

Public Document Pack

Date of meeting **Wednesday, 20th June, 2012**

Time **7.00 pm**

Venue **Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffs ST5 2AG**

Contact **Julia Cleary**

Cabinet

AGENDA

PART 1- OPEN AGENDA

1 DECLARATIONS OF INTEREST

To receive declarations of interest from Members on items included in the agenda.

2 MINUTES OF LAST MEETING

(Pages 1 - 2)

To consider the minutes of the previous meeting held on 23 May 2012.

3 Replacement Financial System

(Pages 3 - 6)

4 Review of Community Centre Provision

(Pages 7 - 10)

5 Public Sector Commissioning in Partnership - Collaborative Commissioning

(Pages 11 - 28)

6 Outcomes Following the Commissioning Process With the Third Sector

(Pages 29 - 34)

7 STRATEGIC REVIEW AND CONSOLIDATION OF ICT SYSTEMS (Pages 35 - 54)

This report asks Cabinet to endorse the Strategic Review being undertaken of the Council's ICT software systems in the short, medium and longer term. It identifies opportunities to make efficiency improvements together with cost savings through procurement and review options within clear timescales. Review and consolidation will provide the opportunity for a change in focus for ICT; enabling ICT to become facilitators and empowering users to do more.

8 URGENT BUSINESS

To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.

Members: Councillors E Bates, A Beech, E Boden, A Kearon, G Snell, Stubbs and J Williams

'Members of the Council: If you identify any personal training / development requirements from the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Committee Clerk at the close of the meeting'

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

CABINET

Wednesday 23 May 2012

Present:- Councillor G Snell – in the Chair

Councillors Mrs Bates, Mrs Beech, Boden, Kearon, Stubbs and Williams

1. DECLARATIONS OF INTEREST

Councillors Mrs Bates and Stubbs declared they were members of Kidsgrove Council.

2. MINUTES

Resolved:- That the minutes of the meeting held on 14 March 2012 be agreed as a correct record.

3. AMENDMENT TO THE CORPORATE COMPLAINTS, COMMENTS AND COMPLIMENTS POLICY

Resolved:- That Section 9 of the Corporate Complaints, Comments and Compliments Policy (3Cs Policy) is revised, as set out in Appendix B of this report, to incorporate the Local Government Ombudsman new guidelines regarding unreasonable complaints.

4. ECONOMIC DEVELOPMENT STRATEGY REPORT

Resolved:- (a) That the Economic Development Strategy and the first year Action Plan be approved.

(b) That arrangements be made to publicise the strategy.

5. GYPSY AND TRAVELLER POLICY REVIEW

Resolved:- To adopt the Gypsies and Travellers' Policy.

6. REPORT RELATING TO KIDSGROVE TOWN HALL

Resolved:- That the formalisation of the freehold ownership of the Town Hall and the Victoria Hall be approved as set out in this report.

7. URGENT BUSINESS

There was none.

G SNELL
Chair

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REPLACEMENT FINANCIAL SYSTEM

Submitted by: Head of Finance/Head of Customer and ICT Services

Portfolio: Communications, Transformation and Performance/Finance and Budget Management

Ward(s) affected: All

Purpose of the Report

To obtain approval to invite tenders for the replacement of the Council's financial accounting and management system.

Recommendations

(a) That tenders be sought for a replacement financial system, within a guideline budget of £188,750

(b) That officers be authorised to invite tenders for a replacement system, via an appropriate framework agreement, including the current supplier in the process, and, following evaluation, to award the contract.

(c) That the cost be financed from the ICT Development Fund and existing revenue budget provision, as outlined in the report.

Reasons

The current system has been in place since 2003 and is no longer supported by the software supplier. It is also desired to benefit from enhancements now available and to consider options for integration with other Council ICT systems. Seeking tenders will also provide reassurance that the Council is obtaining value for money in the provision of its financial system.

1. **Background**

1.1 The system to be replaced comprises:

- General ledger, which records the Council's expenditure and income and holds the Council's accounts
- Purchasing, which enables goods and services to be requisitioned and orders to be despatched to suppliers
- Accounts Payable, used to make payments to suppliers in respect of goods and services

1.2 The current system used is Agresso, version 5.4.5, supplied by Unit 4. It has been in use since 2003. It is no longer supported by the supplier with regard to enhancements or problem fixing. It is, however, a stable system which has required very little support over the years and there are no problems currently being experienced either with the software or the suitability of the system in operational terms. In view of this the annual support payments made to Unit 4 have been reduced and will now amount to an annual fee of £17,345 for 2012/13. The amount included in the 2012/13 revenue budget for annual maintenance is £29,750, which reflects the previous level of support payments.

2. **Issues**

- 2.1 The currently used version of Agresso is two generations behind the latest available. This is the reason that it is no longer supported by the supplier. It also means that enhancements made since the system was originally installed are not available. For these reasons the possibility of upgrading to the latest version (5.6) was explored with Unit 4 and indicative costs were obtained.
- 2.2 The upgrade to the latest version is a significant change in terms of both infrastructure and functionality and will impact on resources in both ICT and Accountancy. Because of this and the period of time which has elapsed since Agresso was installed it is opportune and desirable to test the market for similar systems to ensure that the Council obtains the most effective one at the most economic price.
- 2.3 In the event of a disaster, the current system will be difficult to restore due to its age and underlying technology.
- 2.4 This will also be an opportunity to consider the potential for a replacement system to integrate with other ICT systems currently operated by the Council or which could be employed in the future. This forms part of an ongoing project to consolidate ICT systems so as to realise cost savings and increase system standardisation across services, thereby reducing the amount of time and diversity of knowledge required to maintain systems, whilst improving the service to users and customers.
- 2.5 The estimated value of the contract to be awarded is likely to exceed the threshold (£173,934) for advertising in the Official Journal of the European Union (OJEU), requiring that prescribed procedures are followed in inviting tenders and awarding contracts. It is intended, therefore, to procure the replacement system by using an appropriate existing compliant framework agreement. A framework agreement is a process adopted by the public sector to deliver procurement solutions where an authority is required to advertise in OJEU. Under a framework arrangement the Council will still be required to compile a detailed user and technical specification and carry out its own evaluation of the tenders received and decide who to award the contract to. It is important to ensure that the current supplier, Unit 4 is given an opportunity to submit a tender, so if they are not a participant in the framework agreement selected, they can participate in the process alongside those suppliers and in competition with them.

3. **Options Considered**

- 3.1 Three options were considered:
 - (1) Retain the present system (Agresso Version 5.4.5)
 - (2) Upgrade from Agresso version 5.4.5 to Version 5.6
 - (3) Invite tenders for a replacement system

4. **Proposal**

- 4.1 To invite tenders for a replacement system via a framework agreement, including the current supplier, Unit 4, in the process, as set out in paragraph 2.4. A replacement system can be implemented at any time. It does not depend on events such as the financial year end. However, it is intended to proceed with implementation as rapidly as practicable, with a

target date of 31 March 2013 for all modules (ledger, purchasing, accounts payable) to be operational.

5. **Reasons for Preferred Solution**

- 5.1 The areas covered by the financial system are all critical either in maintaining the Council's business processes or complying with statutory obligations. It is vital, therefore, to ensure that the software used is up to date and fully supported by its supplier. Option 1 does not meet these objectives.
- 5.2 In order to be satisfied that the most effective system is procured and that it represents value for money it will be necessary to invite tenders from suppliers rather than upgrading the current system.
- 5.3 It allows consolidation options to be considered together with any enhancements which might be available from a range of suppliers.

6. **Legal and Statutory Implications**

- 6.1 The Council is required to maintain proper accounting records by the Accounts and Audit Regulations 2011 and has a legal obligation to pay those who have supplied goods and services to it. An effective ICT system is essential to enable these requirements to be satisfied.

7. **Financial and Resource Implications**

- 7.1 The replacement system can be expected to be in use for at least five years. An amount of £29,750 is presently included in the revenue budget to meet annual maintenance charges. In addition a sum of £40,000 has been allocated in the ICT Development Programme, to be financed from the ICT Development Fund. There is, therefore a total amount of £188,750 available to fund the acquisition, implementation and ongoing maintenance costs of a system over a five year period.
- 7.2 The cost of a replacement system will not be known until after the tendering process has been completed. However, this can be partially estimated based on present costs and indicative information available in the marketplace. It is proposed to inform prospective tenderers that the cost of their submission, spread over a five year period, cannot exceed the current cost calculated to be £189,000 in order for it to be acceptable.

8. **Major Risks**

- 8.1 The major risks are:
 - That the Council does not have an effective ICT system to record income and expenditure and compile its accounts and to process purchasing and payments transactions. The proposal to invite tenders for replacement is intended to avoid this occurring.
 - The replacement system chosen is not fit for purpose. This risk should be mitigated, if not eliminated, by setting out the precise requirements and standards in the specification document which will be the basis for tenders submitted.
 - The replacement system is not implemented in a timely manner. The implementation processes and timescales will be one of the major issues explored with potential suppliers during tender evaluation and an assessment will be made of the effectiveness of each one's arrangements and the likelihood of any problems

occurring. There will be an implementation project plan which will be regularly monitored and reviewed.

- A change to an alternative supplier's system will require considerable additional resource input from finance staff, which may not always be available when required owing to conflicting commitments. All users will require fresh training to familiarise themselves with a different system and possible revised working practices.

9. **Key Decision Information**

- 9.1 This is a key decision owing to its cost and is likely to have an impact over 2 or more wards. It has been included in the Forward Plan.

COMMUNITY CENTRE REVIEW

Submitted by: Executive Director – Operational Services

Portfolio: Stronger and Active Neighbourhoods

Ward(s) affected: All

Purpose of the Report

To seek authority to commence a review of Community Centres provided by the Council and to establish a project group to undertake this work.

Recommendations

(a) That Cabinet agree the scope and timeframe for the Community Centre review and the establishment of a project working group.

(b) That Cabinet agree to receive a future report in relation to the modernisation of Community Centre Provision within the Borough.

Reasons

To facilitate the decision-making and delivery processes regarding the provision of Community Centres for the residents of the Borough.

1. Background

1.1 There are fifteen Community Centres within the Borough, which are currently operated by local management committees under an informal management agreement. Given the nature of this agreement there are a number of key issues that need to be addressed to ensure the long term sustainability of the Councils Community Centres which are as follows:

- ◇ There are a limited amount of resources within the repairs and renewals fund and capital programme for maintaining the Community Centres. Given this situation the Council allocates the spending of this limited resource on a needs basis which often means funds are not equally disseminated across all fifteen community centres which has lead to different standards of community centre provision across the Borough, meaning some centres are more appealing to hirers than others.
- ◇ The current management agreement between the Council and local management committees prevents applications being made to several external funding bodies given that the management committees are unable to demonstrate security of tenure. This issue is becoming increasingly important for the management committees given the budgetary pressures that currently exist within the public sector in order to ensure their long term sustainability.
- ◇ The degree of performance information in relation to each of the fifteen community centres is limited. As a result resources support is generally provided to the management committees on a reactive basis not necessarily related to need or demand.

