

# REPORT TO CABINET

**REPORT OF:**     **Corporate Director of Operation Services**

**REPORT NO.**     **DOS 251**

**DATE:**             **6th September 2004**

<b>SUBJECT:</b>	E-government and Customer Services – Position Statement
<b>FORWARD PLAN</b>	E-government (second item)
<b>DATE FIRST PUBLISHED</b>	16 <sup>th</sup> July 2004
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL</b>	Key Decision

<b>COUNCIL POLICIES:</b>	Customer Service Standards
<b>CORPORATE OBJECTIVES:</b>	Access Priority
<b>RELEVANT STATUTORY POWERS:</b>	-
<b>DISCRETIONARY/ MANDATORY SERVICE:</b>	Standard Performance Targets Best Value Performance Indicator (BVPI 157)
<b>BUDGETARY IMPLICATIONS:</b>	To be submitted in 2005/6 round
<b>CONSULTATIONS:</b>	IDeA and Ninevah consultancy
<b>BACKGROUND PAPERS:</b>	Welland Partnership Report CEX222  Technical Architecture Document

## 1. PURPOSE OF REPORT

The recent work undertaken with respect to Council priorities identified E-Government and Customer Services as a category A priority, requiring step change. In light of this and the relatively slow progress made to date, highlighted in a recent Audit Commission report copied in Appendix 1, this report updates members on a review of our e-Government/Customer Services delivery methods and responds to the Audit Commission recommendations. The work undertaken by the auditors is now somewhat out of date, although the publish date of the report is August 2004. However certain aspects of the report are still very relevant. This report makes recommendations on a single clear view for the future. This area of the Council's business has now become very involved and complicated. The range and volume of specialist terminology used is difficult to grasp immediately. This report is therefore written with best endeavours to keep the subject matter as simple as possible. For those of you who would like to see the detail behind this subject various documents are available.

## 2. RECOMMENDATION

The objective is to provide a highly satisfactory experience for all South Kesteven District Council Customers in an efficient manner. To achieve this, based on the research that has been done to compile this report, it is recommended the following hybrid approach be taken:

1. Use of [www.southkesteven.gov.uk](http://www.southkesteven.gov.uk) to deliver Council services electronically.
2. Use of the community portals for community activity rather than Council services. With links to [www.southkesteven.gov.uk](http://www.southkesteven.gov.uk) (There are costs involved in transferring Council services currently provided on the Portals, however this is outweighed by the benefits of point 1). How the community activity is managed in the future is subject of a separate report.
3. Use of the Welland Customer Relationship Management software, SKDC content management software (with the option to migrate to the Welland content management solution if appropriate), and Welland Electronic Document and Records Management system as detailed in the E-government Technical Architecture.
4. Continue involvement with the Welland Contact Centre and deliver on the commitments made. Review on a six-month rolling basis, dependent on progress.
5. Work closer with our colleagues in Lincolnshire, through the Lincolnshire Public Sector Working Group, to ensure seamless public service delivery across the County.
6. Note the responses to the Audit Commission report found in Appendix 4 (of the audit report).

Independent advice is being sought through IDeA to guide us on our future approach. This has been funded externally and will be made available on receipt.

### 3. DETAIL

#### Sensitivity

This report takes into account the recommendations made by the Chief Executive in his report on the Welland Partnership in January (Report CEX222). In particular, "South Kesteven District Council sees the Welland as a coalition of predominately rural Local Authorities working together for their mutual benefit". A great amount of sensitivity on this subject area exists with respect to our external partners, which will have impacts both at a political and officer level. However, if SKDC is to move forward then it is of paramount importance that this subject is given serious consideration and firm decisions made.

#### How did we get here?

The Council decided delivery of the E-Government agenda (i.e. deliver services via the internet) and Customer Services (i.e. how we serve our customers by phone or in person) would be through a series of Welland based projects/initiatives.

The Welland route was unique and to some extent path finding in its approach and therefore benefited greatly from Government grant funding (£1.2m).

Initially the whole Welland web access approach was to use the web sites for each of the market towns e.g. Grantham on line, Stamford on line etc. All South Kesteven District Council services would only be available through these sites. Our own SKDC web site would simply be used for corporate information. The whole agenda behind the town portals (web sites) was around making them self-financing businesses and a large amount of effort was geared towards gaining private sector business (i.e. advertising) income. The sites third key component was the "community" aspect whereby local voluntary sector groups and members of the public would use the web services free of charge. Notice boards and chat forums are provided.

The Welland Contact Centres Initiative (WCCI) key aim is to be a network of contact centres allowing one-stop shops of partner authorities to support one another's residents, i.e. overflow calls and out of hours coverage. For example East Northants would take some of our customers' calls and vice versa.

