

# **CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL**

## **REPORT TO: SHARED SERVICES JOINT COMMITTEE**

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**Date of Meeting:** 18 March 2016

**Report of:** Sam Brousas – Cheshire West and Chester and Peter Bates – Cheshire East

**Subject/Title:** CoSocius Service Reviews

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### **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 continued progress to date with the series of service reviews underway, and the opportunities for collaboration and sharing across both Councils identified so far.

### **3.0 Reasons for Recommendations**

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

### **4.0 Report Background**

- 4.1 This committee at its meeting on 27 February 2015 approved a programme of work to review the delivery of applications and services by CoSocius to the two Councils.
- 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.

### **5.0 COSOCIUS TRANSFER PROGRAMME**

- 5.1 The Service Review programme continues to be delivered alongside the CoSocius transfer programme. Progress with the transfer activity will be reported to this Committee separately.

- 5.2 Given the competing demands placed by both Programmes on the resources within CoSocius and within the Council's client teams, the Service Review work is being managed carefully so as to minimise the impact on the transfer of activities on 1 April 2016.
- 5.3 The work is also being managed so as to align wherever possible with existing reprocurement deadlines within each Council. Where such deadlines appear to present a barrier or a threat to collaboration opportunities, these are being escalated and managed closely.
- 5.4 The formal transfer of CoSocius activity into the two Council-hosted Shared Services provides an opportunity to consider the objectives of the service review programme, which was scoped and approved prior to the decision to cease CoSocius' operation as a commercial entity. The scheduling of proposals arising from the service reviews needs to be reviewed alongside the redesign of the target operating model for delivery of ICT services. An update will be brought to the next Committee on proposed timescales for the remaining reviews.

## 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%) – <i>now included in Health &amp; Social Care review</i>
Business Intelligence and Reporting (2%)	Document Management (1%)
Schools Information System (0%)	Elections (1%)
Resource Planning (Homecare) (1%)	Environmental Health (1%) – <i>now included in Planning &amp; Building Control review</i>
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

**Status: Complete**

- 6.3 At the last meeting of this Committee, approval was given to proceed with the development of a more detailed business case, in support of a formal procurement process to replace our current Oracle solution.
- 6.4 This next phase of work is underway, with officers across both Councils engaged in developing a shared view of the opportunities which exist to deliver business process efficiencies, in addition to savings relating to a change in technology platform, both of which will inform the detailed business case to follow.
- 6.5 A Member / Officer Steering Group is being formed as an essential element of the governance arrangements for this significant programme of work, in addition to an officer governance structure that includes a Programme Board and project team. The outputs from the ERP programme will be reported to the Steering Group, with updates being brought to this Committee at appropriate intervals and where key decisions are required.

## **Health and Social Care / Children and Young Persons**

### **Status: On track for recommendations by May**

- 6.6 Work is continuing to document the risks and benefits of continuing with the current diverse hosting, support and delivery models. The focus of this work is to agree from a business perspective the preferred hosting and support model, including a view of baseline costs, and a proposal for harmonising the use of the different modules within the core systems of Liquidlogic and Tribal.
- 6.7 Recognising the importance of ongoing contract compliance, CE continue to focus on procurement to secure the solutions that are required to deliver the Care Act technical components alongside the renewal of the existing Liquidlogic social care solution. The service review team is working with CWaC to review current requirements and finances, in order to decide whether to proceed with an accelerated re-procurement timetable for Liquidlogic alongside CE. Moving both Councils onto the same procurement model will provide the opportunity to review their business processes over the life of the contract and enable them to identify further efficiencies and/or best practice
- 6.8 Again focussing on contract compliance, CWaC have begun a framework procurement exercise in relation to the Tribal CYPD solution with a March 2016 deadline. In parallel, the service review team are working to ensure the CWaC tender specification is shared with CE, in order to review the feasibility of a joint procurement process for March 2017.

## **End User Computing**

### **Status: Risk of slippage beyond May**

- 6.9 Both Councils have now signed up to a shared set of requirements around 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.

- 6.10 The overall potential savings associated with this programme, when compared to the cost of the existing set of solutions in this area, are being developed at present, alongside options for delivery and the associated cost of change. These savings will contribute to the wider savings proposals associated with the CoSocius transfer programme.

## **Geographic Information Systems (GIS)**

### **Status: Complete**

- 6.11 The Councils use an aging solution to deliver current GIS capabilities. Since the last update on this service review, both Councils have agreed to adopt the GIS solution which has been proposed by CoSocius, using “open source” 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.
- 6.12 This solution will preserve cost savings achieved in previous years through avoidance of external support charges.
- 6.13 External expertise has been sought, to validate the approach being proposed by CoSocius and to provide assurance that the solution and the software it is based upon are a robust platform which is likely to offer value for money. This external advice has been positive in respect of the direction of travel now agreed by both Councils.

## **Business Intelligence and Reporting**

### **Status: Risk of slippage beyond May**

- 6.14 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.
- 6.15 Since the last report to Members, work on this review area has been paused while key resources within CoSocius focus on preparation for the transfer of activities into the two Councils. An update will be brought to the next Committee on this subject.