1.2 Given the key issues identified above it is proposed to undertake a full review of the provision of Community Centres within in the Borough to ensure that the servcies delivered from them meet the needs of our communities as well as value for money for the Council

2. **Issues**

2.1 In order to adequately undertake the review of the Boroughs fifteen Community Centres it is proposed to establish a project review team to adequately assess the provision of the Community Centres across the Borough. The role of the team of the team will be to:

- ◇ Ensure transparency and equity in resourcing Community Centres in order to provide effective services to local people.
- ◇ Provide continuously improving community facilities and centres, which meet local need and achieve the aspirations of neighbourhoods.
- ◇ Achieve management of buildings and centres by having agreed leases in place with all Community Centres who are in a position to accept one by April 2013.
- ◇ Achieve a better quality of service by ensuring Community Centres are fit for purpose – this will be determined by use, user views, community aspirations and building quality.
- ◇ Develop capacity and maximise resources through increased support to volunteers and Community Centre management committees through the working group. This should help centres access external funding.
- ◇ Provide a more diverse range of activities being delivered from Community Centres by developing capacity in communities and explore transferring Council assets to community groups where it is appropriate to do so.
- ◇ Provide better services provided through an improved network of Community Facilities including those that are operated by partner organisations, the private sector and or the third sector in the Borough which ensure quality and meet local need. This is likely to include the re-provision of a number of Community Centres.
- ◇ Better services by ensuring that the re-provision of Centres does not result in a reduction or removal of a service, rather than the improvement of a service.

2.2 The table below sets out an initial timetable and work programme for the team.

Action	Completed by
Community Centre Project Review Team in place	July 2012
Review of the existing physical and social infrastructure in the vicinity of each facility, including consultation with users and non-users of the centres to establish local needs and barriers to wider usage.	October 2012
Review the capacity of each Community Centre management committee identifying specific training and other development needs.	October 2102
Identify key gaps in service provision and work with management committees to develop a business plan for their community centre that will ensure its longer-term sustainability. This could include identifying opportunities for asset transfer.	Timetable to be developed based on above assessment with aim to complete by April 2013
Cabinet report providing an update on the work undertake by the project review team.	January 2013
Identify a range of funding to meet both capital	February 2013

investment needs and for ongoing revenue support.	
Develop options for the long term sustainability and management of Community Centres in partnership with the community and voluntary sector.	March 2013
Review management arrangements linked to the options above and implement proposals.	From April 2013

2.3 It is envisaged that the community centre review will be driven by the Councils Leisure Strategy Manager who will report directly to the Head of Leisure and Cultural Services, with regular updates being provided to the Cabinet Member with a responsibility for Stronger Active Neighbourhoods. However it should be noted that and input will be required from other service areas within the Council, although not exhaustive, including:

- ◇ Assets and Regeneration
- ◇ Finance
- ◇ Business improvement and Partnerships
- ◇ Central Services
- ◇ Planning

2.5 A longer-term aim of the Community Centre provision in the Borough will be to deliver effective community based activities that are provided through a well located network of high quality community centres, providing services our communities want and that are well managed and resourced. To achieve this, the project will work closely with partners, and third sector agencies to ensure that those organisations that become independent are linked into the appropriate support networks.

3 **Proposal**

3.1 That Cabinet agree the scope and timeframe for the Community Centre review and the establishment of a project working group.

3.2 That Cabinet agree to receive a future report in relation to the modernisation of Community Centre Provision within the Borough.

4. **Reasons for the Preferred Solution**

4.1 To enable key decisions to be made in accordance with the work programme identified in section 2.3 of this report, and to achieve the Council's vision for Community Centre provision of delivering effective community based activities that are provided through a well located network of high quality community centres, providing services people want and that are managed and well resourced.

5. **Financial and Resource Implications**

5.1 It should be noted that the Community Centre review will be carried out within existing revenue resources of the Council

5.2 The current budget for the provision for Community Centres for the financial year 2012-13 has been set at £203,560 excluding central establishment costs. It is therefore envisaged that the community centre review will ensure that this valuable resource is spent in an effective and efficient manner whilst still maintaining a service that meets the needs of the

Boroughs Communities.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 The provision of accessible community facilities contributes to the delivery of the Council's Strategic Priorities as set out in the Corporate Plan. There will be a positive impact on those relating to health improvement, quality of life, and support for disadvantaged communities, community safety and potentially broader regeneration objectives for the Borough.

7. **Legal and Statutory Implications**

- 7.1 The Council has powers, under the Local Government Act 2000, to improve the social, economic and environmental well-being of the Borough's residents.

8. **Equality Impact Assessment (EIA)**

- 8.1 As part of the Community Centre review and the implementation of any recommendations, an equalities impact assessment will be undertaken. Overall any changes will be made in accordance with the Council's equal opportunities policy and procedures to enhance community cohesion.

9. **Major Risks**

- 9.1 A full risk assessment/log will be developed in conjunction with the Council's Corporate Risk Manager and will be subject to regular review.

10. **Key Decision Information**

- 10.1 It is proposed that in order to achieve the aim of the Council for Community Centre provision across the Borough, that the following outcomes will be achieved as a result of the Community Centre review:

- ◇ Transparency and equity in resourcing Community Centres in order to provide effective services to local people.
- ◇ To ensure that the Community Centres continuously improve, and meet the aspirations of local neighbourhoods.
- ◇ To develop capacity and maximise resources through increased support through the Community Centre commissioning group. This should help the existing management committees access external funding.
- ◇ A more robust management structure for community centres.
- ◇ Increased capacity and competencies within local communities, enabling the Council to explore transferring Council assets to community groups where it is appropriate to do so.

11. **Previous Cabinet Decisions**

None

12. **List of Appendices**

None

PUBLIC SECTOR COMMISSIONING IN PARTNERSHIP - COLLABORATIVE COMMISSIONING

Submitted by: Simon Sowerby – Business Improvement Manager/Beverley Cleary – Business Improvement Officer (Performance & Procurement)

Portfolio: Resources and Efficiency

Ward(s) affected: All

Purpose of the Report

- (1) To inform Cabinet of the work and outcomes of the Third Sector Commissioning Framework Project Group.
- (2) To identify the opportunities (where available) for joining the collaborative approach being adopted as part of the Public Sector Commissioning in Partnership (PSCiP) work, to maximise efficiencies and to jointly commission services with other organisations, ensuring in the process that there is no detrimental effect on the overall service to residents of the Borough in line with service outlines.

Recommendations

- (a) That Cabinet agree that Newcastle-under-Lyme Borough Council as part of its commissioning process for 'information and advice' and 'infrastructure support' services join the PSCiP programme.
- (b) That funding approximate to £163,000 of the possible £248,510 commissioning budget in years 2013/14 and 2014/15 be allocated to the PSCiP programme, this sum being paid to Staffordshire County Council who will commission the delivery of the service for the period highlighted.
- (c) That your officers support PSCiP staff in the drafting of service outlines to reflect the needs of residents of the borough in the delivery of an 'information and advice' and 'infrastructure support' service.
- (d) That your officers establish and agree as part of the work suitable reporting on outcomes to ensure delivery of a responsive service for residents of the borough.
- (e) That in delivering the above objectives opportunities, as part of the aggregation of spend and delivery of a collaborative solution delivers savings for the authority.

Reasons

The Council commissions a range of contracts with 'Third Sector' (voluntary and community) organisations via the established Third Sector Commissioning Framework (TSCF) it has in place.

Existing contracts will end on 30 June 2012 and whilst a new commissioning process has commenced options (i.e. the award of shorter term contracts) have been included in relative service outlines to offer the Council an opportunity to join the PSCiP programme for the relative services.

Minimum standards established by the Staffordshire Compact - to which Newcastle-under-Lyme Borough Council is a signatory will be delivered as part of the work of the PSCiP team e.g. – recommendations of a 12 week commissioning process and stakeholder engagement processes involving commissioners' providers and end users of the service.

1. **Background**

- 1.1 Newcastle-under-Lyme Borough Council launched its Third Sector Commissioning Framework (TSCF) process in December 2008. At this time, a total of eleven contracts were commissioned with Third Sector (voluntary and community) organisations either based or working in the Borough. The majority of the contracts ran for a period of three years, commencing on 1 April 2009.
- 1.2 From the original list of eleven contracts, seven remain 'live'. These seven will end on 31 March 2012. Given the proximity of this date, EMT has approved an extension of these existing contracts for a maximum of three months in order to comply with Staffordshire Compact requirements relating to the commissioning of services with the Third Sector.
- 1.3 As part of an ongoing member engagement process and as an output from the Scrutiny Brief presented to the Active and Cohesive Communities Overview and Scrutiny Committee on 31 October 2011, it was decided (by the Committee) to establish a Member Task and Finish Group to examine the Third Sector Commissioning Framework (TSCF).
- 1.4 At the first meeting of the TSCF Working Group on 12 December 2011, members reviewed the process undertaken so far in relation to the TSCF. The group also met with the Director of Strategy and Transformation - Assistant Chief Executive from Staffordshire County Council who presented an overview of the Public Sector Commissioning in Partnership (PSCiP, formerly TSCiP) work to date. In addition, an update was received on the proposed TSCF budget, stakeholder engagement observations, update on service outlines and the implications of the tight timescales being faced as part of the process.
- 1.5 A number of queries were raised by members of the TSCF Working Group, each being addressed by officers of the PSCiP programme; these are highlighted in Appendix A.
- 1.6 A range of observations were made by the PSCiP team at the start of the project, these are contained in correspondence dated 12 August 2011 and 8 September 2011 (attached – see Appendices B and C). The contents of which highlight the main areas covered by the PSCiP programme, including the two relevant commissioning areas for the Borough Council that of - Debt Benefits and Consumer Advice (currently being delivered by both CAB and Age UK) and Infrastructure Support (currently - in Newcastle-under-Lyme Borough Council's case - being delivered by Newcastle Community and Voluntary Services (NCVS)).
- 1.7 As part of the Council's internal stakeholder engagement process, members and officers highlighted the ongoing need and service development of:
 - The provision of Debt Benefits and Consumer Information & Advice, and
 - Infrastructure Support services.
- 1.8 Meetings have also taken place with a number of external stakeholders/providers, each indicating a commitment to deliver services from within the Borough, albeit clearly indicating the issues faced in identifying and obtaining supportive funding for any ongoing services.
- 1.9 The Medium Term Financial Strategy (MTFS) currently includes ongoing funding for services from the voluntary and community sector – a total of £248,510 p.a. being allocated.
- 1.10 The level of funding in the MTFS mirrors that made available in 2011/12 and it is anticipated that such funding will continue for financial years 2013/14 and 2014/15, with officers reviewing such funding with its internal finance team 3 months prior to the financial year end.

- 1.11 Consideration has been made of ongoing budget shortfalls faced by the authority in reviewing the TSCF and whilst the framework recommends mainly three year contracts, during the new commissioning process this will be conditional on a budgetary review indicated above.

