

Estates Rationalisation Project with IT provision for Swindon Borough Council; Swindon PCT and Care and Support Swindon Ltd

SPECIAL COMMITTEE

Date: 23 March 2011

Author: Cabinet Member for Health and Social Care; Cabinet Member for Sustainability, Strategic Planning, Property and Transport; Cabinet Member for Leisure and Corporate Services, Director for Adult Social Care, Deputy Chief Executive & Group Director, Environment, Regeneration and Communities and Group Director, Business Transformation

Parish / Wards Affected: All

Purpose

- To inform Members of progress on the Council's involvement in the Government's Capital and Assets Pathfinder Programme
- As a key first step in the Programme and in order to enable the achievement of efficiency savings by Adult Social Care provider services (Care and Support Swindon (C&SS)), to seek authority to rationalise operational office accommodation enabling the vacation of Sanford House and adoption of New Ways of Working (NWoW) via a joint project with the Swindon Primary Care Trust (PCT).
- To seek authority to integrate and modernise Information Communication and Technology (ICT) to support the delivery of Adult Health and Social Care services.

Recommendation

Special Committee is requested, on behalf of the Council, to

- Approve one-off investment of up to £730,000 to be funded through Prudential Borrowing as the Council's share of the project to rationalise estates, on the basis that this will be recovered through reduced ongoing premises costs and savings that will be enabled by the creation of a single "hub" for Care and Support Swindon, as detailed in the report;
- Approve that, should the proposal to vacate Sanford House lead to the building being sold, that £250,000 from the future disposal proceed should be earmarked to support the premises costs detailed in the report;
- Approve the Council's share of the investment on modernised ICT systems for Adult Social Care, Health and Care and Support Swindon, including the adoption of New Ways of Working arrangements, described as "Option 2" in the report, totalling £285,000, noting that this investment is required to facilitate the achievement of savings by Care and Support Swindon (that were included in the report to Council on 16th December 2010 when the establishment of a Social Enterprise was agreed;
- Note that further implementation for the full roll-out of the ICT system functionality will be subject to the development of a robust business case to be presented to Members at a later date;

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- Authorise the Director of Law and Democratic Services, in consultation with the Head of Property, to enter into any necessary agreements regulating the use of the retained estate by the Swindon Primary Care Trust and Care and Support Swindon on such terms and conditions as he may consider necessary to protect the Council's interests;
- Authorise the Director of Law and Democratic Services, in consultation with the Group Director Business Transformation, to conclude any new ICT contracts resulting from this work on such terms and conditions as he may consider necessary to protect the Council's interests.

Background

- 1.1 The Council and its public sector partners were selected by Government last Autumn to participate in its Capital and Assets Pathfinder Programme. The principal aim of the programme is to highlight how significant savings in premises costs can be achieved through joining up asset management across all public agencies within an area. The fact that the Council already possessed a strongly integrated relationship with the Swindon Primary Care Trust (PCT) was particularly attractive to Government.
- 1.2 Members will be aware that the Council and Swindon Primary Care Trust are transforming how they commission and provide Adult Health and Social Care services in Swindon. Aligned with One Swindon and the World Class Commissioning agenda, the operating model is changing and this has led to the natural decoupling between Commissioning and Provider services, within an integrated model of care.
- 1.3 At its meeting on 16th December, the Council agreed the move of the integrated Provider service, Care and Support Swindon (C&SS), to a social enterprise. Work is continuing to effect this transition, although the previously imposed deadline of 1st April 2011 has now been relaxed by the Strategic Health Authority. It is currently envisaged that the Council and Swindon PCT staff will transfer into the new organisation by 1st October 2011 at the latest, although there is a commitment from both partners to embrace the agreed new operating model during March 2011.
- 1.4 It was stated in the report to December Council that delivery of the transformation to the new service model would require a significant change in the way staff work, and that investment in the office environment and Information Communication and Technology (ICT) systems would be key enablers for this. This was based around the key principle of a single "hub" for Provider staff, but at that stage details of the full scope of changes that would be required to secure this were still being established and therefore a formal request for capital funding was not made.