This whole approach will eventually rely upon all five participating authorities (over three separate county boundaries) to integrate fully with the shared single system. This partnership approach has to date been very time consuming and in some instances difficult.

#### A Simple Assessment

In essence the idea behind a partnership approach could be explained by the thinking that all the Welland authorities needed to deliver an e-Government information technology solution. Rather than do it five times let's do it together with a single solution. That would share the costs five ways and even better if external funding pays for it. However, in hindsight the idea of each other's contact centres taking each other's calls and the complication that they may bring may have been underestimated. Each authority will, in many cases, have different IT components and back office systems for each service. The opposite analogy in respect of sharing the costs is that we have probably complicated the

issue five times. Different views may be held on this but perhaps it may be a "step too far"?

Looking at the progress so far and the experience to date, we have to question whether there was the will or indeed a full understanding to drive this vast project. Much of the Welland e-Government and Customer Services initiatives depend on each partner having the same policies which hasn't been achieved.

The Welland project was started early in the e-government agenda. Since that time, central government has been (and indeed still is) issuing further clarification on what will be needed to meet the 2005 e-government targets. This guidance is showing that strong service links will be needed between districts and their County Councils, as well as co-ordination with other bodies such as the police and the NHS which are also organised within county boundaries.

The approach to use the community portals for delivering our web based services was mainly to ensure public usage which would allow cross selling of private sector services to pay for the web sites. A great deal of effort was consumed in attempting to set up a public/private joint company. This failed mainly due to conflict of interest issues.

Central government has also now made it clear that many of our administrative and business processes need to be done electronically to achieve the overall 2005 e-government targets. This includes electronically doing our business with contractors and suppliers, including purchase orders and invoices, and electronically storing all our documents.

Working in partnership with the Welland has lead to successful bids for government funding and success to date includes:

- Obtaining a Customer Relation Management System which gives us a overview of all our dealings with customers with a history database
- Providing a Content Management tool allowing us to put an A-Z of our services on the Internet
- Delivery of Community portals for online community services
- Planning online which is rated highly nationally. This allows customers to access our planning services on the Internet.
- Providing an electronic document storage and management system.
- Valuable experience for future e-government and Customer Services

## Appraisal/Review

During the last 6 months a review has taken place that has resulted in the following options being considered:

### 1. Continue with the Existing Strategy

Continue with the Welland approach in its entirety (i.e. using only the software and plans originally committed to). Work towards the Welland Contact Centre(s) for all transactions and concentrate web access for services through the town portals.

### 2. Abandon and Start Again

Move away from the Welland approach in its entirety and re-specify and purchase our own contact centre/customer management software. We would not participate in the Welland Contact Centre Initiative.

### 3. Best of Both

A hybrid approach basically taking the best solutions that the Welland Partnership has brought but geared to a delivery objective optimised for what is best for SKDC and our customers only.

## Option Appraisal

To appraise these options the Council's own objectives have been stated below:

1. A single corporate website for which all SKDC service transactions can be performed on-line. To give customers high satisfaction levels with their on-line experience.
2. Community based discussions and web solutions to be provided separately through community based sites. Any risks or the associated promotion to be provided through third parties to avoid SKDC being 'the publisher'. This would remove our liabilities.
3. A highly satisfactory customer experience by phone or in person facilitated through modern customer relationship software support systems that are cost effective. The ability to monitor and report on the Council's overall performance being included.
4. Having a linkage to other public sector services to provide seamless services.

Against the above objectives the options available can be analysed by their impacts on the following key issues:

## 1. Technology

An appraisal of the Welland software solutions has identified that for SKDC purposes a slightly separate approach would be more beneficial. We would wish to use the Customer Relationship Management software but linked to our own Content Management tool, within the Welland Electronic Service Framework. This approach gives us greater control in-house on linking through to back office software tools. Continuing to participate with the Contact Centre plans will require some parallel running and some technological work may be required. We would use the electronic document management system linked through our own content management tool.

## 2. Commitments

The Council signed up for a Welland contact centre approach. We are therefore bound to some extent to deliver our commitment in return for the funding (or share) that the government provided. To remove the claim of a total pull out the Council could publicly honour its commitment but to a minimum level. That would mean to deliver some services through a Welland approach effectively parallel running alongside our main alternative strategy. In technological terms we would wish to use some but not all of the Welland software and the contact centre (Welland) requires all to be used to generate a common look and feel. As there appears to be such slow progress and currently no hard plans to deliver across all services in the Welland to date then following an alternative route must be used in the timescales involved. (A summary of Welland Legal/Partnership agreements can be found in Appendix 3).