2. **Issues**

- 2.1 An overview of current contractual issues includes the following: -

- 2.1.1 *Infrastructure support (NCVS)* – a proposal has been put forward previously to Cabinet to offer a one-year contract only for this area of work. This has been proposed in part as a device designed to allow for further consideration of the PSCiP work and the potential opportunity for the Council to be part of the initiative, and also as recognition of the ongoing review of the voluntary sector and support provision throughout Staffordshire. Taking into account these initiative, a one-year contract would allow further consideration of the role of the CVS and how this might be shaped in the future including consideration of options such as joining with other CVS organisations in the county or reducing the level of service currently provided.

- 2.1.2 *Debt Benefits & Consumer Advice – CAB* – Faced with the impact of the current continuing economic downturn, there remains an ongoing need for the delivery of a Debt, Benefits and Consumer Advice service. CAB throughout the current contract period has dealt with a high level of debt within the borough. Welfare benefits advice remains the largest category of all the current service providers' enquiries. The new service outline for information and advice looks to perspective providers to deliver a collaborative approach as part of the commission inclusive of support relative to age demographic.

- 2.1.3 *Older Peoples Information and Advice Service: AGE UK N. Staffs* - this service has not been without its problems in the past, in that Age UK has asked as part of their previous contract if they could reduce their Newcastle offices opening times to deliver the service. Alternate proposals (e.g. collaborating with partners that deliver similar services within the borough such as CAB), rather than a reduction in opening hours were considered by AGE UK, but this does highlight the issues around supportive funding to deliver the service.

- 2.1.4 *Public Sector Commissioning in Partnership (PSCiP formally TSCiP)* - the first tranche of commissioning as part of the PSCiP will commence with the Third Sector Infrastructure Support project. Timescales indicate initial engagement with interested parties from 30 April 2012 with contract award/start by 1 January 2013. The second tranche (Debt Benefits and Consumer Advice) indicates a contract award/commencement by 1 April 2013. If the Borough Council is to join the Programme, it will be required to either enter into provisional shorter term contracts or ensure suitable termination and/or assignment as part of the work undertaken by PSCiP. In examining the Programme and its potential for the Borough Council, consideration will be made of Borough Council service outlines; as well as assessing whether maintenance of some form of budgetary control with a preference to pay quarterly on receipt of performance returns can be retained, as well as seeking to regularly review performance directly with service providers and in general protect the interest of both Newcastle residents and the Borough Council.

3. **Options Considered**

- 3.1 To commit funding for Third Sector Commissioning from 2012/13 onwards as set out in the MTFs and agree to the provision of existing contracts along the lines established in 2008/9 (this does not allow the Council to examine other delivery options and to introduce an annual review of funding into contractual arrangements).

- 3.2 To commit funding for Third Sector Commissioning from 2012/13 onwards, but to agree to variable contractual arrangements including the provision of ongoing funding reviews three months prior to the year end and different lengths of contract for some areas of commissioning (this option – Recommended, will allow for consideration of other initiatives for Third Sector Commissioning such as PSCiP and will also allow for robust review of funding for these services and potentially hold providers to greater account for delivery than at present).
- 3.3 To not commit funding for Third Sector Commissioning from 2012/13 onwards (this option is – not recommended, as this will have a significant negative impact on the Borough Council and lead to the non-delivery of key Third Sector services).

4. **Proposals/Next Steps**

- 4.1 That Cabinet agree the recommendations made by officers allowing the Council to review and benefit from the PSCiP programme.
- 4.2 That collaborative procurement/commissioning be considered (where available and as part of the PSCiP) to maximise efficiencies and to jointly commission services with other organisations, where there is no detriment to the overall service to residents of the Borough inclusive of ongoing monitoring and phased payments in line with its service outline.

5. **Reasons for this Preferred Solution**

Project Benefits in utilising the PSCiP solution – Public Sector:

- 5.1 The programme will identify efficiencies for public sector organisations through the development of shared approaches and backoffice rationalisation including finance, legal, admin, commissioning, procurement and performance management departments. These efficiencies will be significant for larger PSOs in terms of staff resource and may release the equivalent of one or more FTE's. District Councils and PSOs with smaller investment levels should also see a reduction of staff time currently committed to all elements of the commissioning/grant process although on a smaller scale.
- 5.2 The economies of scale and collective bargaining power of a shared approach will improve value for money e.g. same level of service at a reduced contract value or increased service levels for the same contract value. This will be particularly important in the current climate of budget reductions.
- 5.3 The performance management data will provide evidence to support future strategic planning e.g. identifying groups/areas for differential targeted delivery. It will improve accountability for public sector spend by monitoring providers performance against agreed outputs/outcomes.
- 5.4 Ensures resources follow priorities and that these are allocated in the best possible way to obtain high quality, value for money services.
- 5.5 The commitment to a partnership approach will bring significant benefits including removing duplication of services and sharing expertise and best practice. More than that it will define the commitment to transparency and equity in commissioning and show a readiness to adapt in a changing environment to continue to secure essential services for the people of Staffordshire and Stoke-on-Trent. It will be the first partnership of its kind in the country and consequently is already receiving interest from a number of other authorities.

Project Benefits – Third Sector:

- 5.6 The programme will create opportunities for backoffice efficiencies for third sector organisations particularly the larger organisations.
- 5.7 It will offer greater stability for many organisations through three year minimum contracts rather than annual grants and rolling contracts.
- 5.8 Shared processes will make it easier and less resource intensive to identify opportunities, complete the application process and the performance management returns required. It could also offer real opportunities to work collaboratively.
- 5.9 It will offer fairness and transparency in the allocation of funding enabling equal access and opportunity to deliver priority services.

6. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- 6.1 This proposal impacts upon all of Council's Corporate Priorities as services are commissioned to deliver against the corporate priorities.
- 6.2 It will particularly contribute towards Transforming our Council to Achieve Excellence as it will ensure that resources follow priorities and that the Council works in partnership with the Community and Voluntary Sector to provide essential services to improve the quality of life of the Borough's communities
- 6.3 The proposal also supports central Governments political vision as part of 'Big Society' and the sustainability of such, enabling voluntary and community organisations to support and deliver services to the public.

7. Legal and Statutory Implications

- 7.1 There are a number of acts that call upon local authorities to support the prevention of homelessness: -
 - *Homelessness Act 2002* - includes the requirement for local authorities to formulate reviews/strategies to tackle and prevent homelessness
 - *Housing Act 1996* - duty of the local authority to provide advisory services/assistance to voluntary organisations in respect of homelessness
 - *Local Government Act 2000* - general power of well-being

8. Equality Impact Assessment

- 8.1 An Equality Impact Assessment has been completed on the Commissioning Framework. Equality impact assessments will remain a pre-requisite of any service provision offered by voluntary and community sector organisations, and it is anticipated that the PSCiP will continue to offer guidance and support in the submission of equalities information from prospective service providers.

9. Financial and Resource Implications

- 9.1 The TSCF and PSCiP provides a more comprehensive long term approach to third sector funding allocations and commits the Council to supporting the Third Sector through the application and delivery stages with longer term (three year) contracts.

9.2 Newcastle-under-Lyme Borough Council in committing to the programme will be tied into a minimum two year funding requirement for each service.

9.3 This has financial implications as for the identified services a two year commitment is given, however this is in line with government guidance and there is recourse for the Council if the terms of the contract are not met.

9.4 Staffordshire County Council has agreed to fund the commissioning process for the two services identified. Whilst there is some internal resource implications for Council in supporting the development of Service Outlines this is expected to be minimal/proportional to the exercise being undertaken.

10. **Major Risks**

10.1 There is a risk of reputational damage to the Council if it does not deliver on its TSCF commitments and services to the residents of the borough intrinsically linked to information and advice.

10.2 Risks are reviewed as part of the process, it is anticipated that the PSCiP will continue to offer prospective service providers training as part of the commissioning process and identified risks monitored and controlled throughout the length of the contract period between PSCiP officers and Council representatives with the successful service provider.

11. **Key Decision Information**

11.1 This report can be considered key in the following ways: -

- It results in the Borough Council incurring expenditure of an amount which is significant having regard to the Council's budget for the service or function to which the decision relates and;
- To be significant in terms of its affects on communities living or working in an area comprising two or more electoral wards in the Borough

12. **Earlier Cabinet/Committee Resolutions**

12.1 There was an earlier Cabinet resolution to commence the commissioning process.

13. **List of Appendices**

Appendix A – Questions and Concerns

Appendix B – (TSCiP) Correspondence – 12 August 2011

Appendix C – (TSCiP) Correspondence - 8 September 2011

14. **Background Papers**

There is no background papers linked to this report.

Questions and concerns raised by Members of the Task and Finish Overview and Scrutiny Working Group and responses from colleagues from the County Council delivering the Public Sector Commissioning in Partnerships Project (PSCiP):

Members in the main are seeking re-assurances that where possible, if NULBC join the above commissioning process for both 'Infrastructure Support' and 'Information & Advice Services', the Council's requirements are met, in that:

- As part of any service outline the requirements of both the council and residents are met,

The service specification will reflect the service that Newcastle wants to commission. It will be based upon the outcomes/delivery specifics that you determine so therefore should meet your requirements.

- That outcomes and deliverables identified as part of NULBC service outlines are not impaired by overall service expectations of an over-arching specification of the combined partners to the programme,

The specification needs to reflect the requirements of all funding partners. If there are areas where partners requirements do not align we have options available to determine separate schedules that make clear the different delivery requirements so again this will not be an issue.

- Whilst committing monies these are expended on a quarterly basis on receipt of quarterly returns,

The payment model and frequency has yet to be agreed so it is not possible to give a definitive answer to this at the moment however it is the expectation that quarterly performance reports will be required. The payment model will be agreed by all funding partners through the Working Group prior to going out to tender so this information will be available before you need to formally commit to the shared commissioning approach.

It is expected that funding will be transferred to the County Council annually in advance. This is standard procedure where the Staffordshire County Council (SCC) acts as Lead Commissioner. If there are issues with performance/breach of contract and the contract is terminated then unspent monies would be returned to the funder. If this presents a problem please let me know and I will see if there is any scope for flexibility but I can not guarantee this.

- Officers retain the opportunity for continued ongoing (direct) engagement as part of any contract monitoring process with the provider and that should any issues or shortfalls arise in contract delivery, officers have the opportunity to resolve these directly with the provider,

Staffordshire County Council will receive the performance returns at the frequency determined by the working group. These will be reviewed by SCC and circulated to funding partners. If partners have any issues with the reports then they can raise them with SCC to jointly be raised with the provider. It is proposed that there will be six monthly contract/performance review meetings with the Provider. As a funding partner Newcastle will be invited to participate in these reviews where any issues can be addressed. This provides the means for continued direct engagement with the provider, co-ordinated by SCC.

- Members have a concern around the length of time it may take to respond to issues/shortfalls in service provision if (albeit we have not yet decided the performance return frequency). Any issues we currently have with service providers or reports are normally quickly resolved, as there would be a likely impact on the next

APPENDIX A

payment. Will we be looking to put in place some form of procedure linked to responsive timescales in which to resolve issues identified by clients/partners? Members are concerned that queries may get lost in the system, or never responded to. Could NULBC receive a timely electronic copy of the performance return i.e. being included in the email circulation from the service provider at the date of despatch?