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- 1.5 The large-scale rationalisation of estates that is now being proposed includes the originally envisaged scope of Adult Social Care and Health services but has been expanded to include moves affecting Children Services staff, most notably the vacation of Sanford House, to embrace the wider Capital and Assets Pathfinder objectives. All moves will include the adoption of the 'New Ways of Working' (NWoW) ethos to create a change in the culture that underpins how we work and how we secure the best outcomes for Swindon. The ICT specific elements of this will build on the maturing model in use in Wat Tyler House and ensure that transformation in 'how we work' is well supported by technology.
- 1.6 Linked to the estates changes, modernisation of ICT will involve implementation of a fit for purpose integrated Information System for Adult Social Care and Health and the creation/migration to a new streamlined and integrated model for the supply of technical services to support the business processes for both the Commissioner and Care and Support Swindon.
- 1.7 Although the estates and ICT elements are closely linked, for simplicity the Rationalisation of Estates and the Modernisation of ICT are separated into sections A and B respectively below.

A. Rationalisation of Estates

2 Reasons

- 2.1 The Council recently undertook a property review exercise, which identified that further rationalisation of its office accommodation by the adoption of NWoW practices would enable the vacation of office accommodation occupied within Swindon Town Centre.
- 2.2 The Council and the Swindon Primary Care Trust (PCT) working together to rationalise back office accommodation realises additional reductions in property use and costs across both organisations. It further enables the delivery of the Care and Support Swindon (C&SS) hub, efficiencies of co-locational working and the decoupling of provider and commissioner activity within offices across both Adult Social Care and Health services.
- 2.3 Enabling the most cost efficient use of the Council and the Swindon PCT assets by working together provides compelling evidence of the benefits of the 'One Swindon' concept and this will be the first joint project for Swindon to be delivered as a Capital and Asset Pathfinder.
- 2.4 To enable the adoption of NWoW, staff will be provided with mobile ICT and a Remote Access Solution, allowing flexible working from multiple locations,

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along with the support and training required to change working practices and enable the most effective use of this technology.

Detail

2.5 Estates rationalisation is proposed in order to deliver the most efficient use of the occupied estate to support service delivery along with significant operational running cost savings and an office hub for the decoupled C&SS.

2.6 There are eight buildings definitely in scope for this project as shown below, with the possibility of additional accommodation in another SBC building being recognised but not committed to at this stage. This proposal enables the vacation of five office buildings and the consolidation of staff within the retained estate. The opportunity is being taken to vacate three buildings currently held under lease by the Swindon PCT at their expiry dates and to appraise the development / regeneration potential of the other two buildings which are owned by the Council.

	Buildings in Scope	Current Ownership Interest	Proposed Option	Future Ownership Interest
1.	Sanford House	SBC - FH *	Vacated and options for site appraised	SBC – FH
2.	Independent Living Centre, Marshgate	PCT – LH *	Vacated by 27/4/12	None
3.	Gloucester House	PCT - LH	Vacated by 1/7/11	None
4.	Chatsworth House	PCT - LH	Vacated by 31/10/12	None
5.	Former Even Swindon School	SBC – FH / PCT - LH	Vacated and options for site appraised	SBC – FH
6.	PCT HQ	SBC – LLH / PCT - LH	Occupied by C&SS & PCT (70:30 split)	SBC – LLH C&SS/PCT – LH
7.	Clarence House	SBC - FH	Occupied by C&SS & SBC (50:50 split)	SBC – FH C&SS – LH
8.	Civic Office Annex – Floor 1	SBC - FH	Occupied by PCT	SBC – FH PCT – LH
9.	Other (if required)	SBC - FH	Occupied by SBC & PCT	SBC – FH PCT – LH

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- * FH – Freehold interest
- * LH – Leasehold interest
- * LLH – Long Leasehold interest

2.7 The freehold ownership of the retained estates will remain with the Council. The Council will grant leases to Swindon PCT and Care and Support Swindon to regulate occupation and manage the sharing of future revenue running costs.

2.8 A phased approach to deliver the project, commencing during the Financial Year 2011/12, is proposed to enable the continuance of service delivery whilst adopting NWoW practices, remodelling the estate, vacating buildings and moving staff to their new proposed location.

