by keeping them all in one place, allowing for their future growth and reducing handling to a minimum level as there would be no transporting of archives, as is required when some storage is off-site.

It is recommended that this is not a preferred Option owing to higher pressures on capital funding.

Option 2

2 main bases, with access and storage onsite, combined with a small number of satellite access points.

This Option would ensure ease of access to collections for users within each local authority area. The use of satellite access points will increase the potential to engage with new audiences and bring the collections closer to new and existing users, although there would be logistical costs of managing this more remote service. This option would also enhance volunteer activity and would facilitate digitisation and outreach activity with the collections.

This option would reduce risks to the collections allowing for their future growth and reducing handling to a minimum level as there would be no transporting of archives, as is required when some storage is off-site.

Finically there would be no ongoing revenue costs for offsite storage, as the entire collection would be stored at and accessed from the two main bases, and there may be the potential to rent expansion space to other archive services. However, this Option has high capital costs associated with establishing two new, user friendly access points alongside storage facilities in two different areas.

Another consideration with this Option is the division of the collection between two different locations, as this could be confusing for users to understand which collections are stored / accessed where. The logistics of setting up such a service delivery option would also be problematic, although achievable.

Appendix 4

It is recommended that this is not the preferred Option, owing to the high capital and ongoing revenue costs associated with providing the service in two different locations,

Option 3

1 main base, with access and a combination of onsite and offsite storage, with satellite access points.

Under this Option, one main base would be used for access to the collection, although a range of satellite access points could be used to engage with new audiences and bring the collections closer to new and existing users, although there would be associated costs of managing this more remote service.

Financially, there would be ongoing costs associated with some storage of the collection offsite however there would be lower capital costs associated with locating the new access point and some storage facility on one main base.

Access for users may be less convenient when compared with those Options which have entirely onsite storage, as the way in which users consult archives is generally unpredictable. This option will also be less efficient for staff when dealing with enquiries and working on digitisation and outreach programmes.

This option would potentially increase risks to the collections through the requirement to transport them to and from the main base for customers and staff/volunteer/outreach/digitisation activity. These risks can however be mitigated by careful selection of which records are held off-site and through correct specification of storage and retrieval services.

It is recommended that this is a preferred Option to be considered for further investigation and feasibility study.

Option 4

2 main bases, with access and a combination of onsite and offsite storage, with a small number of satellite access points.

This Option would ensure ease of access to collections for users within each local authority area. The use of satellite access points will increase the potential to engage with new audiences and bring the collections closer to new and existing users, although there would be logistical costs of managing this more remote service. This option would also enhance volunteer activity.

Financially, there would be ongoing revenue costs associated with some storage of the collection offsite, and in maintaining costs associated with accommodating and

Appendix 4

delivering the service in two different areas. This Option would also have high capital costs in establishing new access points and storage facilities in two different areas.

Access for users may be less convenient when compared with those Options which have entirely onsite storage, as the way in which users consult archives is generally unpredictable. This option will also be less efficient for staff when dealing with enquiries and working on digitisation and outreach programmes.

As with Option 2, another consideration with this Option is the division of the collection between two different locations, as this could be confusing for users to understand which collections are stored / accessed where. The logistics of setting up such a service delivery option would also be problematic, although achievable.

This option would potentially increase risks to the collections through the requirement to transport them to and from the main base for customers and staff/volunteer/outreach/digitisation activity. These risks can however be mitigated by careful selection of which records are held off-site and through correct specification of storage and retrieval services.

It is recommended that this is a preferred Option to be considered for further investigation and feasibility study.

Option 5

1 main base with access, but no storage onsite. Series of satellite access points and 1 offsite store.

Under this Option, one main base would be used for access to the collection, although a series of satellite access points would be used to engage with new audiences and bring the collections closer to new and existing users. There would also be one main offsite storage base.

This Option would incur lower capital costs than some of the other Options considered here, as presumably a smaller main access building would be required due to there being no onsite storage, although there would be significant ongoing revenue costs for maintaining the offsite storage facility.

The main drawback with this Option is that lack of onsite storage would make the collections less accessible. The satellite access points would help to address this, although there would be associated costs with managing this more remote service. As these access points would all need to be suitable in terms of staff availability and security of the collections while on site, these costs are likely to be significant

This option would increase risks to the collections through the requirement to transport them to and from storage. These risks can to some extent be mitigated through correct specification of storage and retrieval services.

Appendix 4

Although potentially lower capital costs associated with this service, it is considered that this should not be taken forward as a preferred Option, owing to the potential detrimental implications for access to the collection which would impair the ability of the service to meet its statutory requirements of providing ease of access to the collection.

Option 6

All access to collections is virtual. Storage would be on one main base with no public access.

Over recent years, good progress has already been made in digitising part of the CALS collection. 7% of the collection is now available online (for comparison, the National Archives has 5% of its collection online) and under this Option, the entire collection would be digitised in order to provide solely digital access to the collection. This would allow existing and new users extensive to the collection. However, financially, this Option is not feasible owing to the significant capital costs associated with digitising the entire collection (which is upwards of 8 linear kilometres of documents of a huge variety of shapes, sizes and formats). This Option would also take a significant amount of time (potentially years) to digitise the whole collection and the ongoing costs of managing and providing access to digitised images are considerable The digitisation of archives would not stop at any point in the next few decades as the collections continue to grow: therefore digitisation would need to be continuous and in order to provide access and aid transparency would need to happen quickly.

Although there would be no capital costs associated with establishing a new user friendly access point, there would of course also continue to be significant revenue costs associated with storage of the original archives documents.

A further consideration is that part of the experience of using archives, whether for research or for outreach/learning activities, is that the experience of touching 'the original' is important for many people.

It is recommended that this is not a preferred Option and although the service will continue to digitise as much of its collection as possible, to digitise the entire collection would not only incur significant financial costs, but it would also take a significant amount of time to do so, potentially negatively impacting on service provision and ability to meet statutory access requirements.

This page is intentionally left blank

CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 22 January 2016

Report of: Mark Wynn – Director of Finance, Cheshire West and Chester
Peter Bates – Chief Operating Officer, Cheshire East

Subject/Title: Update on the implementation of shared service arrangements to provide ICT, HR and Finance services to both authorities.

1.0   Report Summary

1.1   The purpose of this report is to update Members on the progress made in regards to the mobilisation of the programme of work required to deliver the:

- Establishment of a Shared Service for the delivery of ICT to be hosted by Cheshire East
- Establishment of a Shared Service for the delivery of HR & Finance hosted by Cheshire West and Chester

2.0   Decisions Requested

2.1   Members are requested to note the progress in the mobilisation of the programme of work needed to establish the two shared services.

3.0   Report Background

3.1   This report gives an update on the progress of the programme since the last Joint Committee when it was decided that Cheshire West and Chester Council and Cheshire East Council will to revert to a shared service arrangement to provide ICT, HR and Finance services to both authorities by the beginning of April 2016.

3.2   The work required to achieve the desired outcome is challenging particularly given the scale and complexity of the services involved.   Both services have a fundamental role in supporting and enabling the delivery of critical services to residents and businesses across Cheshire and therefore there needs to be minimal disruption throughout the transitional period. It is also vital to ensure that the revised shared operations not only provide effective services to Cheshire communities but also represent value for money.

3.3   Consequently a fortnightly Joint Programme Board has been established Chaired by the respective S151 Officers, the Programme Board is made up of

Workstream Leads who represent the key areas of activity within the programme.

3.4 The Board are responsible for managing and leading the delivery of the programme and good progress is being made across all areas particularly HR where timely employee engagement activity has been vital.

3.5 Resources have been mobilised to support the Workstream leads in the guise of overall Programme Management expertise, Project Management support aligned to each of the Workstreams and a Programme Management Office to help manage the interdependencies between the Workstreams.