SCC would look to resolve any issues with the provider in a timely manner as it impacts on the whole of provision and please be assured that queries will not get lost in the system as they will be picked up by the lead commissioner, who will be the main contact, and addressed according to the contract. The contract will set out the procedure and timescales for responding to issues (Default & Conflict Resolution) and you will have a copy of this. To ensure that NULBC receive a timely copy of the electronic performance returns we can build in an acceptable timescale in which it should be circulated into the SLA between the partners. We are open to your suggestion for what you think is an acceptable timescale. If you feel that it is necessary to be directly mailed by the provider then we can look at this however I think agreeing within the SLA the time period returns should be circulated within would address this concern and as we have access to staff in the Observatory who sometimes manipulate the data further (e.g. Debt/Benefits Advice stats) to produce a report in a more readable format this could also be sent out to you.

- That Member representation (from NULBC) forms part of either a PSCiP 'Commissioning Board' and/or Tender Evaluation & Award Panel.

Each funding partner will be asked to nominate a representative to evaluate the tender submissions. If Newcastle wish to nominate an elected member that is absolutely fine. They will need to complete a Confidentiality Agreement and a Conflict of Interest Declaration.

- Members of the group thought that a Member should form part of the group; I explained that, there would not be a commissioning board, but a tender evaluation and award panel and that training would be given around the role of each participant. Members asked if they could be supported by an officer as part of this work.

If Members would like officer support (presumably from NULBC?) that is absolutely fine. I will have to ask procurement about training for the role of participants as I'm not sure what is in place. Members will need to be made aware that tender evaluation panels can take five or more days, depending upon the response, to work through the different stages and presentations for each service and anyone on the tender evaluation panel must commit to attend every panel meeting.

12 August 2011

Dear Colleague

VCS Consultation

I thought it appropriate as your "Champion" to give you advance notice on the next piece of work relating to the Third Sector Commissioning Partnership (TSCiP).

Over the next 12 weeks or so, my colleagues will be leading a consultation exercise designed to establish the future needs of your organisation from a Voluntary and Community Sector Infrastructure Support & Volunteering Service. As you may be aware, the service is currently provided by Staffordshire & Stoke on Trent Consortia of Infrastructure Organisations (SCIO).

The consultation will give a range of organisations, including other public sector organisations and voluntary and community organisations, the opportunity to identify what their current and future needs are from a VCS Infrastructure Support & Volunteering Service.

The information will be collated and analysed then used in the development of the service specification.

The purpose of the 'heads up' is to enable you to brief your officers and also because I am conscious that your elected members may sit on various boards and committees and consequently may seek further information via yourselves and your teams.

Should you or your colleagues require any further details, I would ask that you contact either:

Denise Smallman tel. 01785 276452
e-mail. Denise.smallman@staffordshire.gov.uk

Or

Emma Salter tel. 01785 277396
e-mail. Emma.slater@staffordshire.gov.uk

Yours sincerely,



Anthony E. Goodwin PhD

**CHIEF EXECUTIVE
Tamworth Borough Council**

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Staffordshire Leaders and Chief Executives

8 September 2011

Third Sector Commissioning Partnership (TSCiP) Programme Update

1. Recommendations

Leaders and Chief Executives Group Approval

- (i) Note progress on the Programme to date.
- (ii) Agree to determine own organisations preferred option for shared commissioning of a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service, taking to own Cabinet where required, to provide a decision at the Chief Executive Group meeting in November.
- (iii) Agree to determine own organisations commitment to implementing a consistent approach to third sector commissioning across all organisations through a Third Sector Commissioning Framework, taking to own Cabinet where required, to provide a decision at the Chief Executive Group meeting in November.
- (iv) Delegate responsibility to Chief Executives Group to agree and approve Recommendations for Phase 3 and Phase 4 and receive reports as required.

2. Programme Progress

- 2.1 As outlined in the Holding Report, submitted in April 2011, the programme has expanded to offer options for shared commissioning rather than a single approach and an option to adopt a consistent approach to third sector commissioning through the use of a Third Sector Commissioning Framework.
- 2.2 All fifteen Public Sector Organisation's (PSOs) known contracts/SLAs/grants with CABx, CVS's/VAST and Asist were mapped to identify the level of investment in these services for 2010/11, provide detail about the funding/commissioning process, provide contract and performance management information and identify indicative future commissioning intentions.
- 2.3 The mapping identified that there are 28 separate funding agreements with CABx, 55 with CVS's/VAST and 17 with Asist making a total of 100 known funding arrangements across these third sector providers. A summary of the findings is attached in Appendix A.
- 2.4 A Case Study and the Cashable/Non Cashable Efficiency Savings have been provided to Improvement and Efficiency West Midlands (IEWM) in order to draw down the final tranche of programme funding. The Return on Investment has been calculated using this data.
- 2.5 Staffordshire County and Stoke City Councils and the three PCT's all commission advocacy services. Currently these are delivered by Asist. Asist is one of the three third sector organisations delivering services to be considered in the first phase of this programme. As many of these contracts are rolling or have contract end dates in the next twelve month partners have agreed to commission advocacy services jointly. This will mean that a shared commissioning approach will be implemented earlier than the agreed timescales outlined in the Draft Process Plan (Appendix E). As it falls outside of the project timescales the commissioning and procurement will follow Staffordshire County Council's existing procedures.
- 2.6 The services currently delivered by Mencap were initially going to be considered during the first phase of this programme. Upon meeting with representatives from Mencap (Mid

Staffordshire and Royal Mencap) and following discussions with commissioning staff in a number of organisations it has been decided not to continue with scoping these services at this point. This is due to difficulties with the renewal of contracts and because Royal Mencap own most of the properties that they deliver care in. This makes these services complex in nature and therefore inappropriate to test under a shared commissioning approach.

- 2.7 The Draft Process Plan showed the intention to map six additional organisations later in the programme. It has become apparent through the work to date that this is not the best approach to determining the next services for commissioning and so instead it is proposed that two or three service areas will be identified, irrespective of current provider. The Draft Process Plan has been updated to include this amendment.

3. Return on Investment

- 3.1 Staff in each PSO completed a questionnaire regarding the period of time they, and other officers in the organisation, spent on confirming the budget, formulating the idea of the service, developing the service specification, commissioning and procurement, agreeing the contract, performance and contract monitoring and processing payments for each contract/SLA/grant.
- 3.2 This varied greatly between organisations both because of the process of commissioning and because of the varying types of funding arrangements in place. The Return on Investment (ROI) calculation is based on historical data and so it is worth noting that a lot of contracts have been inherited from other organisations, usually from PCTs to local authorities, and/or rolled for a number of years and have never been through an open procurement procedure. Consequently the staff hours are lower than might be expected and are likely to be an underestimation of the time involved. It is not possible to reflect this in the calculations however it could be assumed that the ROI would be greater if more accurate information was available. In additions many PSO's explained that they are now looking at improving their procurement of these services and would need to put more robust, transparent measures in place for services they intend to fund in the future. It is important to note that this will mean in the future the staff resource required to commission services is likely to be much greater than that outlined in this report in Appendix C and again this would have the effect of potentially increasing the ROI for shared commissioning.
- 3.3 The figures relating to third sector investment are annual. All other figures have been calculated over the life of a contract and adjusted, where necessary, to reflect a three year contract. The resource cost under a shared approach and the ROI is based upon the Aligned Budgets option with a lead commissioner.
- 3.4 In accordance with Appendix C a total annual investment of £6 million has been identified across all fifteen public sector organisations, for the three mapped services, pertaining to 100 funding arrangements. The estimated resource cost of administering and managing the funding agreements for these, based on the data received, is £426,937.
- 3.5 Under a shared approach with all fifteen PSOs participating the estimated resource cost of administering and managing the contracts under an aligned budget with a lead commissioner model would be £41,000 per contract although this may vary dependent upon service type. If three contracts were in place for the identified services the cost would be £109,289 a saving of £317,648 (adjusted as advocacy services only funded by 5 PSOs). It should be noted that in reality there may be more than one contract for each service area, not all PSOs fund every service and it is unlikely that all existing contracts will be included in new arrangements.

- 3.6 The mapping identified the annual investment made by Staffordshire County Council, Stoke-on-Trent City Council and the 3 Primary Care Trusts into the three organisations as almost £5 million, with 74 funding arrangements and an estimated staff resource cost of £347,365.
- 3.7 The estimated cost of a shared commissioning approach, with Staffordshire County Council, Stoke-on-Trent City Council and the 3 Primary Care Trusts partnering, to deliver a single contract for each service is £27,289. If three contracts were in place for the identified services the cost would be £81,867 a saving of £265,498. Again it should be noted that in reality there may be more than one contract for each service area, not all PSOs fund every service and it is unlikely that all existing contracts will be included in new arrangements.
- 3.8 The Return on Investment has been calculated to account for the cost of the project and potential savings over 5.5 years to include the project development phase and three year contracts for the first services identified within the timescale. The ROI has been calculated as 55% and 58% for five PSO's and all fifteen PSO's respectively. The savings year by year can be seen in Appendix B.
- 3.9 In addition to cashable savings the project offers the opportunity for a number of non-cashable savings including improved performance management leading to better evidence to support future strategic planning and improved provider accountability; benefits through shared expertise; data sharing should remove duplication and third sector commissioning will be more transparent and equitable.

4. Commissioning Options

- 4.1 There are two options for shared commissioning alongside an option to retain the status quo. These are:
- Aligned Budgets with a lead commissioner
 - Stand Alone Partnership Arrangements
 - Do nothing

In both options the individual public sector organisations remain responsible for needs analysis and priority setting to determine the services they wish to commission.

- 4.2 Under the aligned budget option a number of partners would commission services together with a lead commissioner who would procure services on behalf of all partners. The lead commissioner would determine appropriate services and co-ordinate interest in joint commissioning. Budgets would be transferred to the lead commissioner on an annual basis, for the duration of the contract, to be spent against the service commissioned. Financial, contract and performance management would be carried out by the lead commissioner and reports provided to partner organisations.
- 4.3 Under the Stand Alone Partnership Arrangements approach one partner would determine a need to commission/recommission a service and approach other PSO's to see if they would like to jointly commission. One partner would then take the lead and commission on behalf on the group. Financial, contract and performance management could be performed by the lead partner or remain with individual partners. This option is better suited to arrangements that are new or where there are a small number of funding partners. It is proposed that a consistent approach to commissioning should be used and this could be through an agreed commissioning framework, such as the Third Sector Commissioning Framework. Alternatively the existing procurement processes of the lead partner could be followed.

