Report to:	**Adult Social Care Scrutiny Committee**
Date:	**27 November 2008**
By:	**Director of Adult Social Care**
Title of report:	**Business Transformation Programme Closure**
Purpose of report:	**To provide Adult Social Care Scrutiny Committee with an update and plan for closure of the Business Transformation Programme.**

RECOMMENDATION – that the Committee consider and comment on the plan for closure of the Business Transformation Programme.

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1.   Financial Appraisal

1.1   Capital investment of £4million was secured in 2006 against an expected payback period of 2.4 years.

1.2   Much of the work is now complete and a summary of the progress against each project is shown at Appendix A. The Capital Spend profile is shown at Appendix B. A sum of £4m was made available from the council's capital resources, with an original payback period of 2.4 years. The final spend is expected to be some £4.2m and the payback period has exceeded expectations with efficiency savings of £11.2m in 2007/08.

2.   Background

2.1   The original Business Case was approved by County Council on 21 February 2006. The Business Case acknowledged that in the years leading up to 2006 there had been increased funding allocated to the department and that a number of initiatives had been introduced, but that the end to end processes which make up a complex service were not considered. The developments in technology that had become available required a more holistic approach to obtain the substantial benefits that could be achieved from a major change programme. The expectation was that improved services to service users could be achieved with more cost effective processes.

2.2   A Summary of Main Objectives and Benefits is attached at Appendix C.

3.   High Level Progress

There have been multiple projects focussed on delivering key objectives to enhance our service to clients and ensuring we have efficient and effective back office support. It was recognised that change on this scale would require a major shift in culture and a restructure of the Finance and Business Support (FABS) functions took place. There were 20 voluntary redundancies and two compulsory redundancies. New posts were introduced with a stronger emphasis on professional qualifications as well as a customer focus required for many posts of accountants, procurement staff and business analysts. The staff in FABS and the wider department are now able to take forward further improvements and the systems now provide the platform for other change programmes such as Putting People First.

4.   Residual Actions

Significant progress has been made with the closure of some key strands of work as shown in Appendix A.   The new FABS structure is in place and provides a key platform for continued improvement in important areas such as the procurement of care. The remaining deliverables will be managed as part of ongoing business, as follows:

Deliverable	Sponsor
Client billing interface and process from Abacus to SAP	Head of FABI – Tina Hitch
Mobile Financial Assessments using ATLAS	Head of FABI – Tina Hitch
Implementation of Controcc with all interfaces	Head of CPU – Jeri Daman
Implementation of Real Time Telephone Monitoring	Head of CPU – Jeri Daman
Implementation and development of the Business Warehouse	Head of Strategic Finance. – Ian Gutsell

The implementation of Care First v.6 is being managed as part of the Putting People First Programme.

5.   Conclusions

5.1   The Business Transformation Programme has resulted in a radical change in the way business is managed in the department. Business processes and systems are increasingly integrated with information only being recorded once at the most appropriate source. Use of web technology is being made to communicate with providers and partners, as well as for staff to work flexibly from a range of locations.

5.2   At the end of Financial Year 2007/08 the department reviewed its performance and has shown a step change against key indicators. There are significant improvements in efficiency which have been achieved as well as improvements in performance generally. Appendix D shows the department's efficiency savings achieved in 2007/08. In total we have achieved net efficiency savings of £11.2m after investment in the transformation of services.

5.3   Our performance against key Unit Cost Performance Indicators has improved significantly and is now in the highest performing 4 • category. Appendix E shows the performance for 2007/08 compared to previous years and to targets. This shows a marked improvement in performance against the key indicators and supports our view that the original objectives and benefits of the programme, as set out above have been delivered.

5.4   The systems, business processes and contractual infrastructure now in place provides a modern and robust platform upon which to build the Putting People First Programme of further service change as required by the National Government Agenda.   Our internal audit colleagues have worked with us throughout the programme to ensure compliance with regulations and good practice and Appendix F covers this in more detail. Based on the current status of the programme and the significant improvements that have emerged it is proposed to close the Business Transformation Programme and mainstream the remaining pieces of work.