3.6 Key Milestones for Day One of the programme include:
- TUPE Transfer date of 1st April (Day One)
- Agreed day one structure, cost sharing and contractual commitment in place for Day One

Key Milestones for Post Day One include:
- A transition period from April 16 to October 16 to embed target operating models for the two shared services.
- A programme of transformational work will be undertaken within the two Shared Services to ensure service delivery is aligned to the future expectations of the two authorities. This will be linked to the outcomes of the fundamental service reviews being undertaken and reported into this Committee.

4.0 KEY PROGRAMME OBJECTIVES AND PROGRESS TO DATE

4.1 The following key objectives were approved at the first Programme Board Meeting to shape the focus, prioritisation and delivery of the programme of work:

- Cease trading and operations as CoSocius Ltd
- Transfer ICT delivery to Cheshire East hosting (Shared Service)
- Transfer Transactional Services delivery to Cheshire West hosting (Shared Service)
- Maintain service delivery throughout transition
- New Shared Service arrangements will begin with a 6 month period of transition from April 2016, followed by a further 18 months of transformation

4.2 To enable the delivery of the new Shared Services for Day One the following progress has been made within the key workstreams of the programme:

4.3 HR

- Board and Trade Union agreement that formal TUPE Transfer of employees into new host organisations to take place on 1st April 2016.
- Principles of disaggregation to inform TUPE lists agreed by board and Trade Unions.
- Changes to contractual and non-contractual measures agreed by board and Trade Unions.

- CoSocius and employees issued with letters notifying of TUPE transfer and conditions of disaggregation
- Staff engagement activity progressing at pace with initial communications, floor walks, FAQs and drop in sessions held.
- Welcome events hosted by the Chief Executives and Section 151 officers of both councils for all affected employees delivered.

4.3.2 Finance

- Due diligence process underway to understand financial position of company and action required prior to entering dormancy.
- Collation of programme costs associated with transition of company to two shared services progressing.
- Costing of day one operating models for the two shared services and affordability assessment started.

4.3.3 Legal and Governance

- Legal tasks associated with making CoSocius dormant and setting up new/amended Shared Services have been identified and are being progressed.
- Interim governance arrangements for transition agreed by board and CoSocius and implemented
- Initial scoping of inputs and instructions to develop required contracts underway.

4.3.4 Business Continuity

- Company-only related activities reviewed and ceased or redefined to free resources to support the transfer programme.
- Management of on-going key programmes, staff resources, and the provision of information/support to both hosting Councils in place including the support of shadow management structures from 1st Jan 2016.
- Work to enable company to enter dormancy underway including; system and procedural changes for Day One, making online presences dormant, scoping disaggregation of data held by the company, soft wind-down of company branding. Programme Board agreement that commercial opportunities will be progressed / stopped on a case by case basis during transition period being applied.

4.3.5 Development of the ICT Shared Service and Transactional Shared Services

- Board agreement to day one structures for ICT shared services and Transactional shared services.
- Shadow management arrangements agreed for transition period.
- Workshop delivered to agree core principles for the two Shared Services.
- Agreement that ICT service review activity (as reported elsewhere on the Agenda) will align with this workstream to inform the Shared Services hosting arrangements whilst remaining independent of final delivery.

5.0   Next Steps

5.1   Given the scale and complexity of transitioning ICT and Transactional services and the ambitious timescales involved the Programme Board are committed to meet fortnightly with the Project Managers meeting in the alternate weeks. This frequency of meetings and level of resources is required to ensure delivery of the programme for Day One. Progress on delivery of the plan will therefore continue at pace.

5.2   Communications with all affected staff to inform of TUPE Transfer process, future employer and associated terms and conditions will continue in line with agreed communication plan. This activity will be paramount to achieving a Day 1 transfer of staff.

5.3   Further to agreement of core principles for establishing two shared services, detailed work will be undertaken to understand and work through practicalities and key issues for the disaggregation.

5.4   Instruction and input into development of key contractual agreements will continue, including development of Scope, Specifications, Performance Management Frameworks and Shared Services Agreements for both Cheshire East and CWaC for ICT and Transactional services.

6.0   Wards affected

6.1   None.

7.0   Policy implications

7.1   None.

8.0   Financial Implications

8.1   As a result of transferring all current activity from CoSocius to the two Councils and placing CoSocius into a dormant position there will be a need to return the company to a financially solvent position at 31 March 2016. This will require financial support from both Councils to address the companies reported loss for 2014-15 (£0.8m). Both Councils will continue to work closely with CoSocius over the remainder of the year to deliver value for money from their operations and mitigate any further financial loss in 2015-16.

9.0   Legal Implications

9.1   Instructions are being sought in relation to updating the administrative agreement and service agreements. A draft asset transfer agreement has been prepared. Assets and liabilities are being tracked and transfer outcomes reviewed. The contract review is ongoing and principles in relation to novation are being discussed. Commissioners and suppliers will be notified.

9.2   Interim governance arrangements have been established. The terms of reference for the committee are being reviewed to ensure the future roles of commissioner, provider and contract manager can be accommodated in relation

to the ICT and Finance/HR services while still serving the existing shared services.

9.3 The buyback arrangements are being discussed and once agreed by the Board changes will be documented.

9.4 The surrender of the relevant leases and licences is progressing.

9.5 The status of the company at Companies House will be changed from active to dormant.

10.0 Risk management

10.1 Programme risks are being identified and reported as necessary to the Programme Board via the Workstream leads who are maintaining Workstream level Risk Logs. The Programme Board will escalate any significant risks to the Committee as appropriate during the course of the programme.

10.2 Key programme risks currently being mitigated by the board are:

Risk	Mitigating Action
Significant key activity scheduled in January - any slippage in January delivery has the potential to push back readiness for 1 April.	Key activity and owners identified. Detailed activity managed at project Team. Mechanisms in place to escalate issues. Close oversight by Programme Board.
Inherited cost base for Councils may not be affordable within existing budgets due to cost pressures experienced by CoSocius	Review underway to confirm cost base in keeping with Day 1 structures
Cost of returning company to a solvent position before it enters dormancy likely to be higher than anticipated due to 2014-15 deficits and transition costs.	Due diligence to be undertaken to understand position and identify any appropriate remedial actions.

11.0 Access to Information

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

: Peter Bates / Mark Wynn
: Cheshire East – Chief Operating Officer / Cheshire West and Chester – Head of Finance
Tel No: 01270 686013 / 01244 977830
Email: peterbates@cheshireeast.gov.uk / markwynn@cheshirewestandchester.gov.uk

This page is intentionally left blank

CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 22 January 2016

Report of: Peter Bates - Chief Operating Officer, Cheshire East
                          Mark Wynn – Director of Finance, Cheshire West & Chester

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.

2.0   Decisions Requested

Members are asked to:

2.1   Note the progress to date with the series of service reviews underway, the opportunities for collaboration and sharing across both Councils identified so far, and the proposal to review the phasing of the remaining review activities alongside the CoSocius Transfer Programme;

2.2   Note the contents of the Outline Business Case regarding the implementation of a replacement Enterprise Resource Planning (ERP) solution;

2.3   Approve the recommendation to proceed with development of a Detailed Business Case regarding the ERP implementation, which will support a recommendation to proceed with a formal procurement process; and

2.4   Approve the resource plan and estimated costs for the development of the Detailed Business Case regarding the ERP implementation.

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, and to secure approval to proceed with additional work beyond the scope of the Service Review in relation to the proposed ERP implementation project.

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.

4.2   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.

4.3   The major focus of this report is the presentation of an Outline Business Case regarding the implementation of a replacement ERP solution.

5.0   COSOCIUS TRANSFER PROGRAMME

5.1   The October 2015 meeting of this Committee approved a decision to transfer CoSocius operations into two shared services hosted by the Councils. Since then, a programme of work has been established to ensure the effective transfer of operations. Members will be aware through separate update reports of progress to date on this activity.