- 4.4 The use of a shared commissioning model would only be used where more than one partner wishes to commission similar services and only where there are efficiencies to be realised. Consequently this approach would not apply to low value commissions, unless included with other partners higher value requirements, and will therefore not impact on all the third sector funding arrangements in place in each organisation. Further detail on each model with advantages and disadvantages are set out in Appendix D.
- 4.5 The TSCiP Project Team would lead under the aligned budgets model only and therefore this is the model partners will be asked if they wish to participate in for the procurement of a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service. The team will then work with interested partners to determine their requirements. A decision will be required in November to start the tender process in April 2012 with contract start dates of January 2013 and April 2013. Partners that do not wish to participate under the Aligned Budgets model will be asked to express an interest in the Stand Alone Partnership Arrangements which can be used as required and will be instigated by individual organisations as required.
- 4.6 It is important to have a fair and transparent approach to third sector funding in place that reflects an organisation's priorities. As outlined above a shared commissioning approach will not impact on all third sector funding. It is therefore proposed that, in addition to a shared commissioning model, a consistent approach to all third sector investment over an agreed threshold be developed that all partners can adopt. This would be based upon the Newcastle and Tamworth Third Sector Commissioning Frameworks and would provide a minimum standard across Staffordshire and Stoke on Trent. This may be of particular interest to district councils that don't wish to participate in a shared commissioning approach however, one does not preclude the other as organisations could use the consistent framework for services they choose to commission alone and could partner under a shared commissioning approach where appropriate.
- 4.7 PSOs will be requested to sign up to a consistent approach through the use of Third Sector Commissioning Framework in November and this will then be developed by the Project Team utilising the learning from Newcastle and Tamworth Borough Councils.

5. Project Benefits

- 5.1 Shared commissioning would create efficiencies for public sector organisations through backoffice rationalisation including finance, legal, admin, commissioning, procurement and performance management departments. These efficiencies would be significant for larger PSO's in terms of staff resource and may release the equivalent of one or more FTEs. District Councils and PSOs with smaller investment levels should also see a reduction of staff time currently committed to all elements of the commissioning/grant process although on a smaller scale.
- 5.2 The economies of scale and collective bargaining power of a shared approach should improve value for money e.g. same level of service at a reduced contract value or increased service levels for the same contract value. This will be particularly important in the current climate of budget reductions.
- 5.3 Robust performance management will improve accountability ensuring services are delivered that meet organisational priorities and community need and this will also provide evidence to support future strategic planning e.g. identifying groups/areas for differential targeted delivery.

- 5.4 The commitment to a partnership approach will bring significant benefits including removing duplication of services and sharing expertise and best practice. More than that it will define the commitment to transparency and equity in commissioning and show a readiness to adapt in a changing environment to continue to secure essential services for the people of Staffordshire and Stoke-on-Trent.
- 5.5 Shared commissioning will also create opportunities for backoffice efficiencies for third sector organisations particularly the larger organisations. Shared processes will make it easier and less resource intensive to identify opportunities, complete the application process and the performance management returns required. It could also offer real opportunities to work collaboratively.
- 5.6 Both shared commissioning and the Third Sector Commissioning Framework will offer greater stability for many third sector organisations through three year minimum contracts rather than annual grants and rolling contracts.

6. Equality Impact Assessment

- 6.1 The proposed approach does not impact directly on people in Staffordshire as it deals purely with the way in which existing funding to the third sector is managed and monitored, and does not in itself propose any changes to funding for any particular organisations. Clearly, were any future recommendations made to change funding streams for particular third sector bodies this would have a direct impact on local people and these recommendations would need to be impact assessed in their own right.
- 6.2 Implementation of the proposed framework would support equality by ensuring that the each council's key equality objectives are more firmly integrated in joint commissioning protocols and guidance.

7. Conclusion

- 7.1 The mapping information identified that there are at least 100 separate funding arrangements with CABx, CVS's and Asist with the majority covering very similar services. There is obviously scope under a shared commissioning approach to rationalise these to reduce transactions and the staff resource required to administer and manage the funding arrangements.
- 7.2 The resource data collected to identify cashable efficiencies and ROI indicates that there are significant back office efficiencies to be made through a shared commissioning approach which could release staff time and/or FTE's. It is acknowledged that the existing number of contracts and the contract values that the data is based on will reduce due to the removal of a number of government funding streams and the need for budget cuts/efficiency savings in organisations. As the number of participating partners, services required and funding allocations is not known at this point it is not possible to give an actual saving or the actual cost to individual partners of a shared approach. These would need to be calculated on a service basis once PSO's have expressed an interest.
- 7.3 It is generally accepted by the larger funders that whether or not partners sign up to a shared commissioning approach the historical/rolling funding arrangements must be addressed and services must be revisited to ensure that they still fit with the corporate priorities, meet needs and deliver value for money. It is evident from the mapping that a large number of services have never or have not for some considerable time gone through an open procurement process and in future arrangements this will need to be done. If this is done separately by PSO's the staff resource required will be significant and there may not be the capacity within organisations to deliver. In addition if organisations are commissioning to similar timescales

the responding third sector organisations may not have the capacity to complete a large number of tenders.

- 7.4 Both shared commissioning models enable each participating PSO to retain responsibility for identifying needs, setting priorities and determining the services they wish to commission along with the outcomes to be achieved. PSOs also retain responsibility for their third sector budgets and agree commitment based upon the duration of the contract. The Aligned Budgets with a lead commissioner model has the potential to offer the greatest efficiencies but it is acknowledged this option may not be suitable for all organisations or all services. Under this model funds are transferred to the lead commissioner annually in advance to cover the commitment to the contract and the lead commissioner would procure on behalf of all partners and will take responsibility for contract and performance management reporting to partners as agreed. The Stand Alone Partnership model may be better suited to the commissioning of new services or where there are a small number of partners.
- 7.5 A consistent approach to third sector commissioning through the use of an agreed Third Sector Commissioning Framework will ensure that services that are not commissioned through a shared approach are commissioned in a way to enable the organisation's resources to be allocated in the best possible way guaranteeing high quality, outcome led, value for money services. It will ensure that Third Sector organisations deliver against the organisation's priorities and that performance management systems are in place improving the accountability in delivering efficient and effective services. It will also establish a fairer and more transparent process to funding allocations that enables equal access and opportunity for the Third Sector to secure longer term support to deliver priority services. A Third Sector Commissioning Framework will also offer a consistent approach across PSOs that could be used when commissioning through the Stand Alone Partnership Arrangements.
- 7.6 Group members are requested to consider their organisation's preferred shared commissioning option for a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service and the consistent approach to third sector commissioning across all organisations through the adoption of a Third Sector Commissioning Framework in advance of the Septembers Leaders and Chief Executives meeting, taking to their Cabinet where required.
- 7.7 Due to the timescales outlined in the Process Plan, Appendix E, it is requested that responsibility be delegated to Chief Executives Group for the next two phases of the programme. Subject to the decisions made today this responsibility would include endorsing the policy framework and reporting individual PSO decisions to participate in the aligned budget approach thereby giving approval to commission the first two identified services and sign up to adopt a Third Sector Commissioning Framework in November 2011. This will be followed by approval requests to map additional service areas at Phase Three and then reporting individual PSO decisions to participate in the aligned budget approach for additional service areas at Phase Four. A final briefing would be presented to Leaders and Chief Executives Group in November/December 2012 requesting project sign off.

8. **Appendices**

Appendix A	Contract Mapping Data and Summary
Appendix B	Cashable and Non Cashable Savings and Return on Investment
Appendix C	Contract Values and Staff Resource Data
Appendix C	Commissioning Options
Appendix D	Draft Process Plan
Appendix E	Draft Risk Assessment

NB: This report is for information only and as such copies of the appendices referred to above are available upon request.

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OUTCOMES FOLLOWING THE COMMISSIONING PROCESS WITH THE THIRD SECTOR

Submitted by: Beverley Cleary Business Improvement Officer (Performance & Procurement)

Portfolio: Resources and Efficiency

Ward(s) affected: All

Purpose of the Report

To report on the Council's Third Sector Commissioning Framework's process, outcomes to date and future contracting.

Recommendations

- (a) To inform Cabinet of the commencement of the Third Sector Commissioning process.**
- (b) To seek approval (due to time constraints) to finalise and award contracts following appraisal and review of submissions by the Commissioning Board**
- (c) That a subsequent information report be submitted to Cabinet informing them of the successful providers following completion of the commissioning process.**

Reasons

The Commissioning process with the voluntary/community (third sector) for 2012/13 has now commenced and officers have received submissions from prospective service providers for 5 of the 6 services identified. Expected returns for the sixth service 'Rough Sleepers Outreach Service' being commissioned with the City Council expected during June 2012.

As the new contracts are due to commence from 1 July 2012 and as Cabinet does not meet again until 18 July 2012 your officer is seeking your approval to complete the evaluation and award process with the support of the newly formed commissioning board and to finalise contracts. Following completion of the process your officer will submit an information paper informing Cabinet of the successful providers.

1. Background

- 1.1 The "Third Sector Commissioning Framework" has been developed to ensure that the Council receives value-for-money, services from the Voluntary/Community (Third) Sector that better meet the Council's priorities. One of the key drivers in establishing the approach was the desire from elected Members to make more transparent/accountable the Council's practices relating to the issuing of Grants to Third Sector organisations.
- 1.2 The Framework was developed in partnership with the Third Sector with three main objectives: to ensure better use of Council resources; to provide a fair and transparent process to grants allocations and to support the delivery of the Council's Corporate priorities and the Sustainable Community Strategy priorities.
- 1.3 The Framework puts in place a robust mechanism for higher value grants and does not apply to small grants and grants issued through the Community Chest. The Framework

applies to all Council funding for Third Sector organisations and was established in April 2009 and applies to commissioning values (thresholds) over at £7,500 and over.

- 1.4 Decisions on applications are made by a Commissioning Board comprising which is established to oversee the commissioning process. The board normally having a minimum membership of and includes a representative from each political group, inclusive of the Portfolio Holder for Resources & Efficiency and the Chair of the Grants Assessment Panel, two voluntary sector representatives are invited to support the Commissioning Manager or their representative. The Third Sector Representatives should be nominated by Staffordshire Consortium of Infrastructure Organisations (SCIO). Their role will be to represent the service users and to provide an independent perspective.
- 1.5 There continues to be considerable interest in the Council's Commissioning Framework locally and the available support from officers in delivering sustainable solutions to service expectations.
- 1.6 There were six service outlines in total all being for specific services that the Council identified a need to commission as detailed in Section 3, with the Rough Sleepers Outreach service being commissioned at a later date. Successful applicants will be chosen based upon the highest overall scores identified through the Criteria Questions that are within the service outlines.
- 1.7 Five Service Outlines were distributed to Third Sector organisations in March with a closing date of 24 May 2012. Applicants had to complete an Application Form, Equality Impact Assessment and Risk Assessment and enclose relevant supportive information where requested.
- 1.8 Officers as part of the process were on hand to offer training and ongoing support in the completion of the application, risk and equalities impact assessment forms, subsequently supporting the Commissioning Board as part of the evaluation and award process.
- 1.9 A total of 9 applications have been received and each will be scored by the Commissioning Board against pre-published criteria which includes the organisation's local knowledge and experience, service delivery model, the organisations' financial and management capabilities and value for money. A minimum score of 65% has been recommended against four criteria to ensure that commissioned services meet the needs identified in the Service Outlines. An overall scoring threshold of 65% is also recommended. The number of applications received for each service is outlined in Section 3.
- 1.10 All applicants will have their accounts, Health and Safety, Risk and Equal Opportunities policies reviewed and any references taken up. Internal Audit will also be asked to carry out a Credit Check on each organisation as per standard practice for Council contractors.
- 1.11 The final Service Specification and Performance Management targets will be agreed between the successful applicants and officers of the Council before formal contracts are issued; this is a collaborative process with both parties able to propose measures for inclusion. It is intended that contracts will commence on 1 July 2012.
- 1.12 A three year contract period will ensure longer term support for third sector organisations enabling them to plan ahead with increased stability. It also reduces the administrative requirements on the Council as Services do not need to be advertised and commissioned on an annual basis. Payment will be issued quarterly in advance. Budgetary issues for the Council have been addressed in section 2 below.

