

# Combined Assurance

## *Status Report Information and Commissioning*



Date: December 2014

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# Introduction

This is the first combined assurance report for Information and Commissioning.

Working with management we have been able to show what assurances the Council currently has on the areas of the business that matter most – highlighting where there may be potential assurance ‘unknowns or gaps’.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Our aim is to give Senior Management and the Audit Committee an insight on assurances across all critical activities and key risks, making recommendations where we believe assurance needs to be stronger.

## Scope

We gathered information on our:

- **critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **key risks** – found on our strategic risk register or associated with major new business strategy / change.
- **key projects** – supporting corporate priorities / activities.

## Methodology

We have developed a combined assurance model which shows assurances across the entire Council, not just those from Internal Audit. We leverage assurance information from your ‘business as usual’ operations. Using the ‘3 lines of assurance’ concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.
- The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.

# Key Messages



The new Information and Commissioning area has been created to enable and support commissioning activity across the Council, ensuring that commissioning activity is carried out in the most effective way to deliver benefits for all Council activities:

- Consistently making decisions based on evidence of needs and political priorities
- Working with partners to get the best results
- Focusing on outcomes for people and places
- Using the best means of delivering those outcomes, whether that is inside or outside the Council
- Holding all service providers to account with appropriate rigour

This new area brings together Procurement Lincolnshire, Performance & Programmes, Information Management & Technology and Strategic Communications.

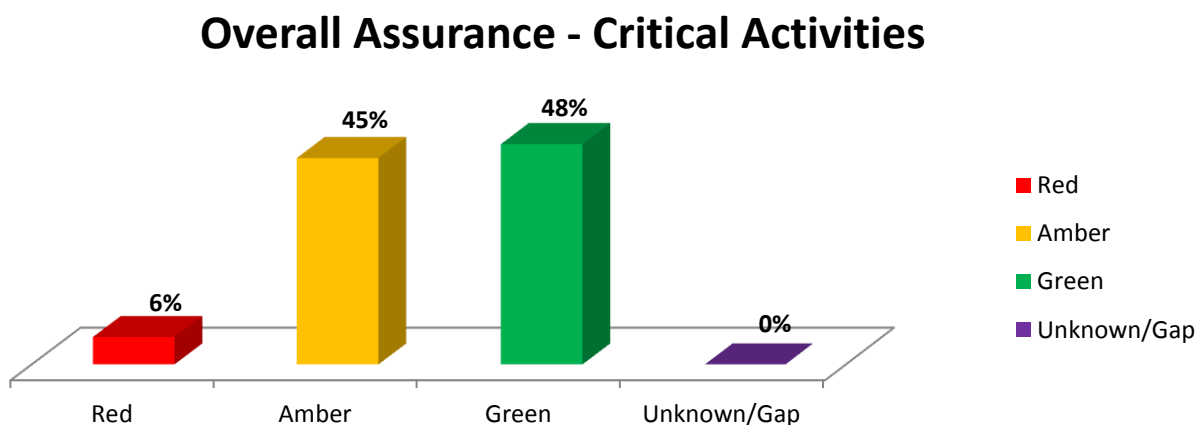
The new structure was put in place through a significant restructure during 2014 with a small amount of recruitment still to be completed.

The current key challenges include:

- completing the FDSS programme, transitioning services from Mouchel to the new arrangements including Serco, VinciMouchel, West Yorkshire Council and insourcing to LCC
- completing the implementation of major new systems including Agresso, Mosaic and new customer service systems
- establish new contract management arrangements
- undertaking significant commissioning activity particularly for adult services
- improving the Council’s records management

I am satisfied that the assurance assessment is fair and accurate based on both internal and external assessments and the work described above will improve the assurance of the critical activities over the coming year.

Figure 1



# Next Steps

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The next six months are a particular challenge as the Agresso, Mosaic and new customer service systems are implemented and the delivery of services including the staff involved are transferred from Mouchel and the Council to new suppliers.