5.2   The Service Review Programme has been brought within the remit of the CoSocius Transfer Programme, and forms part of the "establish hosting arrangements" workstream. The service reviews have already successfully identified many opportunities to ensure the Councils work together to maximise service delivery outcomes through greater sharing of technology solutions.

5.3   Beyond the transfer of existing CoSocius activities into Council hosted shared services, the CoSocius Transfer Programme is also developing a revised target operating model for the ICT Delivery and Transactional Services elements of the company, to be implemented in the period beyond the immediate transfer of activities on 1 April 2016. The outcomes from the service reviews will have a significant impact on the emerging ICT Delivery target operating model.

5.4   A consequence of the preparation for the effective transfer of operations as of 1 April 2016, and the criticality of the work required to prepare for this transfer, has been a refocussing of effort to ensure the successful transition of activities into the Councils. Where appropriate, the CoSocius contribution to activities in relation to service reviews has been paused, to ensure that when the reviews deliver their outcomes, they are fully aligned with the wider ICT transformation programme which will be underway post-transfer.

5.5   However, the business-focussed aspects of the service review methodology, involving assessing what services across both Councils need from their technology solutions in order to support their future vision and strategies, continue to be taken forward.

5.6   An update will be brought to the next meeting of this Committee as to how the ongoing service reviews will be phased in order to maximise their potential outcomes.

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%) – *now included in Health & Social Care review*
Business Intelligence and Reporting (2%)	Document Management (1%)
Schools Information System (0%)	Elections (1%)
Resource Planning (Homecare) (1%)	Environmental Health (1%) – *now included in Planning & Building Control review*
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   Progress against each review is outlined below.

Tranche 1 Reviews

Enterprise Business Systems

6.3   Positive progress continues to be made in relation to this significant review. Since the last report to this Committee, the following actions have been undertaken:

- "Soft market testing" sessions with potential suppliers have been completed;
- A better understanding of the cost of the current Oracle solution has been developed and documented;
- A view of potential implementation costs of a replacement solution, and the potentially ongoing running costs of a replacement, has been developed.

6.4   An Outline Business Case (OBC) has been developed to set out the current understanding of potential costs and benefits associated with implementing a replacement ERP solution, and by reference to the costs of the current solution and the potential savings to be achieved, the likely payback period for a replacement solution. The OBC is attached at Appendix A to this report for consideration by this Committee. Key messages are summarised below.

6.5   The OBC articulates an aspirational roadmap for a proposed ERP replacement project. Key proposed milestones, which would be reviewed and confirmed as the project progresses, include:

- Completion of Detailed Business Case (DBC) by May 2016
- Completion of procurement exercise by November 2016
- Council system implementations in either October 2017 or April 2018

6.6   The OBC replays current thinking around ERP principles and required system capabilities, which the Committee will be familiar with from previous reports.

6.7   A summary of suppliers who participated in the recent Soft Market Testing phase of the service review is provided, along with key messages emerging from this exercise, which include:

- The importance of a well-defined vision for the system implementation project, supported by strong governance and project sponsorship on behalf of both Councils;
- The need to review and change business processes alongside the system replacement, and the benefits of adopting suppliers' best practice blueprints for business processes; and
- The importance of ensuring appropriate resources are in place to support the implementation, and empowering officers in key project roles to drive through critical decisions around system design and associated business processes.

6.8   The objectives of an implementation project are set out, namely:

- Reduce system costs;
- Enhance customer / user engagement;
- Maintain and enhance compliance; and
- Provide a platform for transformation and further reduction of operating costs.

6.9   Two options are presented:

Option	Key factors to consider
Produce Detailed Business Case in support of a formal procurement process and implementation	- OBC indicates opportunity to reduce ongoing cost of ERP platform from approximately £3m annually to approximately £1m annually across both Councils. - Outline implementation costs of £▓▓▓▓ been identified, indicating a payback of no more ▓▓▓▓ for this scale of investment. - Further savings from business p▓▓▓▓ign are likely, but have not been included in this bus▓▓▓se. - £350k investment is required from February to May 2016 to support the production of the DBC. This is part of the overall £10m indicative implementation costs.
Do nothing	- Lost opportunity to achieve potential savings - Current system falls out of support in January 2018 (database) and December 2019 (application). Does not result in immediate system termination / failure, but support risks begin to increase. - Existing solution uses aging hardware, with no disaster recovery provision in place. Risk of system failure is growing. - Business process savings could be achieved through better use of the current system, but are likely to be more significant if delivered as part of a technology change project.

6.10   The recommended option is to develop a Detailed Business Case in support of a formal procurement and implementation project.

6.11   High level benefits are set out which align to the objectives of the implementation project set out earlier in this report. Key benefits relate to reduction in technology costs, improved user engagement with the system and associated processes, improved compliance and security, and provision of a platform to support wider transformation, including business process review and redesign, and the ability to meet the changing needs of the Councils in a flexible and cost-effective manner.

6.12   Key risks are set out based on the current position. The OBC notes that a complete view of costs and benefits cannot be offered until the point at which a solution is procured following competitive dialogue and negotiation with potential suppliers. However the DBC is expected to present a more refined view of potential costs and benefits, as well as delivering the activity necessary to ensure the Councils are prepared to enter into a full procurement exercise.

6.13   An outline project plan and resource estimate is presented in support of the proposed DBC phase of work, setting out the deliverables which would be developed between February and May 2016, prior to a request for approval to proceed into a formal procurement exercise. Key governance roles are defined with nominated officers for each role.

6.14   Recommendations for approval in relation to this OBC are set out at section 2 of this report.

Health and Social Care / Children and Young Persons

6.15   Meetings are ongoing with key stakeholders in relation to Adults and Children's Social Care delivery in both organisations in order to ensure that the objectives of the service review continue to be pursued whilst both Councils undertake separate essential contract renewal / procurement activities to safeguard the ongoing delivery and support of the relevant products.

6.16   Although the Service Review has been taken into consideration, the two authorities are working to different procurement timescales driven by the renewal deadlines for existing products. These activities cannot be allowed to slip, as this would put at risk the availability of those existing solutions. Therefore opportunities to align procurement activities are limited in the short term. However any potential impact on future opportunities to align and share solutions is being reviewed.

6.17   The Social Care element of the Service Review is focusing partly on identifying the solutions that are required to deliver the Care Act technical components in the most collaborative way to meet the needs of both Adults Services and Children's Services across both Councils.

6.18   In relation to the existing Social Care core solutions, alongside the procurement activity previously described, current hosting and support models are being reviewed in order to identify opportunities to align and consolidate, initially on the

approach to procurement, software solutions, technical platforms/infrastructure, hosting and support arrangements.

6.19   Opportunities are also being identified with key stakeholders across both Councils in relation to agreeing a preferred delivery and support model for the core Education / CYPD solution, given that both Councils are already undertaking contract renewal activities for the existing products.

6.20   It is likely that the systems for Social Care delivery and for the Core Education / CYPD solution will be procured through call-off contracts using the current Crown Commercial Service Framework Agreements that include all the existing Adults and Children's solutions as well as future Care Act requirements. This will potentially enable both Councils to adopt the same solution set, albeit with separate call-off contracts.

6.21   The service review is therefore concentrating on ensuring that opportunities are identified to align business requirements across both Councils in order to provide a clear recommendation for developing a common solution, including adopting consistent hosting and support arrangements across both organisations.

End User Computing

6.22   Both Councils continue to work closely together in scoping and commissioning the ongoing Microsoft Modernisation Programme, which aims to identify and implement opportunities to replace a range of existing technology solutions, many of which are relatively "invisible" to end users, with Microsoft equivalent products, maximising the benefit from both Councils having significant licencing arrangements in place with Microsoft.

6.23   The objectives of this programme are to improve the end user experience through provision of tools which increase the ability of staff to work flexibility in order to maximise outcomes for customers while reducing overall infrastructure costs; and to reduce the direct cost of the products which are used to provide end user computing capabilities to staff.