2.9 The first phases of the project will support the delivery of the C&SS hub with Adult Social Care and Health integrated teams. The C&SS savings plan assumes that staff will operate out of a central location and is predicated on moving out of inappropriate estate that does not represent value for money and does not enable community teams to come together to allow economies of scale to be achieved. The final phase of the estate rationalising will be the vacation of Sanford House and the moving of the Children Services staff into offices on the Civic Campus.

2.10 A summary of the financial impact of the proposed moves is shown in Table 1 below. The total investment of £1.37m is split evenly between building costs and ICT infrastructure and kit. This illustrates that, in terms of the overall position, the identified reductions in premises costs alone are sufficient to justify the one-off investment. In addition, it is recognised that the moves will facilitate a number of the efficiency savings highlighted in the Care and Support Swindon business case through the creation of a single “hub” for Provider staff.

Table 1: Summary Premises Financial Impact

	SBC £000	PCT £000	Total £000
One-off Investment	714 – 730	589 – 605	1,319
Contingency	40	10	50
Total One-Off Costs	754 - 770	599 - 615	1,369
Annual Premises Savings	65	293	358
Other recurring savings enabled (for C&SS)	260	260	520

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PCT contribution to Children localities costs	60	-60	0
Total realisable recurring savings	385	493	878
Payback	2.0 years	1.2 years	1.6 years

2.11 As the buildings that will be vacated are those currently leased by the PCT, the savings in ongoing running costs naturally fall predominantly to Swindon PCT. In recognition of this, the PCT's Chief Executive has agreed to provide ongoing financial support to the Children's locality centres, which helps cover half of the additional ongoing costs of these facilities. At this stage, no provision has been made in the figures shown above for a contribution by the PCT to any other buildings within the SBC estate to reflect possible usage. Should the detailed implementation work highlight such a need, a proportionate contribution to running costs would be expected.

2.12 The proposed moves will allow options to be explored for disposal or alternative use of the Council's assets at the former Even Swindon School and Sanford House. Members have previously approved that the first call on any capital receipts should be to repay debt. This reflects that additional debt has been entered into over the past few years to maintain approved capital expenditure, in compensation for the major downturn in property values during that period. It would, however, be possible to justify earmarking a sum of, say £250,000 from the disposal of these two sites, should this be the approach decided by Members, to part finance the proposed moves. This reflects that the potential to generate one or two capital receipts would not be possible without the proposed moves.

2.13 The Swindon PCT Board will meet on 31st March to consider this project and its financial arrangements, subject to the Council's decision.

B. Information Systems and ICT Infrastructure and Service Provider

3 **Reasons** The ICT in Adults Social Care and Health are not integrated, business processes are disjointed and existing Information Systems are reaching their 'end of life'. This has led to constraints in how the services are commissioned and delivered effectively and will remain a constraint without investment to modernise.

3.2 In addition Adult Social Care ICT systems are complex with many business specific systems and processes ranging from assessment of care through to billing and invoicing. Health ICT has been affected by the early termination of

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the 'National Programme for IT' (NPfIT) whose remit was to establish a national ICT system to enable joint working across Health and Social Care.

3.3 There are two options for the investment in the ICT:

- The minimum investment in the upgrade of the existing core Information Systems to satisfy statutory obligations.
- The investment required to create the basic platform for an Integrated Social Care and Health, to satisfy statutory obligations, maintaining the current core systems and the fragmented way in which business processes are supported, whilst enabling savings targets of £122,000 p.a. in Information System support and £200,000 in both Adult Social Care and Health in staffing efficiencies through the reduction of duplication and workforce design.

3.4 We know from our experience of implementation of systems like SWIFT that the modernisation of systems and the integration of Adult Social Care and Health systems will be a complex project. Successful implementation across organisations will consume significant business resources at all levels over a period of 12 to 18 months both from an ICT and a cultural change perspective.

Detail

3.5 The ICT (Infrastructure and Information Systems) are currently split between the Council and Swindon PCT, with Commissioner and Provider ICT integrated within each organisation respectively. ICT now needs to recognise the decoupling between commissioner and provider for both the Council and Swindon PCT yet be fully integrated within Adult Health and Social Care services.

