Report to: **Adult Social Care Scrutiny Committee**

Date: **13 March 2006**

By: **Director of Adult Social Care**

Title of report: **Business Transformation Business Case**

Purpose of report: **To update the committee on the funding and progress of the Business Case**

RECOMMENDATIONS

The Scrutiny Committee is recommended to:

1. Note the progress of the Business Transformation Programme to date

2. To nominate a member representative to serve on the Business Transformation Board

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1.   Financial Appraisal

1.1   The Business Case was submitted for funding through the capital bidding process of the County Council as part of Reconciling Policy and Resources. The Council has made £4m available to largely fund the programme. Further costs will be met from the restructuring reserve (£524k) and as a first call on savings in 2007/08 (£390k).

1.2   This report is for information purposes and there are no financial implications arising specifically from it.

2.   Background and Supporting Information

2.1   The new approach to Reconciling Policy and Resources in the department, which was undertaken during 2005/06, attempted to link demand, spend and performance more closely. This process identified that the department could not continue to deliver services the way it traditionally had. The unit costs are high in some areas and there is a clear mismatch between supply of money – broadly the combination of government grant; income from charging and the council tax; and demand for services. The aging population is a particular issue; recent years have seen a steady rise in the over 75's at about 0.5% per annum, but this rises to 2% per annum in 2009 and between 2011 and 2021 the increase is expected to be 24%.

2.2   Whilst there is some good procurement work, such as the nursing home specification and menu pricing work on Learning Disability residential care which are being used regionally, we do not have a Procurement Strategy and are largely purchasing care – over £100m in total value, on an individual basis, and using paper based systems which are not cost effective.

2.3   Many of our processes are labour intensive and paper based. We do not, for example, have an IT system for undertaking our client financial assessments. Much has been invested in SAP (a core back office system) and Carefirst (our client record system), both of which provide a good platform on which to build. However, we now need to look at how we actually work to get full value from those systems and consider other solutions that would need to integrate with them. SAP and Carefirst are great repositories of data, but we have not yet fully considered how we build on them to obtain useful and timely information for decision making.

2.4   By re-engineering our key business processes we will be able to re-invest in frontline services; we will greatly improve efficiency and effectiveness for front line and our back office

support teams. This builds on work already undertaken on practice transformation throughout last year. This will be a major project in developing new systems, approaches to receipt of income and buying care services, along with the development of a Business Intelligence solution. This will enhance the ways of measuring and using performance data to make more informed decisions. This in turn will benefit practice staff who will be able to work in different and more effective ways as a result of the changes to the end-to-end process of assessing and procuring care services.

2.5   There are four streams to the Programme: -

- ◎ Income
- ◎ Procure to Pay
- ◎ Operational transformation
- ◎ Predictive Planning and Performance Management

Each of the streams are interdependent, hence the Programme Management approach.

2.6   The programme also looks at how we work with partners and in collaboration with providers to enhance their use of technology to enable us to interact with electronic data interchange via e-orders and e-invoices. In the longer term, the use of a full e-procurement platform, such as Project Zanzibar, a national initiative, is planned.

2.7   A Business Case was commissioned which, based on high level analysis of current processes, confirmed that with investment we could modernise our end-to-end business to make significant improvements in how we operate and support service delivery, and create cashable savings for reinvestment in care. The Council has made £4m available largely to fund the programme. Further costs will be met from the restructuring reserve (£524k) and as a first call on savings in 2007/08 (£390k). From 2007/08, savings of £1.4m are estimated and from 2009/10, savings of some £2m per annum will be available to be reinvested in frontline services.

2.8   The Business Case has been subject to formal 'peer' review by The Assistant Director of ICT Services. As a result of this, three of the four streams are able to proceed. The Operational Transformation stream is being subject to a more wide ranging review including use of the Contact Centre, ability to undertake simple reviews and assessments by telephone, and working with partners in the light of the White Paper. An updated Business Case will be prepared following further analysis work and this will contain more detail on the benefits that will accrue from an operational perspective.

2.9   A Business Transformation Programme Board has been set up to oversee the Programme and governance arrangements have been agreed. Each stream is developing detailed project plans for approval by the Programme Board.

2.10   The Programme was officially launched by the Lead Member for Children's and Adult's Services, Councillor Keith Glazier on 27 February 2006.

3.   Conclusion and Reasons for Recommendation

3.1   The Committee is asked to note the progress to date on the Business Transformation Programme and to nominate a representative to sit on the Business Transformation Board.

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BACKGROUND DOCUMENTS: None