6.24   The overall potential savings associated with this programme are being developed as part of the work required to confirm which existing products can be replaced with cheaper alternatives, based on an analysis of functionality, cost and business requirements.

Geographic Information Systems (GIS)

6.25   The Councils use an aging solution to deliver current GIS capabilities. The solution is not currently supported by the product suppler, and requires replacement in the short term.

6.26   At the time of reporting, work on a feasibility project ("proof of concept") on the potential use of a "open source" solution implemented by CoSocius to deliver the Councils' GIS requirements is drawing to a conclusion. This approach would use software which is effectively free to use, but would require the Councils to pay

our ICT Delivery service to support and maintain the solution instead of paying an external system supplier to deliver this role.

6.27 The outline cost of implementing this solution has been made available, with further work required to validate the suggested implementation costs. This solution would preserve cost savings achieved in previous years through avoidance of external support charges.

6.28 In parallel, soft market testing has been undertaken to determine what options are available in the market and the implementation and running costs associated with this approach.

6.29 Some third party products appear, based on market testing submissions, to offer potential cost savings compared to the current understanding of the cost of the open source product. However, these submissions require further validation to ensure they represent an appropriate and comprehensive solution to deliver the Councils' requirements.

6.30 At this stage the Councils propose initiating a formal procurement process, involving those suppliers who have engaged to date with the soft market testing phase of the service review. This would deliver more robust information around potential implementation costs and ongoing running costs, and if necessary would allow the Councils to proceed rapidly with the award of a contract at the end of the exercise, should this be deemed appropriate, without compelling the Councils to award a contract at the end of the process.

6.31 Therefore the next steps with this review are:

- Complete the "proof of concept" exercise and develop a full proposal for the implementation of the CoSocius open source GIS solution;
- Begin a formal procurement exercise to validate the potential costs and benefits of implementing a third party solution; and
- Work with key stakeholders in both Councils to select the most appropriate solution based on the outcome of both exercises.

Business Intelligence and Reporting

6.32 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).

6.33 The scoping of future reporting requirements to be delivered using MSBI is underway. The cost of ensuring the MSBI platform is scaled up to support increasing reporting demands, alongside the cost of developing the reporting capabilities themselves, is being developed as part of this work.

6.34   A migration plan for the transfer of legacy reporting from existing platforms to MSBI has been developed. Further work is planned to assess the potential cost of such a migration exercise, for comparison against the cost of maintaining legacy reporting solutions in the short to medium term.

6.35   Consideration is being given to the roles required to support a corporate business intelligence tool, both within the Councils and within our ICT provider. Discussions are scheduled with third party advisors to validate our thinking in this area.

6.36   Soft market testing has been undertaken. This has identified that there is no appetite in the market to develop specific reporting solutions to meet particular decision making needs. Suppliers are willing to consider developing and hosting a comprehensive business intelligence platform. However this would abandon the investment already made in the MSBI platform developed by CoSocius, and is not considered an appropriate option to pursue.

6.37   The next steps with this review are:

- Finalise a costed migration plan for the potential migration of legacy reporting, and determine whether a business case exists to support this approach;
- Finalise future reporting requirements and ensure the cost of development of these requirements is developed and supported; and
- Validate the roles required to deliver and support a corporate approach to business intelligence, and ensure these are developed to support the successful delivery of the underpinning technology solution.

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   Work is ongoing to develop proposals around different options for delivering a cost effective solution to schools which also meets the Councils' reporting requirements. The ongoing role of the Councils in respect of provision of school management systems, particularly with the ongoing direction of travel in terms of conversion of schools to Academies, also requires definition and approval.

6.40   The next steps with this review are:

- Finalise costed proposals for delivery of school management system and associated reporting capabilities; and
- Confirm with key Council stakeholders the role of the local authorities in the future provision of school management system capabilities.

Resource Planning - Homecare

6.41   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 employees 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.

6.42 Both Councils have confirmed a decision to move forward with the procurement and implementation of the same replacement solution, being the "cloud" hosted version of the current product. This implementation is proceeding with due urgency given the support issues in relation to the current product.

Customer Services and Website

6.43 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.

6.44 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.

6.45 Cheshire East are progressing with the implementation of their digital platform, in conjunction with their strategic partner. This has provided clarity around the products and services which will be delivered through the strategic partner, and those which remain the responsibility of Cheshire East to commission in partnership with CoSocius.

6.46 Qwest are developing a proposal, to be approved later in January 2016, for the solutions they intend to procure and implement in order to deliver their contractual commitments to Cheshire West and Chester around customer services. A joint workshop has taken place with CE, CWaC, Qwest and CoSocius to identify opportunities to share solutions and platforms where possible, so as to minimise the overall cost of delivery to citizens across Cheshire.

6.47 Any residual requirements for CWaC to commission products and solutions to support their digital strategy will be confirmed once the scope of Qwest's proposal has been approved by their Board and confirmed as meeting CWaC's requirements. Opportunities to share any such solutions with CE will be actively reviewed at this stage.

6.48 In relation to contact centre telephony requirements, CE and Qwest have agreed a joint approach to capturing requirements and undertaking soft market testing in order to identify the most appropriate solution to meet the needs of both organisations. The expectation is that this exercise will have been completed by March 2016, leading to a formal procurement process and implementation by the end of the calendar year.

6.49 The next steps with this review are:

- Confirm / approve Qwest solution decisions;
- Identify opportunities to share solutions between Qwest and Cheshire East, and across both Councils;
- Develop shared telephony requirements and undertake soft market testing ahead of a procurement exercise.

Planning and Building Control / Regulatory Services

6.50   A number of stakeholders across services in both Councils have been engaged to develop a shared understanding of the current suite of products which are used to support these service areas. At present a completely different set of products are used in each organisation to support similar service activities.

6.51   The next steps with this review are:

- Begin an exercise to formally document a shared set of business requirements across both Councils; and
- Work with CoSocius to develop an understanding of the current cost of the systems currently in use, and the potential business case and payback period associated with the implementation of a single shared solution.

Tranche 2 reviews

Revenues and Benefits

6.52   Initial discussions have been held across both Councils and CoSocius to identify the current application landscape, and the baseline position in terms of system support costs for each authority.

6.53   Key business stakeholders have been engaged to determine the appetite for moving towards greater collaboration, both in terms of core systems and supporting business processes. With current system contractual deadlines in mind, it has been agreed that a joint requirements definition exercise will be undertaken, leading to potential market testing and formal procurement processes in due course.

6.54   The business case for a system replacement for either or both Councils would need to give consideration to the potentially significant cost of change associated with the replacement of this fundamental and complex system, and the associated payback which would be achieved.

Cash Receipting and Income Management

6.55   Both Councils use the Capita CRIM solution, albeit implemented separately and with slightly different configurations. Each Council's implementation was relatively complex, with links to numerous back office systems being developed. Both organisations have expressed a desire for a period of stability where the benefits from the current solution are embedded, prior to any significant activity around a future replacement decision.

6.56 The timelines for the next essential upgrade to the CRIM product are likely to align with the timing of the proposed ERP implementation project. This seems to offer a timely opportunity to review the current configuration and hosting options to determine whether proposals for greater harmonisation would deliver benefits.

Document Management

6.57 Initial discussions have been held across both Councils and CoSocius to identify the current application landscape and opportunities to review potential future opportunities to share solutions.

6.58 Cheshire East are already in the process of procuring and implementing a corporate electronic document management solution, which links to the established Sharepoint product used by both Councils, which has been driven by the requirements of the Care Act in relation to social care records, but with a view to rolling out across other significant business areas.

6.59 There is therefore an opportunity to consider whether this solution could be used as the basis of an approach which both Councils could adopt in order to reduce overall solution costs.