Chief Officer: Keith Hinkley, Director of Adult Social Care

Contact Officer: Rita Stebbings, Assistant Director, Resources   01273 482526

Lead Members: Cllr Glazier, Cllr Bentley

Local Members: All (county-wide)

Background documents: None

Status of Project Streams   **Appendix A1**

1.1   INCOME

This stream includes the financial assessment and billing, where appropriate, of service users for contributions to the cost of services. At the time that the financial assessment takes place service users and their families are offered the opportunity to have their entitlement to benefits checked and the team works jointly with the Department of Work and Pensions to achieve this. The Abacus System has been implemented to undertake the calculations and billing. Previously this was a manual process.

In April each year there is a reassessment to take account of price increase and pension changes, this reassessment used to take several months to complete for all service users but it is now complete within the first few days of the financial year. Service users are now able to receive a more timely financial assessment and benefits advice is given for all members of the household. The average time from request to the financial assessment being undertaken and charging therefore commencing is now 17 days and this will continue to reduce, before the new system was introduced the average was 8 Months. The department has received much positive feedback from service users and their families about the services provided by the staff who undertake the financial assessments and the charging procedures.

Although all client bills are now calculated by Abacus, amounts are still being manually input into SAP. Delays have occurred as a result of Abacus requiring development to create a client invoice with a bank giro slip. This has now been developed in Abacus, however the bank requires some changes before it will accept the bank giro slip.

Atlas is a module of Abacus and will enable visiting officers undertaking the financial assessment and benefits advice to carry out mobile financial assessments in service users homes. This will achieve further process efficiencies that will enable an increase in the number of financial assessments completed.

This stream is expected to be substantially completed by December 2008, when the Atlas system and the client billing interface into SAP goes live.

Key outstanding milestones and target completion dates;

Key Milestone/Deliverable	Original	Forecast	% Complete
Project – Abacus Implementation			
Go live with the interface of all client/property accruals billing from Abacus into SAP	01/04/2007	05/12/2008	70%
Go live with financial assessments on Atlas – Back office	01/04/2007	05/12/2008	37%
Go live with mobile financial assessments on Atlas using Tablet PC's.	01/04/2007	26/01/2009	5%

1.2   PROCURE-TO-PAY

The new contractual arrangements are now substantially complete. New contracts are in place for older people's residential, nursing care and home care and a framework agreement is in place for working age adults with a learning disability and substance misuse for residential and nursing care. This work has been mainstreamed as part of the work of Contracts and Purchasing Unit (CPU) who are now restructured into three specialist teams.

● **Social Care Procurement Team** – A professional procurement team who lead on developing new contractual arrangements and tendering processes
● **Quality Monitoring Team** – Undertake contract compliance work to ensure quality standards are adhered to as well as responding to service user complaints about purchased care,
● **Service Placement Team** – This team matches individual needs to services to ensure that approved providers are used and that the value for money is achieved for individual placements.

All provider payments previously paid via Aegis are now being paid through the Abacus system. Aegis has been decommissioned and has been made available for reporting purposes only. Payments for all residential and nursing care are now paid by schedule which is generated by Abacus which means that providers do not have to send in invoices. Other benefits include the fact that the integrated systems mean that invoices can only be paid once a provider has returned a fully endorsed contract. The process ensures that information is available for future developments and pricing arrangements.

An internal system has been developed that supports the sourcing process for the Service Placement Team (SPT). The system in essence is a provider database with search functionality, designed to support the post panel process through to a sourced service agreement being entered on Carefirst, the system is used exclusively by SPT staff. Building a system to support this process replaces spreadsheet recording and manual processes and will provide critical management information to help manage the service.

A system to support the Contracts and Purchasing Unit (CPU), in its work called Controcc is being installed it will focus on the following areas:

● A Contract Management System which will record, monitor and manage the contract portfolio and support a process for monitoring the quality of service providers.
● It will establish a database of care providers which can be developed into a resource providing market intelligence, bringing together both internal and external information on suppliers.
● A provider portal that can be used for sending secure messages and electronic authorisation of contracts to providers.
● Provide support for the administration of the letting of new care contracts through a formal competitive tendering process.

The Controcc system, with interfaces from Care First is due to go live in November 2008.

Real time telephone monitoring systems (RTTM) has now been implemented by most of the block home care providers and will provide information to allow the monitoring of the quality of care provided. Next year this electronic data will be developed to automate payment of external providers based on actual visits.