The 1 April is a key date during that period with a significant number of changes to be made on that date. The work needed to successfully achieve the transfer is significant and represents a significant risk to the Council at this time. The progress is being closely managed and the challenges that inevitably arise in such a complex undertaking are being escalated rapidly to enable solutions to be found as quickly as possible.

The next couple of years will see further significant changes enabled through the implementation of Agresso, Mosaic and other systems and technologies that Serco will be delivering with us. This will enable many areas of the Council to improve efficiency.

The commissioning activity of the council continues to develop and the support for this is being enhanced through the new teams that have been in place from 1 January 2015. The support for Adults commissioning is key at this time due to the significant changes needed over the next two years. It will be important to continue to ensure that commissioning across the Council is appropriately joined up to maximise the benefits delivered through the new commissioning strategies.

The coming year will see much activity across the Council and successfully managing communications will be challenging, The team are well set for success in achieving this.

# Critical Systems



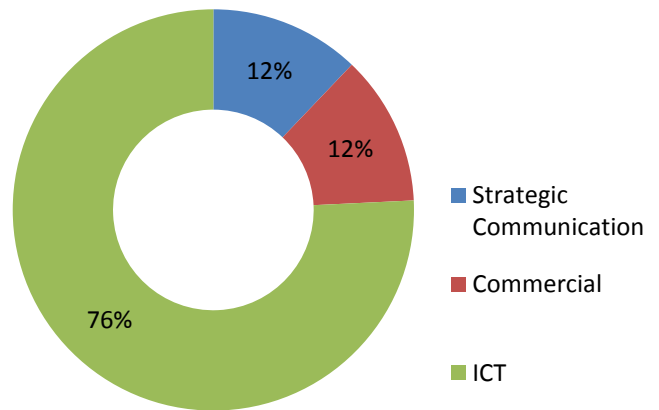
Assurance around the critical activities and systems identified for Information and Commissioning are generally strong. The vast majority of assurance gained by managers from the services they are responsible for is classified either as 'green' or 'amber'. The areas identified as 'red' are currently being addressed. Please refer to Figure 1 included on Page 4 of this report.

The critical activities are supported by corporate assurances provided by regular reports to Scrutiny Committee. Third Party assurance is provided in many of the ICT related areas through compliance with the annual PSN submission. This process is due to take place again in May 2015.

Several areas (mainly ICT) have been the subject of internal audit reviews and these are reflected on the Assurance Map for Information and Commissioning. These reviews provide independent oversight and added value through recommendations made for improvement. Agreed actions are monitored to ensure implementation with progress reported to the Audit Committee.