Highways

6.60 In advance of the service review process, CWaC undertook a soft market testing exercise to review available solutions in the marketplace to deliver the Council's requirements in respect of highways management. More recently, both Councils' Highways teams held a joint workshop with the provider of the current solution, Pitney Bowes, to understand direction of travel with the incumbent solution and the opportunities which more recent product releases could offer.

6.61 Discussions with key stakeholders in the business are now being scheduled, to understand the strategic direction for each authority, and to understand likely approaches for the renewal of the wider term maintenance contract for highways maintenance between each Council and their external partners, and what impact this may have on the extent to which the Councils continue to lead on the procurement and provision of the core ICT systems which are used by both Council and Contractor to deliver highways maintenance activities.

Transport

6.62 CWaC and the subsidiary company TSS owned by CE currently use a long established product which was originally implemented prior to local government reorganisation.

6.63 CWaC's Transport service has already begun an exercise to define requirements and undertake soft market testing in order to replace this product during 2016. Via the service review process, key stakeholders within TSS have been engaged in this process in order to ensure the requirements defined by CWaC, and therefore the outcomes from the procurement process, could also be utilised by TSS in due course.

6.64 The scope of the ongoing exercise is being reviewed and compared to the full breadth of applications supported by CoSocius in relation to transport, to ensure opportunities to decommission associated applications and reduce ongoing support activities and costs are being identified and driven through this process.

Elections

6.65 Initial discussions have been held with key stakeholders in both Councils. At the time of reporting, existing contract end dates for incumbent solutions do not present an urgent need to work towards a system procurement and replacement exercise in either organisation.

6.66 The business case for harmonisation onto a single solution, and the cost of change and associated payback period for such an exercise, need to be defined in order to determine the potential benefits for both Councils to work together in the medium term to define shared requirements and work towards a common solution.

7.0 Next Steps

7.1 The opportunities identified in the OBC which has been produced by the Enterprise Business Systems service review are significant. Subject to approval by this Committee, a project team will be established and the next phase of work taken forward with appropriate urgency.

7.2 As noted in section 5, the phasing of the remaining service reviews, and the relationship between their outcomes and the development and future delivery of a revised ICT Delivery target operating model, is under review at present. An update will be brought to the next Joint Committee to articulate how this overall programme of work will be delivered in order to maximise outcomes for both Councils.

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.

10.2 This committee is responsible for the oversight of management of the shared services to ensure effective delivery and to provide strategic direction. However approving the budgets for the functions discharged by the committee are

reserved to the Councils and any future investment requirement will require approval by CWaC and CE respectively.

11.0 Legal Implications

11.1 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 CoScoius Transfer Programme 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:

: Peter Bates / Mark Wynn
: Cheshire East – Chief Operating Officer / Cheshire West and Chester – Director of Finance
Tel No: 01270 686013 / 01244 977830
Email: peterbates@cheshireeast.gov.uk / markwynn@cheshirewestandchester.gov.uk

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

This page is intentionally left blank

CoSocius

Service Review Programme

Service Review: Enterprise Business Systems

Cheshire East Council / Cheshire West and Chester Council:
Outline Business Case

Authors: Kathy Clark, Aaron Thomas

Approvers: Mark Wynn, Peter Bates

Version control

Version	Date	Status
0.1	17/12/2016	First draft
0.2	04/01/2016	Includes feedback from initial Programme Manager review
0.3	05/01/2016	Updates after initial discussion with Dominic Oakeshott
0.4	06/01/2016	Updates after initial discussion with Gareth Pawlett, and Executive Summary and further amends by Dominic Oakeshott added.
0.5	07/01/2016	Updates after discussion with Danny Fitzgibbon / Sharon Barclay / Ian Kirby / Leona McMillan / Richard Harrison / Dominic Oakeshott
0.6	10/01/2016	Updates after discussion with Debbie Hall
1.0	14/01/2016	Final approved version

Table of Contents

Executive Summary

The Councils and their associated subsidiary companies operate an ERP (Enterprise Resource Planning) system provided by Oracle to support its core infrastructure around, HR, Finance and wider business systems, which was implemented for the former County Council in 2002. The system supports a range of functions including procurement and payments to suppliers, billing and income from customers, recruitment, employee contract management, payroll, financial budgeting and reporting, general ledger, and a range of statutory and business reporting capabilities.

The platform in operation is largely based on the 2002 design, and through the integrated nature of ERP solutions has supported the organisations successfully over the last 14 years. However the current version of Oracle is aging and requires replacement. Recent research and soft market testing has shown that there are other solutions which will meet the Councils' requirements.

In developing this Outline Business Case it is clear that there is a substantial opportunity to transform and improve the operation of the Councils, supporting the visions and corporate plans of the Councils and their subsidiaries, whilst being able to reduce costs. To date it has been possible to identify that there would be cost reductions in supporting the technology platform, which will be sufficient to offset implementation costs of in 5 years or less.

In addition, the potential for improvements in processes through standardisation and simplification offers opportunities to drive additional cost reductions and service improvements, beyond those set out in this business case.

The vision for change for this case is to:
- Provide a flexible, scalable business system solution
- Provide a foundation for change, removing barriers to service improvement
- Improve efficiency, simplifying the way the Councils operate their business
- Reduce costs and over time ensure investment is paid back with ongoing cost reductions
- Reducing risk

Delivery of this vision will require robust and clear governance throughout the implementation programme, ensuring design and implementation decisions are taken which support the vision across all organisations affected.

The work to date has established that a reasonable estimate of the cost of change to replace the current system is approximately £10m. Ongoing savings in the technology platform are likely to be in the region of £2m per annum. This results in a payback period of no more than five years. In addition the change in system will facilitate and enable improvements and changes to business processes and practices, which have not been fully assessed at this stage. However it is notable from talking to other Councils that business

process savings are likely to be achievable, the extent being dependent on the maturity of the operation across the two Cheshire Councils and the opportunities for improvement that a new product will offer.

At this stage there is therefore believed to exist a significant opportunity to save money and improve Council delivery through investing in a replacement ERP solution. This outline business case is therefore seen as the first stage in an extensive procurement and implementation process, which will include the following subsequent phases and milestones:

- Development of a more detailed business case for system replacement in order to secure funding
- Development of a parallel business case focussing the costs and benefits of business process transformation, using the system replacement as an enabler
- Formal initiation of a procurement process
- Solution selection and formal procurement decision
- Implementation programme and benefits realisation

This document sets out the resources believed to be required to develop a more detailed business case for system replacement, prior to a formal procurement process, and gives an indication of the cost of the resources required for this next phase of work.

1.   Introduction

1.1 Background

Oracle is the current ERP solution used across CWaC, CE and their subsidiary companies. This has been in place since 2002 and the current set up is largely based on legacy County Council requirements.

The current solution presents future support challenges, both in terms of the extent of the support provision from the vendor ORACLE and also the hardware platform which the product utilises.

We have an opportunity to review available solutions that may better meet our needs in terms of scalability to cater for subsidiary companies, flexibility to meet changes in the organisation and to provide an improved user experience.