Key outstanding milestones and target completion dates;

Key Milestone/Deliverable	Original	Forecast	% Complete
Project – Controcc Implementation			
Phase 1a - Go live Controcc - Contract management, E-Tendering and Web Portal + Interface from Care First.	01/04/2007	07/11/2008	88%
Phase 1b - Go live - Interface of contracted service package details from Controcc to Abacus	01/04/2007	01/12/2008	50%
Project – Real-Time Telephone Monitoring (RTTM)			
Install RTTM system for reporting on Real-Time Monitoring information	N/A	01/12/2008	95%
Upload RTTM data into Abacus to pay domiciliary providers and bill clients	N/A	30/06/2009	20%

1.3   PREDICTIVE PLANNING & PERFORMANCE MANAGEMENT

This stream is being focused on delivering improved financial, forecasting and service user information using a business warehouse approach with the first phase going live in December 2008.

The new systems and improvements in recording have helped the department improve its overall performance. Along with this, information about the departments business is now much more readily available and will be used to drive continued improvement.

This project has been delayed due to its complexity and also the loss of a key SAP developer. The delays in being able to access SAP Quality Assurance test environment have meant that this and other areas have slipped.

Key outstanding milestones and target completion dates;

Key Milestone/Deliverable	Original	Forecast	% Complete
Project – Predictive, Planning and Performance Management			
Web based reporting system Phase One	1/04/2007	26/11/2008	90%
Further developments, including – Community Care budget reports and staffing establishment reporting.	N/A	31/03/2009	0%

1.4   OPERATIONAL PRACTICE

Streams A and B of this project are complete, these are the review of social care direct and improvements to the assessment and care planning process. Improvements to the care reviewing process are agreed and an implementation plan in place.

A review was undertaken of the staffing of the Social Care Direct team and increases were made to the staff numbers. The team now have call centre telephony in place to manage the calls they take. Protocols have been implemented to enable a swift transfer where appropriate of service users from Tier 1 (social care direct) to Tier 2 (duty and assessment teams).

Care Plans are now recorded in a more useful way and are used to purchase care as well as to ensure that service users needs are understood and met and shared appropriately.

The next phase for this project is to implement CareFirst 6, the web based version of the client record system. The new hardware has been purchased and the new version of the system has been fully installed. Full testing of the system is due to be completed by the end of October 2008 and a training and deployment plan is being developed. It is anticipated that the new version of the system will be fully rolled out to over 700 users by the end of July 2009.

Key outstanding milestones and target completion dates;

Key Milestone/Deliverable	Original	Forecast	% Complete
Project – Care First v6 Implementation			
Implementation of CF6	N/A	31/07/2009	80%

These improvements will be further built upon as part of the Putting People First Programme that is now starting.

Business Transformation - High Level Programme Plan - October 2008

Key Deliverable	Original	Forecast	Actual	Complete %
FABS Restructure				
Structure and Job Description Consultations complete	22/12/2006	22/12/2006	22/12/2006	100%
Individual Consulations and interviews complete	12/02/2007	12/02/2007	12/02/2007	100%
New Structure implemented	30/03/2007	30/03/2007	30/03/2007	100%
New contracts				
Agreed new home care contract	07/08/2006	07/08/2006	26/09/2006	100%
Selection of new providers resulting from Home Care re-tender process	23/01/2007	23/01/2007	23/01/2007	100%
Commencement of new home care contract	23/04/2007	23/04/2007	23/04/2007	100%
Completion of all service user transfers	01/10/2007	31/03/2009		75%
New contract for Residential and Nursing care	13/02/2007	13/02/2007	23/02/2007	100%
New preferred provider scheme implemented	01/04/2007	01/04/2007	01/04/2007	100%
Financial Assessments				
Review of Fairer charging policy	01/03/2007	01/03/2007	01/03/2007	100%
Launch of new policy	01/05/2007	01/05/2007	01/05/2007	100%
Go live with financial assessments on Abacus	01/04/2007	01/04/2007	01/04/2007	100%
Go live with financial assessments on Atlas and Table PC's - Back office	01/04/2007	05/12/2008		37%
Go live with financial assessments on Atlas and Table PC's - VO's on the Road	01/04/2007	26/01/2009		5%
Provider Payments				
Go Live with Residential and Nursing Provider Payments - via Invoice	11/05/2007	30/08/2007	01/10/2007	100%
Go Live with Residential and Nursing Provider Payments - via Schedule	11/05/2007	17/12/2007	17/12/2007	100%
Go Live with Home Care and Day Care Provider Payments	11/05/2007	10/04/2008	07/04/2008	100%
Go Live with all other Provider Payments (Direct Payments, Supported Accomodation etc)	11/05/2007	06/08/2008	05/09/2008	100%
Aegis decommissioned	11/05/2007	05/09/2008	05/09/2008	100%
Client Billing				
Go live with client billling contingency	01/05/2007	01/05/2007	01/05/2007	100%
Go live with client billling through Abacus	01/04/2007	10/04/2008	07/04/2008	100%
Go live with client billling through Abacus with interface into SAP	01/04/2007	05/12/2008		70%
Contracts Management and Brokerage				
Go Live of SPT including residential and nursing placements	01/04/2007	01/04/2007	01/04/2007	100%
Design and implement in-house system for managing sourcing	N/A	24/03/2008	09/05/2008	100%
Phase 1a - Go live Controcc - Contract management, E-Tendring and Web Portal + Interface from Care First	01/04/2007	07/11/2008		88%
Phase 1b - Go live - Interface of contracted service package details from Controcc to Abacus	01/04/2007	01/12/2008		50%