Figure 2

## Assurance Areas - Information & Commissioning



## Who Provides Your Assurance

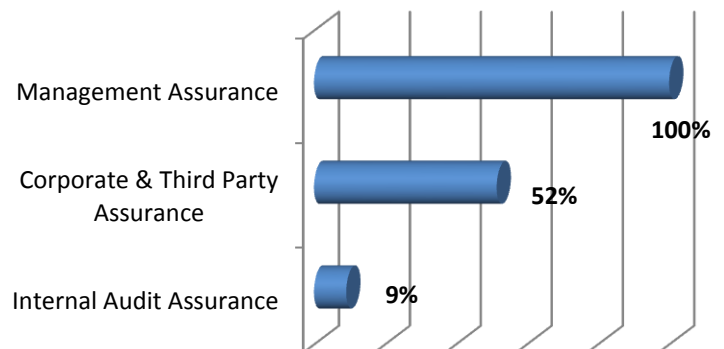


Figure 3

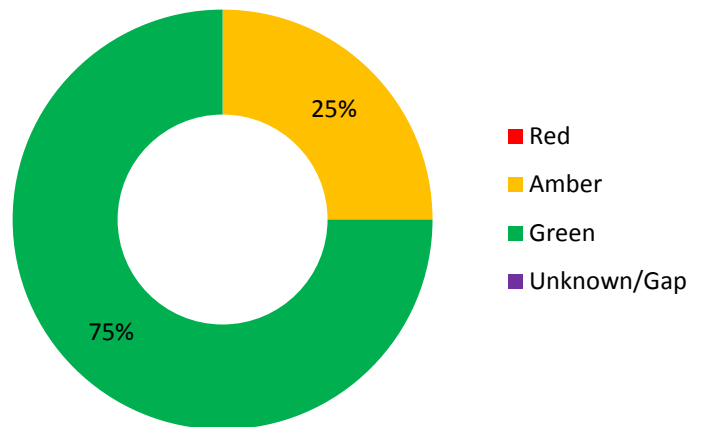
## Strategic Communications

Figure 4

### Strategic Communications

The Strategic Communications team have just been through a structural review as part of the overall review into Information & Commissioning. This review reduced the size of the team by one.

The team are currently operating with reduced staffing due to an unusually high number of resignations in the latter part of 2014 and two key members of staff being on maternity leave.



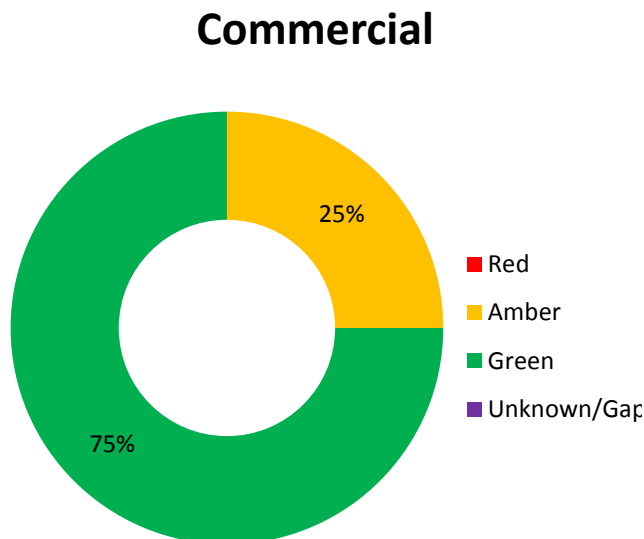
The agreement to recruit two additional grade 7's on one and two year fixed term contracts to cover communications work on key priority projects, (the greater Lincoln area major infrastructure projects and Business Lincolnshire Growth Hub Marketing Activity) will help to alleviate the loss of staff, but there will still be some pressures on service delivery, particularly whilst recruitment takes place.

Plans are in place to cover all areas and maintain service delivery; however the new team will not be at full capacity until the return of the two members of staff currently on maternity in the summer. Additional resource is being sought through business support including through the modern apprentice scheme.

There is still a gap in communications delivery of a 24/7 out of hours service; new arrangements are being put in place to enable this to be delivered more robustly.



Figure 5



## Commercial Team

As part of the Council's senior management review the senior management of the new Information and Commissioning area was established. As part of this new area a new Commercial Team has been established bringing together the skills across Procurement Lincolnshire, Performance & Programmes and LRO to create a single team to support all aspects of the commissioning cycle. This will ensure that we are best equipped to provide appropriate support to the changing wider organisation in our role as an enabling service.

The new Commercial Team will deliver the activities previously delivered by Procurement Lincolnshire and Performance and Programmes Service and new roles have been created (disestablishing all the old posts) in four new teams to focus skills and resources on meeting the Council's changing challenges through providing expert support to commissioning.

### Two Strategic Commissioning teams.

Two new Strategic Commissioning teams have been created; People Services and Infrastructure.

The creation of a People Services team ensures that there is sufficient capacity and expertise to manage the very substantial forthcoming work load in Adult Care, and to provide some support to Public Health and Children's service areas. New key roles within the People Service team are the (two) Commissioning and Procurement Managers.

The Infrastructure team manages all other activity; including continued Procurement Lincolnshire shared services activity (with districts). New key roles within the Infrastructure Team include the Serco Contract Manager, a dedicated full time resource to manage and co-ordinate all aspects of the contract working with Finance, People Management and IMT service leads; and the CSC Client Lead, to work with the wider council to ensure Serco's development of the CSC continues to meet the changing needs of the council and managing the CSC element of the contract.