3.6 Between the Council and Swindon PCT there are fifteen Information Systems in active use for the management and delivery of Adult Health and Social Care. Of these, four key systems are used by the two organisations although they are accessed independently and are not integrated, despite staff being expected to manage processes across all four.

3.7 All processes are being reviewed and transformed as part of the creation of Care and Support Swindon. These processes will be re-engineered to support the 'Putting People First' agenda and will require significant changes to the Information Systems. The approach being taken is to streamline processes to enable front line staff to be more effective, spending less time in the office and more with Service Users. Savings targets have been

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established and will be put at risk without the Infrastructure and Information Systems to support the changes.

- 3.8 There are currently two main ICT Infrastructure Service Providers between the Council and Swindon PCT. The Council use the Swindon Capita Partnership and Swindon PCT use NHS Wiltshire. It is proposed that a single ICT provider is appointed for Care and Support Swindon to simplify its ICT services whilst the Commissioning ICT provision is still being explored.
- 3.9 The Information System investment covers the creation of a basic technology platform to enable our Adult Health and Social Care Commissioning arm to make the most effective use of demographic and place data to commission services smartly. C&SS (or future providers) will be granted access to the Information Systems to enable the effective management and delivery of their services through the integrated solutions.
- 3.10 The resulting Information System for Adult Health and Social Care will be owned and managed by the Council, with the PCT's contribution to the purchase costs being recognised in related discussions with a successor body.

Option 1: Do the Minimum

- 3.11 The option is the upgrade of the current core Information Systems to the latest version of the supplier's software. The upgrade will be on a 'like for like' basis and will not include any business process reengineering.
- 3.12 The organisation that currently manages the system will continue to do so, and all ongoing costs will be the liability of that organisation.
- 3.13 This option will allow current functionality to be maintained but will not provide the Information Systems required to meet the vision of the Care and Support Swindon and will not enable any savings in system support and maintenance or within C&SS business.
- 3.14 The upgrade of the Adult Social Care specific information System is the most expensive element of this option. The funding for it will fall wholly on the Council as it will only be used by Council staff. It is expected that the projects resulting from this investment will run between 9 and 12 months to complete.

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Option 2: Creation of a basic Integrated Social Care and Health Information System

- 3.15 This option consolidates three of the Information Systems, into a single core system releasing costs of existing Information Systems, a significant reduction in duplication and enabling workforce redesign savings within Care and Support Swindon. The consolidation of the three systems will provide a platform for an integrated information management system including a single electronic record for all service users.
- 3.16 The new core system provider will be selected through a competitive tender process via a framework contract to enable the procurement of additional functionality to enable savings to be maximised. The selection of a supplier for the Information System will be based on the potential for a full Information System modernisation, but this investment will be constrained initially to only implementing the basic integrated system.
- 3.17 This option will meet the basic requirements of Care and Support Swindon as they have been articulated. However, further implementation and business process re-engineering will be needed to meet the full delivery model vision of C&SS, which will enable the wider cultural changes envisaged in the future operating model. The investment for a full Information Systems modernisation will be subject to an additional business case, to be funded through identified further saving opportunities.
- 3.18 Through this investment specifically, £400,000 p.a. savings will be achieved through staffing efficiencies enabled by the removal of a significant amount of duplication across Health and Social Care at all levels of the organisation.
- 3.19 It is expected that the projects resulting from this investment will run between 9 and 12 months to complete following supplier selection.
- 3.20 As this system would be an integrated platform for use by both Adult Social Care and Health staff, its cost would be evenly shared across the Council and PCT.