Key Deliverable	Original	Forecast	Actual	Complete %
Phase 2 - Go Live - Controcc Package Approval, Sourcing and Capacity Management	01/04/2007	N/A		
Real Time Telephone Monitoring (RTTM)				
Installation of system for viewing RTTM data for all block home care providers	N/A	01/12/2008		95%
Importing RTTM data into Abacus to pay providers and bill clients based on actual care recieved.	N/A	30/06/2009		20%
Service Approval System				
New funding process rolled out across the county	01/04/2007	N/A		
Go Live - In-House, Service Approval System - Now being developed within Controcc	01/04/2007	N/A		
Interfaces				
Go Live - Care First to Abacus, Basic client details (A1)	01/04/2007	01/04/2007	01/04/2007	100%
Go Live - Care First to Abacus, Financial assessment request (A2)	01/04/2007	31/12/2007	31/12/2007	100%
Go Live - Care First to Abacus, New contract amounts payable (A3a)	01/04/2007	31/10/2007	10/09/2007	100%
Go Live - Care First to Controcc, Basic client details and High Level Service package Details (C1/C2)	01/04/2007	30/10/2008		53%
Go Live - Controcc to Abacus, New and Amended contract amounts payable (A3/C3)	01/04/2007	01/12/2008		50%
Go Live - Abacus to SAP, Client billing details - Accounts Receivable (A4/5)	01/04/2007	14/05/2008	06/03/2008	100%
Go Live - Abacus to SAP, Provider payment details - Accounts Payable (A7)	01/04/2007	11/09/2007	02/10/2007	100%
Business Warehouse				
Business Warehouse Phase One Go-Live	01/04/2007	26/11/2008		90%
Operational Practice				
Strand A - Review of social care direct				
Review complete and implementation/improvement plan received and agreed	31/03/2008	21/05/2007	21/05/2007	100%
Strand B - Improve assessment and care planning process				
New care plan documentation porduced and agreed by OMT	08/01/2007	08/01/2007	08/01/2007	100%
Training provided to all operational staff	31/03/2007	31/03/2007	31/03/2007	100%
Gol live for new care plan and SAP documentation	01/04/2007	01/04/2007	01/04/2007	100%
Strand C - Streamlining and enhancing the review process				
Go live of new documentation and guidance across the county	01/04/2007	01/07/2007	01/07/2007	100%
Implementation plan completed and agreed by OMT	01/04/2007	05/11/2007	01/07/2007	100%
Strand D - Implementation of Care First Version 6				
Implementation of new system across ASC		31/07/2009		80%