## 3. Money

A move away from the Welland fully as per option 2 would require the purchase of some new software tools which are valued around £150,000 to £250,000 mark. A complete withdrawal from the Welland Contact Centre(s) project could also lead us to a financial penalty (approximately £240,000).

## 4. Sustainability

The likelihood of the Welland achieving the end goal is remote, as the commitment does not appear to be equal across all authorities. The reliance upon the Welland software supplier for all linkages/developments is not conducive for market testing on future developments.

To achieve an ongoing solution, which will become a complicated and involved Information Technology issue, a hybrid approach would be more sustainable. The development and timing will be in our own control as we would be less dependent on partners input for delivery of our services.

## 5. Natural Partnerships

The Welland approach links us very closely to the other authorities whose geography covers three county boundaries. Whilst the socio-economic composition is similar, the relative resource base is not. The partners' capacity to invest in associated development requirements has been proven in initial projects and the capacity was not there. Early experience in trying to standardise tourism and other projects has given us little confidence in this respect. Partnerships operating within Lincolnshire are more favourable due to the other services our customers use and require. The future priorities are likely to require close and joined up services (i.e. county council, police, fire and health services which are County boundary based). The natural affinity would be to work more closely with our county colleagues.

## 6. Timescales

In hindsight, to achieve a single Welland approach, it is logical to bring policies and procedures in line before delivering electronically. Instead of using Information Technology to drive a Welland approach (with the same requirement across all authorities) there should be political will to merge services onto a common basis. The time required to merge policies is variable and a clear brief is required to deliver electronic services efficiently. To merge policies and introduce technology in the remaining time we have (100% of services to be delivered electronically by December 2005) is unrealistic and there is no plan of action to do so.

## 7. Staff Resources

A recently published Audit Commission report on South Kesteven District Council's E-government progress highlighted the issue of working within two partnerships: *'In order to achieve seamless local services across Lincolnshire, the Council is obliged to participate in the Lincolnshire Networking Partnership. However, it is also a member of the Welland Partnership by choice. Having 'a foot in both camps' may have dissipated the Council's strategic focus and thus affected its ability to succeed.'*

This project is significant in size, working across all of the Council services. A CRM/Customer Services Centre solution will not be delivered quickly. It will require a significant programme of projects, fundamentally affecting the whole organisation and the interfacing software with back office systems is not currently readily available. A complete programme brief is to be produced separately.

The working in two partnerships and attendance of associated meetings and working groups requires significant resources to support. To date, this may explain our poor performance in actual delivery. If a dual approach is to be continued then this issue needs to be recognised and resources provided accordingly and no further diversions from these projects be allowed.

Appendix 1: Audit Commission Report – E-government Progress Review – South  
Kesteven District Council

PDF document



Appendix 2: Update on the Responses to the Recommendations made in the Audit Commission Report

	Recommendation	SKDC Response
R1	Take action to speed up BPI – 157 per cent performance.	This has been done, improving our performance from 9% to 63% in March 2004. Future plans will map out how we intend to achieve 100% by 2005.
R2	Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government.	Agreed. The Corporate Director of Finance and Strategic Resources has this underway.
R3	Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.	Agreed. Still to be taken up with partner work groups.
R4	Consider aspects where the council is making slower progress than other Lincolnshire district councils, such as the policy on home working.	Agreed. This will be worked on through discussion with the management groups for each partnership and our approach to the priority services agenda.
R5	Strengthen capacity and leadership arrangements for e-government.	Done. The Corporate Director of Operational Services has now been released from other commitments to concentrate on this project. Further staffing details will be detailed by October 2004 and external LGOL funding is being sought to help with this.
R6	Ensure that strong and effective monitoring measures are put into place.	Agreed. This will be done by the Corporate Director of Operational Services, using effective project management tools and procedures.
R7	Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.	Agreed. This year's business plans have been produced and this recommendation will be taken into account more forcefully in the next cycle of plans.
R8	Firm up the approach to contact centres having regard to available software	Agreed. The Corporate Director of Operational Services is working on a clear strategy for the South Kesteven District Council Customer Service Centre and a programme delivery document. This has been delayed due to taking external advice and the associated size of the project.
R9	Identify specific groups of customers and develop strategies to address their needs.	Agreed. This will be addressed corporately through a redesign of the website and by service, as they are delivered electronically.
R10	Consider whether the district would benefit from a more strategic approach to the integration of economic development and ICT training.	This is not seen as a priority at present but this will be kept in mind for the future.