Having two distinct Strategic Commissioning Teams will mean that County Council demand in the areas of Adult Care, Children's and Public Health can be met without adversely impacting the shared service and support to the rest of the business.



### Commercial Projects and Performance Team

This new team, as part of the Commercial Team, will deal with some of the activity previously delivered through the Performance and Programmes Service and focuses on providing support to commissioning projects, building on the excellent project and change management skills that have successfully supported many previous council projects.

The approach will be to deliver and manage projects working alongside commissioning colleagues in the service areas across the Council, working on projects where the team can add most value and to provide assurance at the request of the relevant service area.

This team will also support the creation of the Council's Business Plan for 2015/16 and the associated performance reporting.

The existing Performance Management system will be replaced in 2015 and therefore the reporting of the Council Priority Activities (CPA), in its current, form will cease and be replaced by a new form of performance reporting on the Council Business Plan and the commissioning strategies. Reporting of the CPA will continue in its current form to the year end (March 2015).

### Enterprise Data Warehouse Team

The fourth team is the new Enterprise Data Warehouse team which brings together the skills and experience from the Lincolnshire Research Observatory (LRO) and Procurement Lincolnshire (PL) reporting teams. Bringing the range of technical skills into one team provides the opportunity to add capacity and strengthen the analyst and reporting resource to support the development of Commissioning Strategies across the Council and commissioning activity carried out by the Partner authorities.

The new ICT Service Provider contract provides a new Enterprise Data Warehouse (EDW) platform for the provision of corporate data sets and a new Business Intelligence (BI) platform for the consumption of these data sets. The new team has been designed to ensure the disciplines of data provision and report/analysis creation are kept separate, reflecting the specialist skills required in each.

It is envisioned that the provision of data within along with the management and maintenance of the EDW (including access) will be constrained to the data analysis roles within the Enterprise Data Warehouse Team. This approach ensures a 'single version of the truth' and meets Information Security best practice.

Data specialists within the council's service areas will be able to continue to use their legacy data repositories, and link into the EDW. Over time, a migration plan for key corporate data sets from line of business (LOB) systems and other data repositories (including third party) will be developed to maximise the use of information across the council, subject to appropriate security.

### Examples of work undertaken by the Commercial Team includes: -

- The work with Serco to deliver service transformation ready for April 2015; including Agresso and customer services systems build and people and service transition
- Project management support to the Property Service, West Yorkshire Pension Service re-provision, the in-sourcing of Accountancy, Health and Safety and the Property client service and procurement of the new catering contract to the secure unit
- Excellent data analysis and reporting provided by the LRO guiding and shaping commissioning activity across the Council and partners
- Commercial and procurement activity delivered against a very challenging timescale to a complex programme of vital and high value People Services activity including joint procurements with Health and working with multiple commissioners across the Council
- Procurement Lincolnshire continues to deliver significant savings calculated from when the shared service started in 2008 to date, total in the region of £26 million with a forecast of £6.6million for 2014/15
- The LCAT tool project (used to identify and analyse supplier expenditure), has now been licensed to eight Authorities and a further 9 are enquiring about using it.
- EU Procurement Regulation and TIPPS (training in public sector procurement) training has been delivered to appreciative audiences
- The Commercial Team leads on the development of the new look Council Business Plan and underpinning performance management reporting. The new arrangements will reflect the Council's re-focus as a commissioning organisation whilst making the Business Plan more colourful and user friendly way so that it engages citizens.