Business Transformation Programme Board Capital Spend Update - October 2008

Business Transformation Spend Profile - *Based on September 2008 Figures*

Project Stream	2006/07 Actual Spend	2007/08 Actual Spend	2008/09			Programme Total Forecast
			Opening Budget	Forecast Spend	Variance (Under)/Over	
Abacus Implementation	191,216	432,472	172,023	227,751	55,728	**851,439**
Controcc Implementation	365,313	298,797	162,458	352,722	190,264	**1,016,831**
Data Convergence	24,357	44,503	1,981	2,540	559	**71,401**
Interfaces Implementation	120,748	200,141	71,014	68,041	-2,973	**388,930**
Predictive Planning and Performance Management	321,568	68,955	13,075	29,007	15,931	**419,530**
Operational/Care First Upgrade (CF6)	294,740	246,858	186,651	121,069	-65,582	**662,667**
Overall Programme	525,880	123,084	134,167	154,755	20,588	**803,718**
Total	**1,843,822**	**1,414,810**	**741,369**	**955,885**	**214,516**	**4,214,517**
Programm Total Budget						**4,000,000**
Projected (under)/over spend to be funded from reserve						**214,517**

- Overall the forecast overspend against the programme budget of £4m is £214k which will be funded from the BT reserve.

- Delays in the implementation of the systems has ultimately led to an increase in costs and therefore an overspend against programme budget.
  The main reasons for the delays are as follows;;

      - Over ambitious timescales originally set for the programme

      - Availability of the required skilled resources. Both externally and internally

      - The close loop system architecture model has required many developments to each of the systems to achieve.

      - Much higher volume and complexity of data quality issues than expected.

      - To minimise risks and resourcing issues the programme has changed from big bang to a phased implementation, resulting
       in a different spend profile.

Main Objectives and Benefits of Business Transformation

Summary of Main Objectives and Benefits:

- To release funding back into frontline services to increase the number of people in the community able to receive services and hence improve KPI's.
- Improve the efficiency of the department to maximise value for money through redesigning processes.
- Enhance Business Operations through the introduction of technology.
- Move towards an improved social care market management.
- Ensure we achieve value for money.
- Improve Partnership Working

High Level Benefits to the Business:

- Improved management of contracts with providers and a reduction in rates paid.
- Back office staffing reductions as a result of more efficient systems and streamlined processes enabling savings to be reinvested in frontline services
- Implementation of fully integrated best of breed systems resulting in improved financial controls and data integrity.
- Improved information for decision making and reporting on key performance indicators.
- More time spent on adding value and less on process

High Level Benefits to the Service User:

- More money into frontline services and therefore more care provided to more people
- Faster response time for assessments and reviews
- Services commencing more quickly
- Improved, timely financial assessments process and benefits advice
- Certainty about services and charges
- Improved quality of care provided, through quality monitoring and contract compliance

2007-08 AES Cashable Efficiency Gains

Portfolio / Service Area	Details	Target £000	Actual Saviong £000	Impact	AES Sector Ref (cell L5)	On-going? Y or N	Primary Quality cross check ID ref	Comment why efficiency gain? (see "Measuring and Reporting Efficiency Gains" -DCLG March 2007)
Adult Social Care								
All operational services	Improved assessment, reviewing and care planning services with more services provided in a more timely way by greater efficiency and a lower unit cost	38	1,508	Med	1	Y	PAF D55 and D40	Service to clients provided more cost effectively through improved processes
All operational services	Savings in purchased Home Care arising from tendering of independent sector and improved efficiency in DPS Home Care	1,081	1678	Med	1	Y	PAF B17	Needs met more effectively at a lower unit cost though procurement and with more effective and efficient business processes
All operational services	Improved purchasing of residential and nursing care and efficiencies in DPS through enhanced throughput/occupancy and process efficiency	1,761	7439	Med	1	Y	PAF B12	Needs met more effectively at a lower unit cost though procurement and with more effective and efficient business processes
Mangt & Support	Business Transformation - restructure within Finance & Business Support to support financial assessments	300	314	Low	1	Y	PAF D56	Needs met more cost effectively with new system and processes
Supporting People	Improved procurement of Supporting People Services		343	Med	8	Y	3	Improved unit costs and value for money
Total Cashable		**3,180**	**11,282**					

What does impact mean in this case????