## Appendix 3: SUMMARY OF WELLAND LEGAL/PARTNERSHIP AGREEMENTS

### 1. **PATHFINDER PROJECT AGREEMENT BETWEEN RUTLAND ON LINE AND WELLAND**

Signed 8<sup>th</sup> October 2001 to provide for working together with ROL to fulfil the Pathfinder Project (i.e. the eleven market town portals etc). This Agreement created a steering group for the project, confirmed that ownership of tangible assets remain with the Welland at the conclusion of the project. Other project income that excludes ROLs ability to develop revenue streams will belong to the Welland. All new inventions (IPR's) made or produced in developing the project shall belong to the Welland. ROL has the opportunity during the project to develop revenue streams covering – websites for local businesses – advertising and sponsorship – consultancy to other authorities – manage portal services to other authorities – transactional services During the duration of the project ROL will be entitled to retain income streams from their existing Rutnet and Stamford On Line portals (ROL own them) plus developing revenue streams for the nine other portals. The Welland do however reserve the right to charge a Licence fee not exceeding 10% of the gross revenues ROL develop from the above opportunities. The Agreement allows the parties to work together to conclude a working relationship and to deal with further development management and maintenance of the services and facilities delivered by the portal. That business relationship can be in the form of a company trust or other arrangement to be finalised by the 31<sup>st</sup> March 2002.

The parties intend to create a future business arrangement to provide for a shared ownership of the project on the basis of 50% share to ROL and 50% to the Welland (10% to each Welland Partner).

The parties agree to enter into Agreement that shall provide for a period of three years from the 1<sup>st</sup> April 2002

- (a) For the maintenance of ROL services and facilities delivered by the Pathfinder Project subject to ROL making an appropriate charge to the Welland for such maintenance provision.
- (b) The Welland to use its best endeavours to support the project and work with ROL to develop an optimum range of on-line services and information for the inhabitants of the Welland (the range of services are set out in Schedule 2 to the Agreement).
- (c) ROL has the opportunity to develop revenue streams as above subject to paying a Licence fee to use the Welland portals (excluding Stamford and Rutland which are owned by ROL) not exceeding 15% of the gross revenue for the first year 20% for the second year and 25% for the third year.

### 2. **PATHFINDER PARTNERSHIP AGREEMENT BETWEEN ALL FIVE WELLAND AUTHORITIES – SIGNED OCTOBER 2001**

Melton is the designated lead authority for the project. This Agreement sets up the ESG as the decision making structure and generally requires the parties to act in good faith for the benefit of or to achieve the project. It acknowledges the intention of the parties to seek a formal partnership or business arrangement with ROL in due course.

The lead authority to be responsible for the distribution of monies in accordance with the decisions of the ESG. Each partner to be responsible for maintaining adequate financial records etc.

The Agreement deals with internal communication and accountability arrangements.

It ensures wherever possible e-gif compliant solutions are used.

Risk and overspend are shared equally between the partners.

Ownership of tangible assets remains with the partners at the end of the project or the termination of the Agreement and will be owned and distributed between the partners in shares to be agreed (if failure to agree the matter is referred to arbitration). Partners are to ensure adequate public liability insurance is taken out for the life of the project (and to share such costs in equal shares).

To adopt lead authority standing orders and financial regulations.

The Agreement gives the ability of the partners to employ staff to facilitate the project and requires all partners to disseminate their experience of the project to other local authorities.

Any other income deriving from the project is shared equally between the partners.

Withdrawal from the project before completion the agreement confirms that the party withdrawing shall be required to repay to the lead authority one fifth of the cost of the pathfinder (DTLR) grant monies committed at the time of withdrawal without any deductions for expenses or other costs irrespective of the reason for withdrawal.

3. **INTERIM COMMERCIAL AGREEMENT BETWEEN WELLAND AND ROL (COMPLETED 22<sup>ND</sup> OCTOBER 2002 AND PREPARED BY RUTLAND COUNTY COUNCIL LEGAL SERVICES)**

Purpose, to further the intentions of the parties in the Project Agreement to make provision for the continued operation, development management and maintenance of the pathfinder portal services from the 1<sup>st</sup> April 2002 until such time as a company or other arrangement is formed by the parties to supercede the project agreement (this has not occurred yet!). The Agreement sets out the management arrangements for the eleven portals and confirms that operational decisions are to be taken by the community portals team and management decisions by the ESG. The community portals team is accountable to the ESG for all decisions and must record them etc.

ROL may retain any project income generated through business subscriptions, advertising, sponsorship and transactional services on the portals but shall pay to the Welland a licence fee for the use of the portal (excluding Rutnet and Stamford On Line which are owned by ROL) which shall be 15% of the gross income so generated for the year commencing 1<sup>st</sup> April 2002, 20% for the year commencing 1<sup>st</sup> April 2003 and 25% for the year commencing 1<sup>st</sup> April 2004.