1.13 Third Sector providers are required to submit quarterly performance reports. Payment is dependent upon this and funds will be withheld if necessary. This will ensure that the Council is aware of the service's progress and any issues with delivery can be responded to in a timely manner.

2. **Issues**

2.1 Recognising the current budgetary constraints service outlines indicated that funding would be made available for a three year period, conditional however to budgetary reviews 3 months prior to the anniversary date (financial year end) to ensure on going funding can be supported.

2.2 Where funding levels can be sustained by the Council in each subsequent contract period and where the service providers delivery is deemed to be satisfactory (based on acceptable quarterly feedback), the incumbent service provider will be offered an extension to contract, in line with the intention to contract for the three year period.

2.3 Should funding levels be cut (reduced or no longer sustainable) the Council will consult with the service provider under the contract, prior to indicating the impacts to any ongoing service delivery.

3. **Commissioning Outcomes**

3.1 A provisional date for the Commissioning Board to meet has been diarised for 13 June 2012 to consider applications. The number of applicants is shown below along with the indicative value for each of the services on a pro-rata basis in the first year.

Service	Number of Submissions	Indicative Cost (pro-rata in year 1)
Information and Advice (Debt, Benefits & Consumer) Service	1	£75,000 to £112,500
Infrastructure Advice	1	£6,000 to £9,000
ASB Vulnerable Victims Worker Service	2	£9,000
Homelessness Prevention for Young Persons	4	£18,000 to £22,500
Furniture Reuse Service	1	£6,000 to £9,000
Rough Sleepers Outreach Service	TBA	£15,000

4. **Proposal**

- 4.1 That the report on progress in delivering outcomes to the 2012/13 Commissioning process be received.
- 4.2 That your officer is allowed to finalise the contracting process having completed evaluation process with Commissioning Board members.
- 4.3 That a subsequent information report be submitted to Cabinet informing them of the successful providers following completion of the commissioning process.

5. **Reasons for Solution**

- 5.1 The solution to be delivered offers a compliant commissioning process in line with the Council's Third Sector Commissioning process.
- 5.2 The solution complies with compact regulations.
- 5.3 The solution enables officers to review available (ongoing) funding prior to extending contracts with the successful providers for a further period 12 month period as part of a three year contract.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 This proposal impacts upon all of Council's Corporate Priorities as services will be commissioned to deliver against the corporate priorities.
- 6.2 It will particularly contribute towards Transforming our Council to Achieve Excellence as it will ensure that resources follow priorities and that the Council works in partnership with the Third Sector to provide essential services to improve the quality of life of the Borough's communities.

7. **Legal and Statutory Implications**

- 7.1 The Contracts issued to Third Sector providers are legally binding.

8. **Equality Impact Assessment**

- 8.1 Equality Impact Assessment has been completed on the Framework and identified actions have/will be implemented.
- 8.2 Equality impact assessments have been undertaken by each of the successful service providers and will be reviewed internally by your officers.

9. **Financial and Resource Implications**

- 9.1 The Framework provides a more comprehensive long term approach to third sector funding allocations and commits the Council to supporting the Third Sector through the application and delivery stages with three year contracts. This has financial implications as a three year commitment is given however internal reviews of the ongoing budget will be undertaken prior to offering contract extensions into additional years.
- 9.2 There are resource implications for Council officers within Directorates who will need to develop Service Outlines when commissioning services and for the 'Commissioning

Manager' (or designated assistant) referred to in the document who act as the point of contact for Third Sector applicants and service providers Other departments involved include Business Improvement, Performance, Central Services, Risk and Audit.

10. **Major Risks**

- 10.1 There is a risk of reputational damage to the Council if it does not deliver on its Commissioning Framework commitments.
- 10.2 Risk assessments have been undertaken by each of the successful service providers and will be reviewed internally by your officers.

11. **Sustainability and Climate Change Implications**

- 11.1 Sustainable commissioning intrinsically linked to the Council's procurement methodologies is the process of acquiring services that meet users' needs, deliver long term value for money, maximize social and economic benefits and minimise damage to the environment and health. Sustainable commissioning contributes to our objectives by helping to deliver social, economic and environmental well being.

12. **Key Decision Information**

- 12.1 This report can be considered key in the following ways: -

- It results in the Borough Council incurring expenditure of an amount which is significant having regard to the Council's budget for the service or function to which the decision relates and;
- To be significant in terms of its affects on communities living or working in an area comprising two or more electoral wards in the Borough

13. **Earlier Cabinet/Committee Resolutions**

- 13.1 There was an earlier Cabinet resolution to commence the commissioning process.

14. **List of Appendices**

There are none.

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STRATEGIC REVIEW AND CONSOLIDATION OF ICT SYSTEMS

Submitted by: Head of Customer and ICT Services

Portfolio: Communications, Transformation and Partnerships

Ward(s) affected: N/A

Purpose of the Report

This report advises Cabinet of the Strategic Review being undertaken of the Council's ICT software systems in the short, medium and longer term. It identifies potential opportunities to make efficiency improvements together with cost savings through various consolidation or renegotiation options, within clear timescales.

Recommendation

That the Strategy and course of action, as detailed in the report, be agreed.

Reasons

A Strategic review of ICT software provides the opportunity for:

- consolidation on the number of contracts and suppliers currently in place
- greater integration between systems which improves front line delivery
- efficiencies and cost savings.

1. Background

1.1 In June 2010, a report was commissioned and produced by Socitm¹ which contained a detailed review of the software applications and systems in use at the Council. The aim was:

- to assess the 'business fit' of the applications in terms of meeting the business needs of the intended users;
- to assess the 'technology fit' of the systems in terms of their alignment with current IT infrastructure and skills;
- to identify areas of overlap where similar functions or services are provided by more than one application; and
- to identify possible gaps where areas of business need or information management are not being supported by an appropriate system.

1.2 This report was subsequently submitted to Executive Management Team (EMT) for approval. A number of the recommendations were then implemented which resulted in an initial decrease in small legacy systems used by individual services, and associated hardware. This decrease has been achieved through replacement or consolidation with existing Council software that provides similar functionality. ICT are continuing the process of reviewing other legacy systems with the intent to replace or consolidate.

1.3 In September 2011, the staffing to create the combined Customer and ICT Services was completed with significant savings realised as a result of this process. The decrease in ICT

¹ Socitm is the association for ICT and related professionals in the public and third sectors.

staff numbers resulting from the restructure was based on a number of provisos; one of which was the need to review and consolidate on the number and type of ICT systems in place to enable:

- the full potential of existing larger systems to be realised;
- smaller or legacy systems that support only single areas of the Council to be decreased by maximising integration;
- resource intensive support from ICT officers to be concentrated on supporting fewer, larger, integrated systems thereby improving ICT efficiency to end users;
- value for money and quality 'fit for purpose' systems; and
- consolidation on a smaller number of key suppliers through market testing and innovative procurement methods, resulting in cost savings.

1.4 Immediate improvements in processes and systems consolidation have already made inroads to achieving these goals. In 2011/12 from a total budget allocation for ICT hardware, software and support of £627,440 the total spend is estimated to be £577,148.

1.5 It was always anticipated that for this trend to continue, a wider strategic plan of review and consolidation needed to be put in place which, in conjunction with the ICT Service Plan and ICT Development Programme, will detail and determine the way ahead to achieve efficiencies over a number of years.

2. **Issues**

2.1 The Council currently has in place approximately 200 contracts for ICT hardware, software and support (as at June 2011). Whilst many of these systems are regularly used and users are generally satisfied with their functionality, a number have disparity in contract life for similar contracts, attract high maintenance costs or are difficult to maintain in terms of:

- recovery in a disaster or business continuity situation due to age or base platform ;
- dependency on in house support;
- lack of compatibility with the Council's current infrastructure;
- staff knowledge of out of date software and databases; and
- compliance with current security standards.

2.2 Reviews of software covering matters such as fitness for purpose, usability, compliance (in terms of security and procurement) and cost (in terms of value for money) have not been undertaken regularly and methodically in the past. The introduction of a business function for ICT, put in place within the new structure, affords the opportunity to address these issues.

2.3 Historically, the procurement of some departmental software has been considered in isolation in response to user or departmental needs at a specific time. The usage of many software systems has evolved and matured, and as the need for access to information across services increases, more departmental systems need to integrate seamlessly.

3. **The Way Forward**

3.1 Since the creation of the combined Customer and ICT Service, there has been a greater emphasis on ensuring that the business elements of ICT are more robust in terms of clarity of ICT contracts in areas such as contents, notice period, licensing and support agreements. To support this, an action plan has been put in place to undertake a strategic review of all ICT software. The plan sets out a phased approach to the review over specific timelines.

The outcome will be greater clarity in terms of contract detail, review/procurement triggers and timelines, and a clear process for consolidation where possible.

- 3.2 Any procurement must seek to ensure a good 'business fit' i.e. how well the application meets the business need of the service area, together with a good 'technology fit' i.e. how well the application matches the ICT infrastructure and skills of the Council.
- 3.3 For the purpose of developing the Plan, software systems have been identified as falling into three distinct categories: Core; Strategic; and Local. Details of these systems are set out in Appendix A. A more detailed definition of the categories, together with the key functions of each of the systems is shown as Appendix B. In summary:
 - Core systems are made up of corporate application systems that integrate with other major Council systems or corporate infrastructure that provides the corporate 'backbone'. Examples are Electronic Document Management, Customer Relationship Management (CRM), Financial System and Telephony.
 - Strategic systems are those that support departments but have added value through integration with the Core systems and, in many cases, other departments' software. Examples are Northgate Revenues and Benefits, IDOX software (Planning, Land Charges, Building Control, Land Terrier etc.)
 - Local systems are those that stand alone and are likely to support just one service area. These could potentially be legacy or historic systems whose functionality could be better provided by one of the strategic systems to improve efficiency and reduce resource and support costs. In some cases, local systems will need to be retained where they support the Council's infrastructure; for example the software used to archive users' email.
- 3.4 A timetable has been set up that takes into account the differences in software such as the type, contract value and level of integration of software linked to resource implications for both ICT and user departments. The timetable cross references to the current ICT contracts list.
- 3.5 The timetable puts in place software 'grouping'. Grouping exists where software from many areas of the Council is of the same type. For example, although the Planning and Land Charges software is specific to those areas, they both use geographical information to create and display data. The content of each group will be reviewed at the same time. In some cases it will be appropriate to take actions before the timetabled procurement to allow first phase removal of legacy systems whilst taking advantage of short term cost savings.
- 3.6 The timetable also takes into account the likely disruption to normal service activities; balancing immediate service demands and the need to carry on day to day working with the potential for savings and efficiencies. When any system is changed there are often significant time and costs involved in the migration of data from one system to another and in specialist ICT consultancy support to enable implementation and staff retraining. Careful consideration needs to be given to these elements, particularly when reviewing strategic systems.
- 3.7 In some cases, software (particularly licenses) will be 'proprietary'; in that it can only be obtained from one supplier.
- 3.8 It is important to note that this timetable is based on current circumstances and may change to reflect legislative change, resourcing, implications of departmental service plans or external factors.