## **Schools Information Management System**

### **Status: On track for recommendations by May**

- 6.16 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.
- 6.17 Work is ongoing to develop proposals around different options for delivering a cost effective solution to schools which also meets the Councils' reporting requirements. At the time of reporting, costs for one option have been put forward, with work continuing on an alternative approach. A decision can be taken when the cost of both proposals is available.
- 6.18 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, is also under consideration. While the Councils will retain a mandatory role in the provision of a solution for maintained schools (numbers of which are expected to decline significantly over the next few years), the option of brokering a common solution for Academies is being explored. Potential benefits would include lower costs to Academies when compared to solutions procured on an individual basis, and the ability to maintain consistent information flows in support of Academies' mandatory reporting duties to local authorities.

## **Resource Planning – Homecare**

### **Status: Complete**

- 6.19 This system is used to allow employees who deliver home care services to vulnerable service users to manage their schedule while on the move. The legacy system had reached end of life and required replacement.
- 6.20 Both Councils took a decision to move forward with the procurement and implementation of the same replacement solution, being the "cloud" hosted version of the current product. At the time of reporting the replacement solution is in the process of being implemented, supported by CoSocius, with a go live date planned for March 2016.

## **Customer Services and Website**

### **Status: Risk of slippage beyond May**

- 6.21 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.
- 6.22 The review continues to work with both Councils to understand the scope of the delivery arrangements they have entered into with external organisations, to identify opportunities to share solutions with those third parties, and to ensure any retained responsibilities consider the benefits of shared solutions.
- 6.23 In relation to contact centre telephony requirements, CE and Qwest have agreed a joint approach to capturing requirements and undertaking soft market testing at

an appropriate time in order to identify the most appropriate solution to meet the needs of both organisations.

- 6.24 It is anticipated that through the planning for the implementation of the Microsoft Modernisation Programme (see above – End User Computing), a decision will be taken to extend the Councils' arrangements with our current telephony provider Avaya beyond the current calendar year. The timescales for identifying and implementing a replacement for the specific needs of the contact centres will be dependent upon this decision. It is now expected that while requirements gathering can be completed in the short term, the timing of soft market testing leading into a formal procurement exercise will be driven by the likely timescales for implementing a replacement.

## **Planning and Building Control / Regulatory Services**

### **Status: On track for recommendations by May**

- 6.25 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.
- 6.26 Requirements are being developed in support of a procurement deadline within CWaC. However, opportunities to align this exercise with CE continue to be actively explored.

## **Tranche 2 reviews**

## **Revenues and Benefits**

### **Status: Requirements gathering and market testing likely to extend beyond May**

- 6.27 Key business stakeholders have been engaged to determine the appetite for moving towards greater collaboration in this area, 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.
- 6.28 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. The impact of the rollout of Universal Credits on benefit processing within the Councils is also still to be confirmed.

## **Cash Receipting and Income Management**

### **Status: Requirements brought within scope of ERP detailed business case**

- 6.29 Both Councils use the Capita CRIM solution, albeit implemented separately and with slightly different configurations. 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.
- 6.30 The timelines for the next essential upgrade to the CRIM product are likely to align with the timing of the 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. Cash Receipting requirements are also included in the scope of the ERP programme, to determine whether a standalone solution will continue to be required in future.

## **Document Management**

### **Status: Risk of slippage beyond May**

- 6.31 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.
- 6.32 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. This 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.
- 6.33 CWaC stakeholders are now actively documenting their requirements in this area, and will be working with CE to consider whether their solution could be used as the basis of an approach which both Councils could adopt in order to reduce overall costs.

## **Highways**

### **Status: Dependency on strategic direction regarding Highways Term Maintenance contract**

- 6.34 Discussions with key stakeholders in both Councils are underway, 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. If the Councils take the decision to include provision of supporting ICT systems as part of the next term maintenance contract's scope, this will remove the need to take internal decisions around how such a system should be delivered and supported.

## **Transport**

### **Status: CWaC repurchase in hand; CE / TSS decision not due until late 2016**

- 6.35 CWaC and the subsidiary company TSS owned by CE currently use a long established product which was originally implemented prior to local government reorganisation.
- 6.36 CWaC's Transport service has already begun a system reprocurement exercise. At the time of reporting, a formal tender and selection process has been initiated. TSS have not been able to engage to the same timescales due to the ongoing "Total Transport" review, the outcomes of which will inform related system requirements across CE.
- 6.37 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. TSS will continue to be actively engaged in the CWaC procurement exercise, so as to maximise the potential for a shared solution in future.

## **Elections**

### **Status: On track for recommendations by May**

- 6.38 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.
- 6.39 Stakeholders in each Council have agreed in principle that a joint reprocurement exercise will be undertaken at an appropriate point in the medium term, having regard for the ongoing suitability of incumbent solutions. The pattern of local, national and EU elections over the next few years points towards 2021 as a likely target date for a system replacement, unless a compelling business case can be developed to support a change in the shorter term, on the basis of financial savings to be achieved.

## **7.0 Next Steps**

- 7.1 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, continues to be actively reviewed. In particular, the impact of the revised ICT Delivery model on current and future service costs for both Councils will be a key determinant in the development of business cases to support the migration of systems onto shared platforms, where currently those platforms are separate.
- 7.2 Updates will continue to be brought to this Committee to articulate how this overall programme of work will continue to be delivered in order to maximise outcomes for both Councils alongside the launch and delivery of the new Shared Services for ICT and Transactional Services.

## **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 / Samantha Brousas

: Cheshire East – Chief Operating Officer / Cheshire West and Chester – Director of Professional Services

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Background Documents:

*Documents are available for inspection at:*  
*Cheshire East Democratic Services*  
*Westfields*  
*Middlewich Road*  
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