An indicative and aspirational roadmap for achieving these changes is set out below. Note that all suggested milestones would require subsequent validation through the course of an implementation programme.
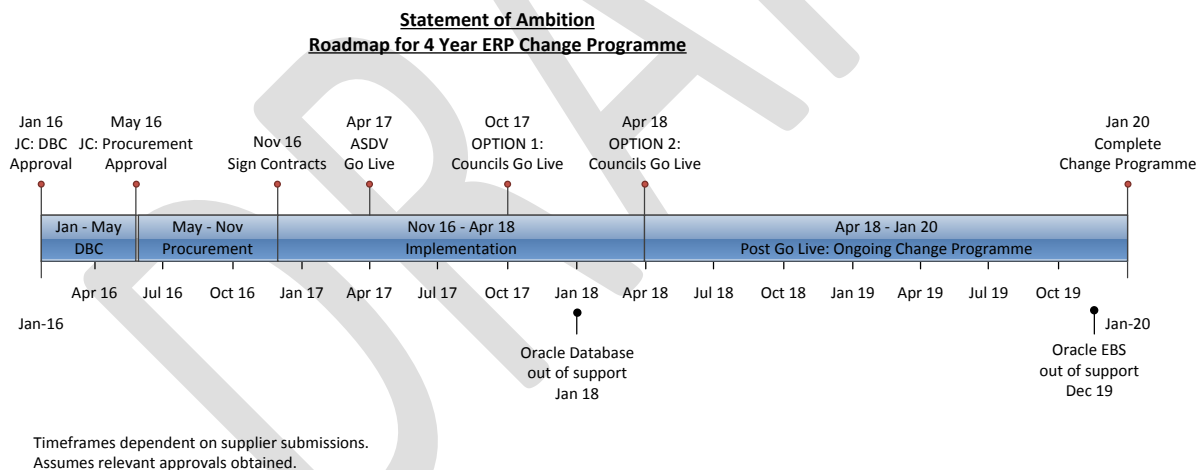
Figure 1: Statement of Ambition: Roadmap for 4 Year ERP Change Programme

The ERP Service Review has engaged stakeholders and subject matter experts from across the Councils and CoSocius in reviewing our current ERP provision, and identifying high level requirements for our future ERP capabilities. The review has produced a set of requirements; agreed a set of strategic ERP principles; reviewed the marketplace for options and undertaken soft market testing, prior to reaching the recommendations set out in this Outline Business Case.

1.2 Principles

The Councils have worked collaboratively to agree a set of principles to guide our future ERP provision. These are outlined below:-

Flexibility, Agility	Flexible to adapt to changing business requirements and changes in the organisation, in a cost effective and timely manner. Easily interfaces to other systems.
Scalability	Supports multiple instances / companies. Provides ERP solution(s) that cater for varied sizes of organisations with varying complexity. Can scale up and down in a cost effective and timely manner.
Self Service	Accessible. Supports self serve capabilities. Digital by design (designed with the user in mind).
Personalisation	Delivers modern, personalised user interface experience.
Usability	Easy to use, accessible interface. Ability to work from a variety of locations and using a range of different devices.
Secure	Delivering information securely and to only those with appropriate authorisation

Figure 2: ERP Principles

The project team also agreed an acceptance criterion to complement these principles - that the solution must have working examples within local government. Suppliers who have worked successfully to deliver local government implementations bring experience in how to effectively set up the solution to deal with some of the known complexities we face, such as the challenges of part year workers and multiple assignments in the payroll arena, and the complex statutory and financial reporting requirements which must be delivered against challenging timetables.

Strategic technology principles of 'cloud first' and 'digital by design' were also considered when undertaking the analysis of the ERP marketplace.

1.3 Requirements

A series of requirements workshops have been held across the Councils and CoSocius, to identify the capabilities and requirements for an ERP system. These requirements helped inform the soft market testing and provided a reference point for suppliers in terms of the Councils' core and optional needs. When a formal procurement is initiated, these requirements will be refined and updated to support this process, and will form the basis of an assessment framework.

A summary of the ERP capabilities identified during the requirements gathering can be found below. This shows that there are numerous capabilities considered to be outside a "core" ERP provision, such as debt management, forecasting, recruitment and performance management – some of which are part of our existing ERP solution. These could be encompassed within the scope of a formal procurement process for an ERP solution, if appropriate, but may not necessarily rule out suppliers who cannot deliver these capabilities. A Detailed Business Case will consider the costs and benefits of delivering these capabilities through an ERP replacement or through supporting systems and processes.
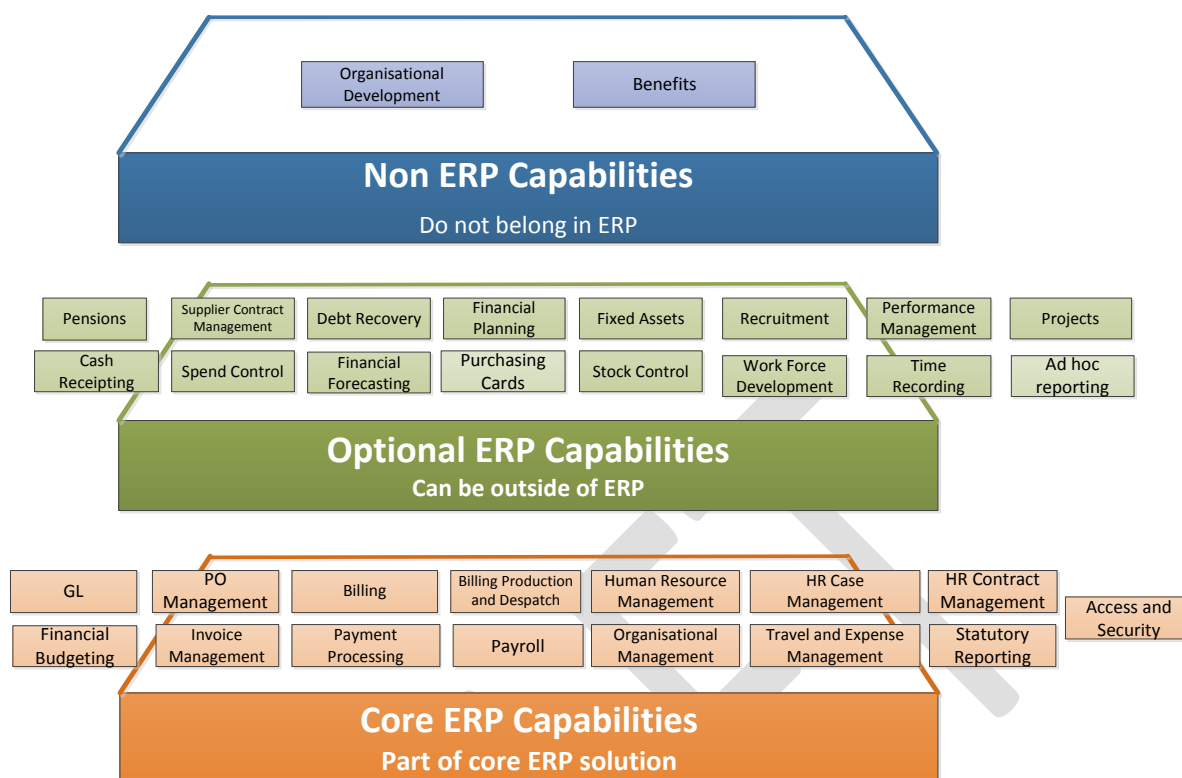
Figure 3: Categorisation and Scoping of 'ERP' Capabilities

1.4 Soft Market Testing

A soft market testing exercise, which engaged appropriate leads from across the Councils and CoSocius, has been undertaken. The purpose of this exercise was to investigate the current marketplace and to learn about the current options in relation to our principles and requirements. This included consideration of ERP providers, alongside 'best of breed' solution providers, where typically an HR&P specialist will partner with Finance provider to cover the whole scope of ERP.

The Council's ERP principles and high level requirements were posted on The Chest, and a cross section of the suppliers who responded were invited in to provide further information. This approach was ratified by external advisors as an appropriate means of refining our ERP strategy and shaping our needs for a formal procurement exercise. This also helped inform the typical costs and savings achievable, for use in this Outline Business Case.

The table below lists the suppliers / implementation partners who we have engaged with through the soft market testing exercise.

Systems Integrator / Solution Provider	Solution	Scope of Solution	Partner (Best of breed only)
PWC	Oracle Fusion	ERP	N/A
KPMG	Microsoft Dynamics AX	ERP	N/A
Agilisys	Agresso	ERP	N/A
Northgate	NGA ResourceLink	HR&P	ABS
Midland iTrent	Midland iTrent	HR&P	ABS
ABS	E5 Financials	Finance	Midland iTrent
Civica	Civica Finance	Finance	Midland iTrent

The market analysis and soft market testing found evidence of a trend in the public sector away from larger, more traditional ERP suppliers. The soft market testing also identified a trend towards the use of 'cloud' hosted solutions, where the technical infrastructure resides externally, and where in many cases the ongoing support for the solution, including patching and upgrading, is delivered by an external provider.

