

Meeting:	Overview and Scrutiny Committee
Date:	22 November 2005
Subject:	HOST Programme
Responsible Officer:	Geoff Wingrove, Director of Strategy (People First)
Contact Officer:	Sam Curling
Portfolio Holder:	Social Care and Health
Key Decision:	No
Status:	Part 1

### **Section 1: Summary**

#### **Decision Required**

None

#### **Reason for report**

The Cabinet agenda for 6 October included a proposal to revise the capital programme and increase the provision for the delivery of the HOST programme. Cabinet delegated the approval/rejection of the amendment to the HOST project to an Executive Working Group, due to sit on 24<sup>th</sup> November, comprising Councillors Dighe, Margaret Davine, David Ashton and Thornton.

This briefing paper provides Overview and Scrutiny with details of the budget, the budget history and the procurement history that will be presented to the Cabinet Executive Working Group.

## **Benefits**

Not applicable

## **Cost of Proposals**

Not applicable

## **Risks**

Risks to the Council if the project doesn't proceed or fails are:  
Failure to achieve quality service improvements for clients  
Failure to achieve CPA improvement ratings  
Failure to achieve long term efficiency savings  
Failure to deliver on inspection action points

## **Implications if recommendations rejected**

The HOST Programme went live in Elderly services and PDSS on 31 October, just prior to the Elderly Services Inspection due on 21 November.

If the recommendation is rejected by the Cabinet Executive Working Group, expenditure on the HOST programme will need to cease with immediate effect and the go live of subsequent phases will be postponed until such time as budget is available to continue with the programme

## **Section 2: Report**

### **2.1 Brief History**

A brief history of the HOST budget was presented to Cabinet on 6<sup>th</sup> October as part of the overall Capital Programme Report.

### **2.2 Budget, budget history and procurement history**

#### **2.2 .1 Budget to date**

Expenditure on the HOST programme to date in 2005/6 is £1.01m. Forecast expenditure for 2005/6 is £2.31m. Budget available is £1.14m.

A breakdown of forecast expenditure for 2005/6 is shown in the table below and further explanation of costs will be provided by officers as required at the meeting.

<b>Item</b>	<b>Forecast 2005/06</b>	<b>Notes</b>
Staff Costs	<b>387,309</b>	Staff costs, and an element of contractors' costs
Over time	<b>8,370</b>	Additional overtime costs at single time for Community Care @ 1 hour per post and Operational Teams Data Cleansing costs
Contractors Costs'	<b>886,981</b>	Data Cleansing and System Build contractors' costs
Internal HITS Cross charges for staff	<b>9,000</b>	Support Element of Project Office and HITS support
Furniture and equipment	<b>184,717</b>	Includes central hardware and monitors
Charteris Contract	<b>190,653</b>	Main contract with Charteris for provision of Software Licence and implementation
Maintenance Contract	<b>80,000</b>	Annual maintenance for software paid to Charteris in 2005/06, thereafter to Corelogic
Training Contract	<b>357,513</b>	The training contract with Charteris - This is an estimate as this is a time and material contract
Other Training Costs	<b>26,629</b>	For room booking
Work station assessment contractors	<b>15,972</b>	DSE assessment for new equipments
Own Trainers	<b>36,911</b>	To minimise the reliance on Charteris training
Floorwalkers	<b>48,410</b>	Minimised by use of our own staff
Miscellaneous	<b>10,700</b>	Stationery, Printing, Books
Communications	<b>11,000</b>	Go live presentation, road show to staff etc...
Room Hire, KBC	<b>10,000</b>	Additional training rooms
Charteris training overrun	<b>50,000</b>	This is for changes to the training as requested by the Programme Board. This is additional £50k to Charteris
<b>Grand Total</b>	<b>£ 2,314,165</b>	

## 2.2.2 Budget history

The original capital programme reflected the project management and technical infrastructure costs of implementation but did not include the full costs for professional social care staff secondments and the extensive staff training programme required as these had not been clarified in sufficient detail at the time. Whilst a more detailed project plan was prepared early in the financial year reflecting the full costs, and considered by the IT Steering Group, this was not immediately picked up in the capital programme. This was clearly an oversight in the programme management and brought about by a failure in communication. Measures were put in place to improve programme management when this failure became apparent. The issue was raised a few months ago and the

original intention was to bring the revised capital programme to Cabinet in July. However, this was not achieved due to uncertainty about some of the other projects in the programme that needed to be amended.