- 3.9 Procuring software is inherently different to procurement of commodities. The success of software-dominated projects is dependent on both technical and user specifications. User input at the earliest stage of a project is essential to ensure that the tender delivers fit for purpose, flexible, upgradeable software over the life cycle of the contract. The recent procurement of a replacement County wide CRM system clearly demonstrates the value of real users being involved at an early stage to ensure that the resulting system is capable of managing both the essential and desirable user requirements. In this instance, the procurement involved completing a two part specification which took account of the requirements of ten authorities from both the technical and user perspective with an expected usable life span of 15 years.
- 3.10 It is essential to get the balance right between ensuring the Council achieves best value for money measured against the impact of any change in terms of the amount of resources, investment, effect on service delivery and the necessity to undertake a review of existing processes as part of the transition to another system. These considerations will need to be included ahead of any procurement exercise. For strategic systems the impact can be even greater, as they are by nature software than have dependencies on core systems.
- 3.11 To secure this balance, software reviews are scheduled at intervals that relate to the level of disruption likely to be caused. It is therefore planned to review core systems every seven years, strategic systems every five years and local systems every three years.
- 3.12 Reviews will also provide the opportunity to look into greater exploitation of existing core and strategic systems where significant resource or investment has already been made by the Council.
- 3.13 As part of the reviews, and prior to any procurement, each system (irrespective of type) will be subject to a formal Software Change Impact Assessment in the form of a checklist to determine:
- the impact on customers of any resulting change
 - the internal impact resulting from change e.g. resource (including technical and user), retraining, process and procedures, effect on other internal systems
 - the level of satisfaction with current supplier
 - the life cycle of the current system, and potential to expand/ change with user need
 - the prevalence of the current system within the market place
 - the complexity of current software resulting from interdependencies and bespoke development
 - current level of investment

An example checklist is shown as Appendix C.

- 3.14 Reviews will not always lead to software changes. Analyses of checklists may conclude that it is in the best interests of the Council to maintain the arrangements with existing suppliers, but enter into new contracts with guidance from internal procurement. Some systems may be so deeply integrated into the Council's infrastructure that the case may be made out for continuing to contract with an existing supplier whilst seeking other ways to judge and improve value for money. Each case will need to be considered on its individual merits.
- 3.15 As a result there may be instances where the best interests of the Council are served by using innovative approaches to ensure that software purchases take full advantage of the wide scope of procurement methods such as joint procurement with other local authorities or partners, outright purchase through frameworks, contract extensions, cloud/hosted services, and increasing the Council's existing portfolio of Open Source software where appropriate;

whilst ensuring suitability and compliance with government security standards. Leasing will only be financial advantageous where there is a specific short term business need. This is particularly important for strategic systems where consolidation may be of greater benefit to the Council.

4. **Proposal**

- 4.1 It is recommended that Cabinet agrees the Strategy and action plan for the review, as set out in this report.

5. **Reasons for Preferred Solution**

- 5.1 A formal, systematic and on-going review of ICT contracts ensures best value in terms of consolidation.
- 5.2 Review and consolidation also provides the opportunity for a change in focus for ICT; enabling ICT to become facilitators and empowering users to do more.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 Transforming our Council to achieve Excellence through managing our resources and maximising the use of its ICT to drive through efficiencies and deliver seamless integration where required.

7. **Legal and Statutory Implications**

- 7.1 All procurement pursuant to this report will be in accordance with the Council's Standing Orders and Financial Regulations and, where appropriate, with European Procurement rules.

8. **Financial Implications**

- 8.1 Overall it is estimated that ICT software costs could be reduced by approximately 20% to 25% by 2016/17 through review, negotiation and consolidation whilst increasing efficiencies. The total saving on software after 5 years is likely to be in the region of £100,000. These figures are based on limited market testing already undertaken which have shown positive outcomes with existing large vendors when consolidating or renegotiating contracts over three years or more.
- 8.2 Savings on hardware costs are more problematic. The Council purchases hardware to 'end of life' and pays an associated annual maintenance charge. Purchase costs mirror fluctuations in the strength of the dollar, as many manufacturers are US based. Savings made so far on hardware costs have been realised through direct negotiation with the manufacturer and by regular market testing of maintenance contracts. Savings on hardware costs are therefore more difficult to realise. However, the overall expenditure is considerably less than that on software.

9. **Major Risks**

- 9.1 The potential risks, in terms of consolidation of ICT systems, vary depending on the nature and usage of the system being consolidated. These can be partially mitigated by putting in place a number of controls to ensure that these risks are managed appropriately. These range from the simple impact which can be mitigated, such as a delay in procurement; to more complex impacts such as procuring a system which is not fit for purpose due to inadequate or incomplete specification. The risk details, attached as Appendix D are based

on the Council's adopted risk assessment procedure. The risk of procurement challenges will be managed by appropriate application of the Council's standing orders and financial regulations.

10. **Sustainability and Climate Change Implications**

10.1 Replacing out of date hardware and ensuring greater use of systems such as the electronic scanning and records management system (EDRMS) can also contribute to the green agenda by helping reduce our carbon footprint.

11. **List of Appendices**

Appendix A - Applications Portfolio

Appendix B - Key Functions

Appendix C - Software Change Impact Assessment

Appendix D - Risk Review

Applications Portfolio

Core Systems

- Financials
- Customer Relationship Management
- Document & Records Management
- Time Management
- Desktop Products
- Server Products
- Security Products
- Geographic Information Systems & Local Land & Property Gazetteer

Local Systems

- Centrepoint Respond
- Altisis Deployment Solutions
- SafeEnd Encryption
- Ultimate Crematorium
- Asset Trac Bereavement Services
- Fuel Tek Fuel Management
- Apace Audit
- Gladstone Leisure Management
- Lalpac Licensing
- Strand Electoral Registration
- GRACE Risk Management
- Fig Tree Insurance
- Chris21

Strategic Systems

- IDOX Uniform
- Northgate Revenues & Benefits
- Civica Authority
- Weblabs Content Management
- Target 100 Health & Safety
- Capita E-Payments

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Key Functions

Core Systems

Core corporate systems are those which are used across the authority regardless of service area. In order to be classified as a core system, interdependencies must exist across the authority with universal usage. A system may also be considered as core if it provides a supporting service which other core systems depend upon.

Financials	
Current System	Agresso
Penetration	All service areas
Usage	General ledger, purchase orders, bank reconciliation, creditors
Interdependencies:	
EDRM	Storage of invoices and related financial documents
E-Mail	Distribution of notices, orders, etc.

Customer Relationship Management	
Current System	Oracle LG45
Penetration	Most service areas
Usage	Service request management, job tracking, case management, task assignment
Interdependencies:	
EDRM	Storage of invoices and related financial documents
GIS & Gazetteer	For spatial information relating to addresses and geography of service areas
Email	Distribution of notices, service requests, etc.

Electronic Document & Records Management (EDRMS)	
Current System	Information@Work
Penetration	Most service areas
Usage	Permanent, legally submersible document storage with security and retention scheduling
Interdependencies:	
Gazetteer	Unique Property Reference numbers used throughout Planning & Street Scene

Time Management	
Current System	Mitrefinch
Penetration	All service areas
Usage	Management of time recording, holiday management, resource planning, scheduling, skills recording, training management, employee information, web based access, overtime recording
Interdependencies:	
None	

Desktop Products	
Current System	Microsoft XP / Office 2003
Penetration	All service areas
Usage	Operating System, Office Productivity, Email
Interdependencies:	
Server Products	Dependent on application in use
Email	Outlook requires the use of an Exchange Server

Core Server Products	
Current System	Microsoft Windows Server
Penetration	All service areas
Usage	Operating System, Database, Unified Communications, Email
Interdependencies:	
Desktop Products	Dependent on application

Core Security Products	
Current System	Sophos
Penetration	All service areas
Usage	Email/Web content filtering, anti-virus, endpoint security, encryption, centralised administration.
Interdependencies:	
None	

Geographic Information Systems / Local Land and Property Gazetteer	
Current System	IDOX GMS / ESRI Arc
Penetration	Most service areas
Usage	Spatial data storage, web map service, corporate addressing, database population, system integration, property searches.
Interdependencies:	
Server Software	Core GIS Services rely on the features of the Windows Operating System and SQL Server databases.

Strategic Systems

Strategic systems are those which are used in service areas to fulfil a specific requirement. In order to be classified as a strategic system, interdependencies must exist between that system and other strategic systems - either directly or through an established protocol. A system may also be considered as strategic if it provides a supporting service which other departments may depend upon.

Strategic systems are not used universally across the whole authority.

IDOX Uniform	
Current System	IDOX Uniform
Penetration	Development Control
	Building Control
	ICT
	Estates & Asset Management
	Land Charges
	Landscape
	Facilities
Usage	Development control, building control, enforcements, tree preservation order management, dangerous structures, street naming and numbering, local land and property gazetteer, exporting to NLPG hub, planning portal submissions, competent person submissions, estates management, asset registration, maintenance management, land charges, NLIS submissions (official property searches), public web access to planning applications, public web access to automated land charge searches, spatial database management.
Interdependencies:	
EDRMS	Documents created in the Uniform system are stored within the council's EDRMS as are documents which relate to particular system applications.
GIS	

Revenues & Benefits	
Current System	Northgate Revenues & Benefits
Penetration	Council Tax Business Rates Housing Benefits
Usage	Management of Council Tax payments, preparation of bills, management of payment plans, management of benefit payments, landlord direct payments, arrangement of business rates accounts, benefits calculations, performance measurement, Revenues and Benefits customer relationship management.
Interdependencies:	
EDRMS	Documents created in the Northgate system are stored within the Council's EDRMS together with any additional resident information and correspondence

Civica Authority	
Current System	Civica APP
Penetration	Environmental Health Housing
Usage	Environmental health, food safety, pest control, sampling, contaminated land monitoring, job tracking, housing grants allocation, housing monitoring
Interdependencies:	
EDRMS	Documents created in the Civica system are stored within the council's EDRMS as are documents which relate to particular cases.
Gazetteer / GIS	The core address set within the Civica system is a replication of the Councils Gazetteer. Spatial information is presented using the Councils GIS
CRM	Requests for service

Health & Safety Management	
Current System	Target 100
Penetration	All Departments
Usage	Health and Safety Management
Interdependencies:	
None	

E-Payments	
Current System	Capita pay.net
Penetration	Most departments who handle payments
Usage	Telephone payment processing, web payment processing, cash reconciliation, account transfers, chip and pin
Interdependencies:	
Agresso	Management of accounts
Cash Receipting	Shared system with 6 other local authorities, managed by NULBC

Local Systems

Local systems are those which are used in a single service area to fulfil a specific requirement. Local systems may have interdependencies on other strategic or core systems - either directly or through an established protocol.

Local systems are not used universally across the whole authority.