A number of common messages emerged from discussions with suppliers during the soft market testing. These were:

- The importance of having a clear Vision for the implementation and what it is expected to deliver in terms of technology change and business transformation.
- Using the implementation as an opportunity to review business processes is recommended.
- Some suppliers offer a public sector "blueprint" for setting up the solution and associated processes. This can reduce system built and implementation effort, but potentially increases change management effort, depending on how different the blueprint processes are from our current processes.
- Resource availability is a key success factor (particularly when managing a system launch at financial year end).
- Empowerment to make timely decisions is critical, e.g. around configuration, adoption of standard business processes, etc.
- Strong governance and sponsorship for the implementation is absolutely vital.

When defining the vision within the Councils and CoSocius, the options of adopting blueprint processes and of ensuring consistency of processes across the Councils should be considered and appropriately supported and championed if this implementation approach is taken. Note: the Councils already use many common processes both in terms of end user processes and in terms of the transactional processes which both Councils use with the support of CoSocius. This is important context for the potential scale of cultural change required.

1.5 Objectives

The objectives of the project to implement a replacement ERP solution are outlined below. The measures and targets for these objectives will be refined in the Detailed Business Case.

Objective
1. **Reduce costs** • Reduce the cost of the delivering the technology solution
2. **Customer / user engagement** • Improve the user experience and flexibility of deployment to increase product and process adoption • Improved solution outputs such as management information and reporting to support decision making
3. **Compliance** • Ensure appropriate access security, segregation of duties and protection of sensitive data • Ensure a solution which is delivered using technology which ensures an appropriate level of availability and protection against significant technology incidents
4. **Platform for Transformation** • Provide a platform to deliver transformational change which will reduce the cost of operating business processes supported by the system • Create and maintain synergies and economies of scale across the Councils • Support strategic business transformation and deliver an agile service which supports alternative service delivery models at an acceptable cost

1.6 Scope

1.6.1 Scope of OBC

In Scope
• High level cost benefit analysis and payback projection – based on stated assumptions. • Recommendation regarding next phase of work. • Outline Resource Plan – high level resource estimates for delivery the proposed Detailed Business Case phase (subject to stated assumptions).
Out of Scope
• Recommendations about the type of solution ('best of breed' versus ERP). • Selecting, recommending or discounting any particular solution. • Detailed Resource Plan – to follow in Project Management Plan (PMP) at the start of the proposed Detailed Business Case phase.

1.6.2 Proposed Scope of Detailed Business Case

In Scope
• Define the Vision for the programme. • Analysis of 'As is' processes and opportunities, including consideration of existing processes could be improved regardless of the chosen solution. This will inform further thinking around the scope and scale of the business process redesign activity required alongside the system implementation. • Analysis of which 'optional' ERP capabilities (see figure 3) should be included in the formal procurement process. These capabilities include functionality currently part of our current ERP provision, e.g. performance management, and capabilities that are currently outside of our existing ERP solution, e.g. budget forecasting. • Further investigation of costs of 'on premise' hosting model as compared to the cloud hosting model. • Refining requirements in advance of a formal procurement process. • Agreeing procurement approach.
Out of Scope
• Documenting detailed 'To be' processes is outside of scope – these will be defined once a solution has been selected and during the implementation project.
To Be Determined
Requirements of schools.

1.6.3 Scope of Implementation Project

In Scope

• Formal procurement process.
• Full Business Case in support of a procurement decision.
• Implementation of system replacement, including:
   o System design and build
   o User engagement and change management / training
   o Testing, parallel running and pre-implementation signoff
   o Associated business process redesign activity
• Post implementation benefits realisation monitoring and ongoing change management / rollout of available functionality.
• Subsidiaries and related organisations, eg Cheshire Pension Fund.
• Functional scope:-
   o All ERP capabilities identified as 'core' to ERP during the requirements gathering, plus 'optional' ERP capabilities identified as part of the procurement process, as an outcome of the Detailed Business Case phase.

Out of Scope
• Functional scope:-   o Capabilities identified as not belonging in 'ERP' during the requirements gathering, including any 'optional' ERP capabilities identified as being outside of the replacement ERP solution.

2. OPTIONS ANALYSIS

2.1 Options

No.	Description	Analysis	Shortlist? Y/N
1	Produce Detailed Business Case in support of a formal procurement exercise.	Moving to a replacement ERP solution, hosted in the 'cloud'*, could reduce the total annual product cost to approximately one-third of that of our existing solution, with existing annual ERP costs totalling approximately £3m, as opposed to approximately £1m from a cloud based alternative. *The case for an on-premise and locally-supported model has not been discounted and will be investigated during the Detailed Business Case phase.* This delivers a payback of no more than 5 years based on technology savings alone, based on an anticipated implementation cost of £10m. (The contribution to these costs from subsidiaries and other customers through capital investment or revenue charges would need to be determined.) It is expected that further savings could also be achieved on transactional service costs to the Councils. However, the costs of the change management associated with these changes in transactional services have not been included in this OBC, and neither have the associated savings. Furthermore, with the current focus on the structural changes taking place, further investigation and discussion around these estimates will take place during the Detailed Business Case phase. Note – the impact on the wider business (beyond transactional processing teams) requires further investigation. For example, potential benefits of improved user interface and experience and associated process improvements; potential dis-benefits of adhering to a less customised /	Y

No.	Description	Analysis	Shortlist? Y/N
		blueprint solution; potential impact of greater rollout of self-service capabilities. Production of a Detailed Business Case would require an investment of £350K for the resources required to deliver this over a 4 month period from the start of February 2016. It is proposed that this is funded via 'invest to save', as part of the overall implementation cost - as based on the outline financial case to date, it is expected that the overall implementation would be on an 'invest to save' basis.	
2	Do nothing	Continue to pay product cost of £3m per annum, being 3 times higher than the potential cost for a replacement solution. Database will fall out of support in January 2018 and E-Business Suite application falls out of support December 2019. However, Oracle may revise these dates and we will still have access to all the currently available patches and fixes. Existing solution uses aging technology which will become increasingly difficult to maintain at an acceptable cost and without significant investment. Current solution has no Disaster Recovery provision. Business process savings could be achieved through better use of the existing platform. Indeed there may be opportunities to deliver short term savings using the current platform. However, feedback from market engagement and soft market testing suggests that a system replacement will provide a more robust platform for delivery of business process transformation and more significant associated savings.	N

d

2.3 High Level Benefits

Benefit 1 – reduced costs
Total annual product cost approximately one-third that of our existing solution, with existing annual Oracle costs totalling approximately £3m, as opposed to approximately £1m from a cloud based alternative ERP solution. This provides a payback period of no more than 5 years. The overall Return on Investment depends on the lifespan of the product, which is yet to be determined, but could reasonably be expected to be 10 years. This takes into account current hosting, staffing, hardware and maintenance, and third party maintenance costs, for Oracle and related third party products.
Benefit 2 – customer / user engagement
Improve the user experience, with associated benefits of reducing 'failure demand' (e.g. helpdesk calls because of issues using the system), decreasing training overheads (by enhancing ease of use), and more widespread adoption and use of / satisfaction with the system, e.g. increased use of self-service functionality such as expenses, contract changes, procurement approvals, etc.
Benefit 3 - compliance
Deliver a solution which is technologically robust and appropriately manages the risk of significant disaster scenarios and/or system outages. Ensure the management of system accesses, separation of duties, implementation of schemes of delegation / approval hierarchies, and management of starters / leavers / organisational restructures, is delivered using an efficient and flexible system.
Benefit 4 – platform for transformation
Deliver savings associated with business process redesign and transformation in associated with the technology change. Engagement with suppliers and the wider market confirms the opportunities in this area are potentially significant. However these savings are not being taken into account in the current payback projection, and the associated change management costs are also excluded. Further investigation is required during the Detailed Business Case phase. Reducing the time and cost expended on-boarding and off-boarding, by providing a solution that is flexible to be scaled up and down in a timely and cost effective manner. In turn, this will help retain subsidiary companies as a customer for Council services once their contractual tie-in ("incubation period") to the Councils expires and they have the option to go elsewhere.