PERFORMANCE AGAINST PERFORMANCE ASSESSMENT FRAMEWORK (PAF)

KEY

Symbol	Description	Colour
●	Investigate urgently	(red)
● ●	Ask questions about performance	(orange)
● ● ●	Acceptable, but possible room for improvement	(yellow)
● ● ● ●	Good	(light green)
● ● ● ● ●	Very Good	(teal)

INDICATOR	05/06 Out-turn	06 / 07 Out-turn	07/08 Target	Out-turns 2007/08
IMPROVED HEALTH AND EMOTIONAL WELL-BEING				
A80 - Participation in drug treatment programmes (new definition)	58	93%		94%
D40 - Clients receiving a review	64%	74.9%	(was 74%) >77%	86.49%
D41 - Delayed transfers of care	75	50	25	34
IMPROVED QUALITY OF LIFE				
C28 - Intensive home care (BVPI) (KT)	6.1	5.8	6.6	8.9
C29 - Adults with physical disability helped to live at home	5.1	5.6	(was 5.3) >5	5.8
C30 - Adults with learning disabilities helped to live at home	2.5	2.4	>=2.5	2.5
C31 - Adults with mental health problems helped to live at home	1.7	1.7	>=1.8	2.0
C32 - Older people helped to live at home (BVPI)	57	62.6	(was >60) >65	62.0
C62 - Services for Carers	3.5%	5.6%	(was >6) >9	12.19%
D54 - Percentage of items of equipment and adaptations delivered within 7 working days (BVPI) (KT)	85%	86.6%	87%	85.6%
INCREASED CHOICE AND CONTROL				
C51 - Direct Payments (BVPI) (KT)	50	60.9	(was 81.3) (was >90) >120	158.9
C72 - Older people admitted permanently / 10,000 65+	74	74.2	(was <67) 73.8	82.3
C73 - Adults <65 admitted permanently / 10,000 18-64	2.8	3.1	2.4	2.3
D39 - People receiving statement of needs (BVPI)	92.2%	91.2%	>96	96.0%
D55 - Acceptable waiting times for assessments (BVPI) (KT)	49%	62.9%	80.1%	81.1%
D56 - Acceptable waiting times for care packages (BVPI) (KT)	71%	79.0%	(was >80%) >85	90.2%
E82 - Assessments leading to provision of services. New definition	57.4%	52.3%	(was 60) >63	66.3%
FREEDOM FROM DISCRIMINATION				
E47 - Ethnicity of older people receiving assessment	1.16	0.75	1 < 2	1.28
E48 - Ethnicity of older people with services following an assessment	0.93	1.04	(was 1) 0.9 < 1.1	1.05
MAINTAINING PERSONAL DIGNITY AND RESPECT				
D37 - Availability of single rooms	88.0%	91.2%	(was >85%) >=90%	96.0
LEADERSHIP				
D75 - Practice Learning (Adult component only)	6.6	9.25	11.3	9.07
COMMISSIONING AND USE OF RESOURCES				
B11 - Intensive Home Care as a % of intensive home / residential care	17.0%	15.8	17.6%	21.9%
B12 - Cost of intensive social care for adults (BVPI)	£534	£554	£563.67	£496.00
B17 - Unit cost of home care for adults	£15.80	£15.90	£15.38	£14.10

Internal Audit Support.

Internal Audit has provided advice, support and assurance throughout the life of the Programme. This has included a pro-active presence on the Programme Board, attendance at Project Working Group meetings, review and reporting on proposed systems and processes as well as specific pieces of work to support the corporate sign-off of systems' interfaces with SAP.

Audit support included specialist ICT work in respect of the development, testing and security of key computer-based systems.

Reviews carried out by Internal Audit provided assurance in the following key areas:

- The adequacy of risk management arrangements, governance systems (including quality of reporting to the Board) and the processes for co-ordinating the programme with other change initiatives across the organisation.

- Key interfaces development and implementation. This included, for example, data flows from Abacus to SAP on both income and payments functions. Additionally audit work was focussed on the adequacy of testing as well as the contingency arrangements while the interfaces were being developed.

- Reviews of systems/processes relating to provider payments; financial assessments; individual service agreements; the sourcing system and client billing arrangements.

- The closedown of a major accounting system (Aegis) and the related transfer of data to Abacus.

Throughout the Programme Internal Audit produced reports containing recommendations in respect of internal control issues. The reports were discussed with management and the recommendations were accepted and implemented by them. While the recommendations strengthened controls and improved systems, no significant areas of concern were identified that would have prevented the programme from progressing.