Table 2: Summary ICT Financial impact

	Option 1			Option 2		
	SBC	PCT	Total	SBC	PCT	Total
	£000	£000	£000	£000	£000	£000
Net Investment (4 years)	383	48	431	285	285	570

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C&SS savings p.a. through reduced duplication / change in skill mix.	-	-	-	-200	-200	-400
Payback	n/a	n/a	n/a	1.4 yr	1.4 yr	1.4 yr

Creation of a single ICT Client and Service Provider

- 4.1 The investment in Information Systems and NWoW ICT provides an ideal opportunity to review the provision of the ICT infrastructure and technical services. The complexity of the projects resulting from the investment would be reduced with the use of a single ICT infrastructure and service provider.
- 4.2 The Council use the Swindon Capita Partnership for the provision of all technical services as part of a wider 15 year partnership contact. Care and Support Swindon has agreed to buy back the services provided by Capita until December 2012 whilst the Council will continue to use the Partnership for the duration of the contract.
- 4.3 Swindon PCT currently use NHS Wiltshire's 'Not for Profit' arm to provide ICT services although this contract will terminate with effect from October 2011.
- 4.4 To deliver the required integration and savings targets will be overly complex without the Council and the Swindon PCT appointing the same service provider. The savings enabled by the Information System and NWoW ICT investment will be put at risk without moving to a single ICT infrastructure and service provider.
- 4.5 It is proposed that SBC Commissioner and all Provider ICT services are procured through the Swindon Capita Partnership. This approach is already being taken for Commissioner and Provider services for Children Services as part of the locality project.
- 4.6 The Swindon PCT Board will meet on 31st March 2011 to consider this project and its financial arrangements, subject to the Council's decision.

Alternative Options

A. Estates Rationalisation

- To remain in existing premises which would not enable the savings identified by the estates rationalisation to be realised
- It is possible that with significant reorganisation of the civic campus offices some individual elements of the proposed moves could be progressed in isolation. However, the programme has been developed and planned in totality and the

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investment required to progress an alternative, more limited approach has not been costed nor the practical implications considered in detail.

B. Information Systems and ICT Infrastructure and Service Provider

- To remain with/to not upgrade existing Information Systems and separate infrastructure and develop new functionality using paper or Microsoft office based products. This would limit the ability for C&SS to realise their proposed business case savings.

Risk Management

A. Estates Rationalisation

Financial and Procurement Implications

- The implications are included in the main body of the report.
- Procurement of works within the Councils retained estate with an estimated value of £168k are proposed to be undertaken via Swindon Commercial Services Ltd as core basket activity without inviting external tenders. As approved by Cabinet in June 2010, this approach will be formalised in a briefing note to be prepared by the Group Director Business Transformation prior to the works being commissioned.

Legal / Human Rights Implications

- The Director of Law and Democratic Services will enter into any agreements required to regulate the occupation of the Councils estate by Swindon Primary Care Trust and Care and Support Swindon and any disposal agreements relating to the vacated properties.
- Changes to staffing levels and redundancies that arise from service efficiencies that will accrue through the operation of fewer buildings and NWoV will be managed by the Head of Human Resources.
- There are no specific human rights implications identified in relation to this report and it is considered that the recommendations in this report are compatible with Convention rights.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

- One Swindon – the joint delivery of a project between the two major public sector service providers in Swindon; Demonstration of the benefits of the Capital and Asset Pathfinder project; Supports the realisation of the Council Capital and Asset Management Plan; Contribution towards the Corporate Plan objectives of transforming the organisation.

B Information Systems

Financial and Procurement Implications

- The capital costs of the project; revenue savings and future projected revenue costs along with the agreed capital and revenue sharing between the Council, the

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Swindon Primary Care Trust and Care and Support Swindon are shown below.

- Constraints for the procurement of a 'fit for purpose' Information System will be restricted by the investment with the option 2.

Legal / Human Rights Implications

- The Director of Law and Democratic Services will enter into any agreements required for the use of the Council's ICT Infrastructure and Information System assets by Care and Support Swindon.
- Changes to staffing levels and redundancies that arise from service efficiencies that will accrue through the operation of fewer buildings and NWoW will be managed by the Head of Human Resources.
- There are no specific human rights implications identified in relation to this report and it is considered that the recommendations in this report are compatible with Convention rights.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

- OneSwindon, Connecting People, Connecting Places.

Consultees

- The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- The Group Director Children Services
- The Swindon Primary Care Trust

Background Papers and Appendices

- Report to Council meeting 16th December 2010 "Transforming Community Services – Adult Services"