Altisis Deployment Solutions	
Current System	Altisis Deployment Solutions
Penetration	ICT
Usage	Remote deployment and management of PC Images, software and configuration changes

Laptop Encryption	
Current System	SafeEND
Penetration	ICT
Usage	Used for the encryption of Laptop Hard Disks in compliance with Government Security Standards

Virtualised USB & Multimedia	
Current System	TCX Virtualisation
Penetration	ICT
Usage	Required to allow the use of USB devices and multimedia on virtualised PC's using Wyse terminals.

Crematorium	
Current System	Ultimate
Penetration	Crematorium
Usage	Tracking of activities and case management

Bereavement Services	
Current System	Asset Trac
Penetration	Burial Services
Usage	Tracking of grave allocation, location, usage and history.

Fuel Management	
Current System	Fuel Tek
Penetration	Fleet Services
Usage	Monitoring and management of corporate fuel reserves and usage

Audit Services	
Current System	Apace
Penetration	Audit Services
Usage	Monitoring, recording and reporting of audit outcomes, forward planning of audit requirements.

Leisure Services	
Current System	Gladstone
Penetration	Leisure Services Customer Services
Usage	Management of leisure centre activities, activity planning, booking management, exercise programme management, remote access to leisure service user's personal records.

ICT Backup Software	
Current System	Symantec Backup Exec
Penetration	ICT
Usage	Used for ensuring effective backups are taken from all ICT systems and managing the process of retention and restoration where required.

ICT Backup Software	
Current System	VRanger
Penetration	ICT
Usage	Backup management for Virtualised servers and PC infrastructure.

Media Web Management	
Current System	Double Take
Penetration	ICT
Usage	Replication of the authority's website to multiple servers, allowing instant fall back in the event of server failure.

Remote User Access	
Current System	Netilla
Penetration	ICT
Usage	Facilitates remote desktop and email access for external users and home workers

Two Factor Authentication	
Current System	RSA Authentication Manager
Penetration	ICT
Usage	Used to manage the relationships between user accounts and 2 factor RSA authentication tokens used to facilitate remote access.

Email Management	
Current System	Enterprise Vault
Penetration	ICT
Usage	Automated archiving of emails to secondary file storage once over a certain number of days have passed between reception and reading.

Web Content Management	
Current System	Weblabs
Penetration	Media & Communications
Usage	Presentation of the authority's website and content management tools for both the internet and intranet.

Licensing	
Current System	Lalpac
Penetration	Licensing Environmental Health
Usage	Manages applications for all forms of Council issued licences such as taxis, food premises, HMO's etc.

Elections Management	
Current System	Strand
Penetration	Democratic Services
Usage	Management of Newcastle under Lyme's electoral database, including preparation of voter lists, registration reminders, submissions to relevant central bodies, vote management, postal voting administration.

Cash Receipting	
Current System	Radius ICON
Penetration	ICT
Usage	Reconciliation of cash received by the authority to accounts and relevant budget areas, including payments made directly to the authorities bank accounts via standing orders.

Sundry Debtors	
Current System	Civica Financials
Penetration	Revenues & Benefits
Usage	Used for the managing the collection of Council issued bills, invoices, etc.

Legal Debtors	
Current System	Civica Legal
Penetration	ICT
Usage	Used for the legal case management of sundry debts which are not paid and arrangements to make payments, court actions, case history, etc.

Human Resources	
Current System	Chris21
Penetration	Human Resources
Usage	HR and payroll management

Insurance	
Current System	Figtree
Penetration	Risk and Insurance
Usage	Management of the authorities insurance policies, monitoring of claims, costs and reporting

Risk Management	
Current System	Grace
Penetration	Risk & Insurance
Usage	Management of corporate risk, mitigations, occurrence and on-going monitoring.

BACs Payments	
Current System	Albacs
Penetration	Finance, Creditors
Usage	Automated electronic bank account payments

ICT Software Review – Change Impact Assessment**Pre-Procurement Checklist**

This assessment should be used for all software: Core, Strategic, Local/Standalone

Section 1: Technical Aspects

Aspect	Yes	No
Is the Software up-to-date (i.e. patched/service packed to the current version)?		
Is the Software still being developed by the supplier?		
Is the Software still supported by the supplier?		
Are there periodic updates to the software on a regular, consistent basis?		
Are periodic updates (in general) installable by ICT?		
Is the Software reliable and stable?		
Is the Software compatible with the Councils Virtual Server architecture?		
Is the Software compatible with the Councils Virtual PC infrastructure?		
Is the software compatible with the Council network infrastructure?		
Does the Software have excessive system requirements?		
Is the software compatible with other Core Council applications?		
Is the software overall a good technical fit for the authority?		
Is ICT able to support the software easily?		
Is ICT able to support development of the system to meet local needs?		
Is the software integrated with 2 or more systems?		
Is the software supported by a complex relational database?		
Is ICT satisfied with the level of support available from the supplier?		
Total		

Section 2: Organisational/User Aspects

Aspect	Yes	No
Does the software meet the needs of the authority, in terms of statutory service delivery?		
Does the software meet the needs of the users?		
Does the software support front line service delivery?		
Is the software easy to use (once training is completed)?		
Does the software have to support complex tasks or processes?		
Are many users within the organisation familiar with the software?		
Is the software used across multiple departments?		
Does the software have different uses in different departments?		
Does the software make it easy for departments to work in partnership?		
Does the software have an external, customer facing interface?		
Is the external customer interface well used?		
Is the external customer interface well embedded?		
Total		

Section 3: Commercial Aspects

Aspect	Yes	No
Is the Software still the suppliers currently offered product?		
Is the software prevalent within the marketplace?		
Is the software regarded as a “best of breed”?		
Would replacement require the mass transfer of significant data?		
Would replacement require redevelopment of local documents and processes?		
Would the transfer of data be a complex operation e.g. cross referencing?		
Would the redevelopment of local documents and processes be complex?		
Would replacement require retraining of 10 or more staff?		
Would replacement require retraining of front line staff?		
If required, is retraining likely to take longer than 2 days?		
Has benchmarking of existing costs with other authorities for similar solutions not revealed considerable differences (greater than 10% variance in costs)?		
In context, are the costs for the system considered to be reasonable?		
Are costs for additional services from the supplier reasonable?		
Is the existing supplier/customer relationship good?		
Could the software be used in other areas to add value?		
Could the software be considered ‘proprietary’ i.e. no comparable alternative		
Is there scope with the existing supplier to re-negotiate costs and terms?		
Is the outcome of procurement likely to favour the incumbent supplier?		
Total		

Overall Evaluation

	Num. Yes	Num. No
Technical		
Organisational/User		
Commercial		
Total		

Total Number of No's _____ / 47 = _____%

Note: If the number of No's in any section or overall is greater than 50%, re-procurement is a viable option.

Risk Assessment

L I K E L I H O O D	HIGH	Amber 7	Amber 8	RED 9
	MEDIUM	Green 4	Amber 5	Amber 6
	LOW	Green 1	Green 2	Amber 3
		Low	Medium	High
	Impact			

Core Systems

Impact – High

Likelihood – Low

Final Risk Rating 3 LOW

The risks associated with the consolidation of a core system are always considerable as essentially, a core system is used in every area of the authority. However, quite often the very nature of core systems act as some mitigation for this, as there is limited market and comprehensive understanding.

The typical risks associated with such consolidations include:

1. Complexity of specification
A core system is used by everyone within the authority. Therefore, when considering the specification for any consolidation work this represents a considerable undertaking. The core system specification will be a complex document, derived from the needs of multiple users and many service areas. Many iterations of the specification will be undertaken before a final requirements document can be completed but the risks of this being incorrect are reduced and many people will have been involved in its production.
2. Lack of Opportunity
Due to the scale, complexity and small market presence for some core systems, the opportunity to consolidate simply might not exist.

Strategic Systems

Impact – High (as typically this will impact front line services)

Likelihood – Medium/High (depending on the complexity, age and scope of the system)

Final Risk Rating 6- 8 MEDIUM

The risks associated with the consolidation of a strategic system are actually more serious than those of a core system as typically, a strategic system will be used to deliver a set number of operations in any given area. Typically, these will be associated in front line service delivery or will support the delivery of a front line system.

The typical risks associated with such consolidations include:

1. Complexity of specification

A strategic system is used by limited audience within the authority. Therefore, when considering the specification for any consolidation work this represents a very significant undertaking.

Specification of a strategic system will create a complex document, derived from the needs of multiple users and many service areas, but also considering the fine details of operation, interaction, interfaces, etc. Many iterations of the specification will be undertaken before a final requirements document can be completed but the risks of this being incorrect are actually very high, as fewer people will typically know the complete operations of a strategic system and these users will typically not be familiar with articulating their needs.

2. Resistance to Change

Users of strategic systems will typically be very familiar with their operation and will be comfortable with what they do. Strategic systems will also have embedded themselves within departments and methods of working may have been adapted around the system to inadvertently fit with its requirements.

If a consolidation of a system is forced upon a user, resistance to that will be considerable. This may also affect the production of the specification document as users become unwilling to communicate their needs and undermine the process.

3. Over Commitment

Consolidation of many systems with fewer, larger suppliers also places the authority at greater risk of not achieving best value, in terms of both cost and quality.

Many strategic systems were chosen due to their unique place within the market at the time. Whilst many other suppliers may have produced similar products in the years following, typically, market dominance always remains with a leading supplier. Forcing consolidation of software to a particular provider for the wrong reasons may actually leave the authority with an inferior system which in the longer term, actually costs more as staff have to find ways of working around its shortcomings.

In addition, consolidation on a single supplier also leaves the provider in a position to exploit the authority, as they know the complexity and labour required to move away from their product increases exponentially in relation to the number of operations undertaken. Effectively, consolidating on fewer suppliers for larger strategic systems actually leaves the Council in a vulnerable position and threatens the effectiveness of any future movements.

4. Time & Resource

Due to the scale, complexity and maturity of many strategic systems, it is likely that any procurement process will favour the incumbent supplier. This is due to the costs in terms of time, resource, infrastructure, interdependencies associated with implementing a replacement system.

Local Systems**Impact – Low****Likelihood - Low****Final Risk Rating 1 LOW**

The risks associated with the consolidation of a local system are considerably less than that of any other system type. Typically, local systems will have a very limited expert user base that is very proficient in the operation and use of that system. Whilst local systems may support strategic systems or feed information to other areas, they can typically work in isolation, making any change manageable and potentially very effective.

The typical risks associated with such consolidations include:

1. Lack of presence in the marketplace

Local systems are typically niche applications that meet a very specific need of a particular department. Because of this, there simply may not be the number of suppliers in the market place to meet that need and make an effective consolidation exercise possible.

2. Resistance to Change

Users of local systems will typically be very familiar with their operation and will be comfortable with what they do.

If a consolidation of a system is forced upon a user, resistance to that will be very considerable as the user will know their system is only of limited value/scope and may question the value of change.

3. Poorly Executed Change

There is the risk that when a smaller system is consolidated, the full needs of the user may not be considered as there is a desire to make their application part of a larger operation. In doing this, there is a risk that the end product may not be suitable for use, resulting in greater cost and project failure.

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