It is recognised that such a significant amendment should have been reported sooner and steps will be taken to ensure that any such issues in future are addressed more quickly. The Project Implementation document is attached in the background papers.

### **2.2.3 Procurement history**

The procurement of the HOST project is via Charteris Plc a S-Cat provider. S-Cat is a catalogue of IT and business services issued by the Office of Government Commerce (OGC) for the public sector.

S-Cat was set up by the OGC to reduce the time and costs associated with procurement by offering a pre-tendered call off facility. The scheme provides the following benefits:

- ❑ Compliance with EC procurement legislation
- ❑ Ability to call off urgent requirements
- ❑ Ability to split complex projects into more manageable chunks without having to go through a long procurement for each sub-project
- ❑ Competitive fee rates
- ❑ Ease of ordering
- ❑ Sound contractual protection based on best practice
- ❑ Comprehensive management information.

A Waiver has been signed to comply with Harrow's contract procedure rules, as we did not get 4 suppliers to tenders.

The final cost were subject to a number of clarification meetings with Charteris to ensure value for money.

Background papers set out the initial rationale for this project and its procurement which was also subject to agreement by Executive Directors of People First and Business Connections and subsequently reported to the appropriate Portfolio Holders.

### **2.2.4 Expenditure on training**

A major change management initiative such as the HOST programme inevitably involves significant expenditure on training and support. This is particularly so in social care where it is vital that performance is not compromised by the introduction of new ways of working. Expenditure on training and support is broadly in line with original estimates, though a number of changes to the training were made at the request of the Programme Board and these increased costs. A number of steps have been taken to mitigate this position without impacting on the project deliverables. These include:

- The Group Manager Strategic Planning and Performance Management has taken on the (full time) role of Programme Manager in addition to normal duties without remuneration
- The number of floorwalkers to support the go live has been reduced and members of the Strategic Planning and Performance Management team have been asked to take this on, on a rota basis in addition to their normal duties without remuneration, and in addition to their preparation of data for the Elderly Services Inspection and the autumn statutory data returns
- Superusers have been identified from among Community Care staff and will provide first line support for their colleagues in addition to their normal duties without remuneration
- Reliance on expensive contractors has been reduced by putting an internal training team in place; contractors are being used for developing training courses for Childrens' Services, but the courses will be delivered by the internal team.

### **2.2.5 Budget monitoring**

The HOST Programme Manager and members of the project team, monitor expenditure closely. A monthly budget report is presented to the meeting of the Programme Board.

### **2.2.6 Benchmarking**

As the Corelogic system has been implemented recently in a number of Local Authorities including a number in London (Wandsworth, Waltham Forest, Brent) it has been possible to carry out some benchmarking and as an example of a close comparator Waltham Forest have committed £2.5m to the implementation of Phase One of the project which provides for initial implementation across social care services and staff training. This sum is in line with Harrow costs for the same phase of implementation set out in 2.2 above.

### **2.3 Consultation**

Not applicable

### **2.4 Financial Implications**

As set out above

### **2.5 Legal Implications**

The Cabinet meeting on 6 October 2005, established the Executive Working Group to decide whether or not to approve the amendment to the capital programme regarding the HOST project.

A waiver has been obtained to evidence exemption from the Contract Procedure Rules

### **2.6 Equalities Impact**

Not applicable

## **2.7 Section 17 Crime and Disorder Act 1998 Considerations**

Not applicable

### **Section 3: Supporting Information/Background Documents**

Supporting Information (circulated to Members of Overview and Scrutiny Committee only):

- i. Replacement of care client information system for social care (4/5/04) **(Appendix A)**
- ii. Options approval (10/11/03) **(Appendix B)**
- iii. Harrow Social Services Information Systems Strategy (June 04) **(Appendix C)**
- iv. Social Care Core System Planning Note (August 04) **(Appendix D)**
- v. Revised Project Initiation Document (February 05) **(Appendix E)**