If the partners have failed to form a company or other arrangement by the 31<sup>st</sup> March 2005 then the parties will enter into a further agreement to provide a period of 22 years from the 1<sup>st</sup> April 2005 that ROL shall have the exclusive opportunity to develop income streams of the portals upon the payment of a licence fee to Welland for the use of the portals (excluding Rutnet and Stamford On Line) which shall be 50% of the net operating profit of ROL after interest in each year in respect of those income streams referred to above.

Any other income is to belong to the Welland Partners.

ROL to maintain services and facilities of the portals subject to the Welland paying ROL specified charges.

Welland partners to use their best endeavours to support the project and work with ROL to develop the optimum range of on-line facilities and services and information for the inhabitants of the Welland (this is set out in Schedule 2 to the Agreement).

4. **SOFTWARE AG AND MELTON BOROUGH COUNCIL SOFTWARE AGREEMENT SIGNED DECEMBER 2001.**

This is to provide portal development software services to Melton Borough Council as lead authority in respect of the Pathfinder Project. All other Welland partners have entered into a Licence Agreement to use parts SAG software systems.

5. **WELLAND CONTACT CENTRE INITIATIVE PARTNERSHIP AGREEMENT**

This is made between all Welland partners and signed May 2003. This is a sharing risk type partnership agreement that mirrors Agreement 2 above but relates to the WCCI Project with South Kesteven District Council being designated lead authority.

6. **MEMORANDUM OF UNDERSTANDING BETWEEN SOFTWARE AG AND WELLAND PARTNERSHIP**

Signed April 2003. This is a Memorandum of Understanding with Software AG and the Welland to provide a strategic delivery partnership on a shared risk model whereby software developments relating to the Welland E-Government projects are linked to outcome based specifications.

7. **CONTRACT BETWEEN SOFTWARE AG AND SOUTH KESTEVEN DISTRICT FOR WCCI PROJECT SOFTWARE AND SUPPORT COSTS**

Similar contact to Agreement 4 above whereby for a fee of £336,000 plus on-going support costs of £60,000 for the next three years, Software AG will provide the WCCI software. Agreement signed April 2003 and to conclude on the 31<sup>st</sup> December 2003. (Licence Agreements for each Welland Authority with Software AG have also been signed for the use of Software AG software systems - identical to 4 above).

8. **WELLAND WIDE AREA NETWORK PARTNERSHIP AGREEMENT (WAN)**

Between all Welland partners signed April 2003. Lead authority South Kesteven District Council to enter into Contract with BT to provide WAN. (Otherwise identical to Agreement 2 above and based on a risk sharing agreement between partners).

9. **ERMS PARTNERSHIP AGREEMENT BETWEEN WELLAND PARTNERS**

This is about to be signed and as been hanging around for some time. It's the same risk sharing Agreement as Agreements 2, 5 and 8 above but ENDC is the lead authority and relates to the ERMS project.

10. **CONTRACT BETWEEN SOFTWARE AG AND ENDC FOR ERMS PROJECT**

Software AG to provide software and maintenance for the ERMS project at a total cost of £512,450 (believe concludes in 2008). Again Licence Agreements are required to be entered into by each Welland Authority for the use of Software AG Software systems (identical to Agreement 4 and 7 above).

11. **WACTOL AGREEMENT**

Between Software AG and ENDC (negotiated by Gordon Wisby of ENDC). I have not been involved in this so am unaware of the details. I do however consider it is about to be signed by ENDC as the lead authority.

## **AGREEMENTS STILL CURRENT/RELEVANT**

1. Welland Pathfinder Project Agreement ROL – particularly as no formal business arrangement with ROL has been finalised (see 3 below).
2. Pathfinder Partnership Agreement between Welland partners.
3. Interim Commercial Agreement between Welland partners and ROL (company formation yet to be decided or agreed upon by Welland, - deadline 31.03.05).
5. WCCI Partnership Agreement between Welland partners.
6. Memorandum of Understanding with Software AG and all Welland Partners.
7. Software AG/SKDC WCCI Software Agreement – concludes 31.12.03.
8. WAN Agreement between SKDC and other Welland partners (consider contract between SKDC and BT may now have concluded? Andy may confirm).
9. ERMS Partnership Agreement between Welland Partners.
10. Software AG Agreement with East Northamptonshire District Council in relation to ERMS Software.
11. WACTOL Agreement between Software AG and ENDC but no idea of details etc.

***Nick\_G/COR07110***