Note - Benefits are based on a Cloud based ERP solution, with indicative costs sourced from G-Cloud and a comparable reference site implementation.

2.4 Risk Analysis

The main risks associated identified for the Detailed Business Case are identified below.

	Risk	Impact	Likelihood
1.	The full costs and savings cannot be identified without knowing the solution which will be selected and the functionality that will be available. *Mitigating actions* Continue to benchmark the typical costs incurred and savings achievable across a cross section of recent public sector implementations, using a range of different technologies, to provide a reference point for the costs and savings for the Detailed Business Case. Note that even at the DBC stage, a complete view of costs and benefits cannot be confidently offered – this will only become possible once a procurement process has been entered into and a solution has been selected following competitive dialogue and negotiation.	M	M
2.	Business process savings cannot be calculated without additional effort associated with process redesign work. *Mitigating actions* Clearly state assumptions where savings are dependent on process changes. Such savings are currently excluded from this OBC.	L	M
3.	Resources are unavailable for the activities required to deliver the Outline Business Case on schedule, e.g. analysis of 'as is' processes, identification of potential process improvement opportunities, refinement of requirements ahead of a procurement process. This is a particular issue as the Detailed Business Case would be compiled in the run up to financial year-end. Also, it requires input from CoSocius resources, who are currently engaged in	H	M

	activities surrounding the current structural changes. *Mitigating actions* Create detailed resource plan and obtain approval from relevant stakeholders. Secure seconded resources where appropriate and ensure Detailed Resource Plan (part of Detailed Business Case phase) includes a cost for backfill. Ensure funding is available to cover backfill costs and any external support.		
4.	Subsidiaries reach the end of their "incubation periods" and are unwilling or unable to wait for the outcome of the Detailed Business Case and, if approved, the procurement process that follows. They source separate systems / go to alternative solution providers, which impacts this future income stream and reduces the potential economies of scale and the consolidated view available from having a shared platform with the Councils. *Mitigating actions* Engage subsidiaries in the Detailed Business Case activities to help engage the relevant stakeholders in the potential changes in what the Councils will be able to offer. Ensure there is a robust communications plan in place to engage the subsidiaries, so we can understand their key milestones for decision.	L	H
5.	The current Oracle product is embedded in the culture and structure of some teams. There are significant process and change management implications associated with changing this core system / platform. *Mitigating actions* Change Programme activities to be scoped to ensure sufficient effort to address this challenge.	M	H

3.   FINANCIAL ANALYSIS

3.1 Capital & Revenue Costs

The capital and revenue costs for a replacement cloud-based ERP solution are summarised below.

Capital & Revenue Costs	Implementation	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital							
Implementation Cost	10,000,000	-	-	-	-	-	10,000,000
Sub Total	10,000,000	-	-	-	-	-	10,000,000
Revenue							
Annual Support		700,000	700,000	700,000	700,000	700,000	3,500,000
Annual Hosting		300,000	300,000	300,000	300,000	300,000	1,500,000
Sub Total		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Grand Total	10,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	15,000,000

Figure 5: High Level Capital and Revenue Costs for an alternative, cloud based ERP system.

Key assumptions:-
- These financial figures are based on high level information obtained from early market engagement with other local authorities and using publically available pricing information (via G:Cloud) for a comparable ERP cloud-hosted implementation. This information requires further validation and is intended to provide a high level demonstration of the scale of the potential opportunities, rather than being a financially binding statement of costs and savings at this stage.
- Assumes externally hosted and supported ERP solution for the purpose of this Outline Business Case. On-premise implementation / solution not yet ruled out.
- Current solution costs are based on currently available information which is currently under review as part of the programme of work to transfer CoSocius activities into Council shared services.
- Assumes adoption of industry standard solutions without significant local modification, across both Councils .
- Annual support and maintenance starts to be incurred in Year 1, once system live.
- Assumes implementation costs spent primarily prior to go live (although some change management may continue post-implementation).

A cost comparison with the current solution is outlined below.

Figure 5: Cost Comparison with breakeven highlighted

3.2 Funding

It is proposed that the Detailed Business Case phase forms part of the overall 'invest to save' case for an ERP replacement programme. Assuming approval to proceed with the

DBC, funding for the next phase of work will be secured in advance of the full invest to save case being submitted and approved.

4. PROJECT MANAGEMENT

1.7 Outline Plan

Milestone / Stage	Target Date
1. Outline Business Case Approval	Jan '16
2. Mobilise team for Detailed Business Case	1st Feb '16
3. Project Management Plan for Detailed Business Case To include:- • Detailed Plan for DBC phase • Communications Plan • Updated Governance Structure and Process • Roles and Responsibilities • Stakeholder Analysis	15th Feb '16
4. Complete process workshops and one-to-one process analysis with SMEs: • Refine requirements ahead of formal procurement • Review and document as-is processes • Identify opportunities for process improvements based on current practice	15th April
5. Refine estimates of implementation costs and future savings by reference to external parties (reference sites, cross section of recent public sector implementations).	15th April
6. Conclude scoping of capabilities that would be included in the formal procurement (for optional ERP capabilities such as recruitment, forecasting, performance management), and the costs and benefits of doing so.	15th April
7. Deliver Detailed Business Case	30th April
8. Finalise and sign off requirements in support of procurement process	15th May
9. JC Approval sought for DBC and formal procurement	27th May

1.8 Summary of Resource Requirements

Resource	No. of days		When?	Source (Internal or External)
	Total	Per wk		
Project Delivery				
Project Management	75	5	Feb '16	External / Internal
Business Analysts	150	2 x 5	Feb '16	External
Subject Matter Experts (SMEs)				
Technical SME	45	3	Feb '16	Internal
Finance SME	45	3	Feb '16	Internal
HR SME	45	3	Feb '16	Internal
Payroll SME	45	3	Feb '16	Internal
Income SME	45	3	Feb '16	Internal
Procurement SME	45	3	Feb '16	Internal
Supporting Resources				
Additional IT / Technical	45	3	Feb '16	Internal
Procurement	45	3	Feb '16	Internal
Finance and Audit	30	2	Feb '16	Internal
Human Resources	15	1	Feb '16	Internal
Legal & Commercial	6	n/a	Feb '16	Internal

*Planned to transfer to CE or CWaC during the Detailed Business Case phase.

Assumes engagement of end users, including schools, subsidiaries and Cheshire Pension Fund is via the Business Analysts, although nominated points of contact will be required.

1.9 Governance

The following roles are typically established as part of best practice project management practices when launching any significant project. Suggested individuals to fulfil these roles for the ERP replacement project are included.

Role	Name	Title
Project Executive / SRO	Dominic Oakeshott	Head of Service, Business Management & Performance, CE
Senior Supplier	Gareth Pawlett	Corporate Manager, ICT, CE
Senior User	Ian Kirby	Senior Manager, Performance and Programmes, CWaC

It is proposed that the governance arrangements for this project make maximum use of existing governance structures. It is suggested that the ERP Project Board reports to the existing Joint Officer Board, which in turn is then accountable to the Shared Services Joint Committee.   These proposals will be developed and appropriate approval obtained early during the proposed DBC phase of the project.

5. PROCURMENT APPROACH

1.10 Procurement Strategy

The procurement approach will be determined during the Detailed Business Case phase.

This page is intentionally left blank