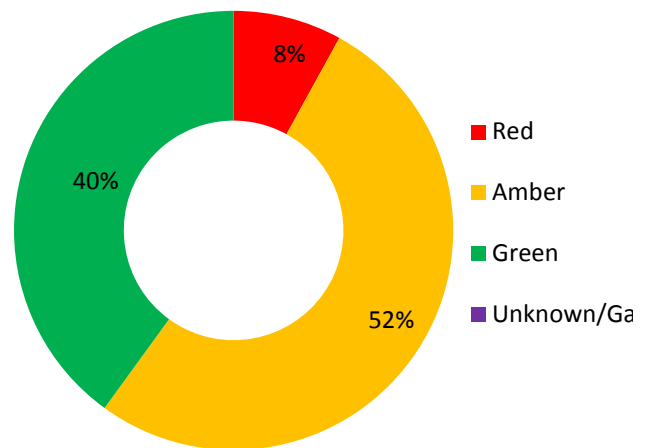
This work has been delivered at pace and has challenged us to think differently and to manage risk and change at a time of enormous change within our own part of the organisation.

## IMT

IMT is going through a major transition at the Council as we change service provider, implement major new applications, and work to provide an IMT infrastructure that meets the changing needs of the business.

This is providing a major challenge for the IMT Service, however having established a number of new posts and implemented new policies and procedures we are in a good position to meet the challenge.

IMT



Over the last couple of years we have considerably improved the management of IMT at the Council. An IMT strategy is in place and service delivery and projects are robustly managed. There are still improvements to make, many of which are being addresses as part of the transition to the new service provider, including:

- service catalogue management
- capacity management
- business continuity management and disaster recovery

One issue for us is that some IMT assets are managed outside of IMT. Service areas can undertake actions without reference to IMT and about half of IMT expenditure is not controlled by IMT. We are proposing the establishment of a new IMT Governance Board to improve this area.

Another issue is records management. Historically the records management approach adopted by LCC has been weak resulting in the requirement for a corrective action plan on a large scale. We have established a new security manager post and put an Information Governance framework in place. Things are improving but there is further work to be done.

The key project for IMT is currently the transition to SERCO. This is being heavily managed, and whilst there have been some difficulties, as might be expected; confidence is high for a successful transition.

We have two significant emerging risks. The first is the risk of council service areas not sourcing IMT services from IMT if we are not able to react quickly enough to their requirements, this leads to possible security issues and inappropriate investment. We are putting new processes in place to try and ensure this is less likely to happen. The second is the risk of sharing data with 3<sup>rd</sup> parties as a result of the council developing new ways of service delivery; this will be managed by the ongoing improvements in records management.

# Strategic Risks



## Commissioning

The Council is still developing its commissioning strategies and with the amount of change that has happened and continues through restructures and budget challenges it is important to maintain a focus on completing these. The new Council Business Plan will provide a focus for this and means of clearly reporting progress.

**Council's highest rated Strategic Risks for this area of the business**

**Commissioning**

## Strategic Contracts

The management of strategic contracts will be better supported with new structure. Recent internal audit reports place have given good assurance about the management of Adult Services contracts and new arrangements for the Serco and VinciMouchel contracts are being put in.

**Strategic Contracts**

Strategic Risk Register – Assurance Map as at June 2014

Strategic Risks - Assurance Map as at 30 June 2014	OWNER	RISK APPETITE	 CURRENT RISK SCORE	 TARGET RISK SCORE	DIRECTION OF TRAVEL	Management Assurance Status (Full, Substantial, Limited, No)	Corporate Functions & Third Party	Internal Audit	OVERALL ASSURANCE STATUS	COMMENTS	
Commissioning strategy - How do we do our business											
Commissioning Commissioning for Lincolnshire doesn't deliver the priorities and benefits	Pete Moore	<u>Open &amp; Aware</u>			→	Unknown	Unknown	Unknown	unknown	Further work required to understand the risk assurances against each commissioning strategy. It is too early in the process as the commissioning strategies and fundamental budget review are in progress.  Revisit it by December 2014	
Commissioning strategy - Enablers and support to the Council's outcomes											
Strategic Contracts Ensuring contracts are fit for purpose in the Commissioning Agenda	Judith Hetherington-Smith	<u>Open &amp; aware</u>  (Finance & money - No Surprises - prepared to invest for reward and minimise the possibility of financial loss by well measured risk taking)	<u>Open &amp; aware/ cautious</u>  (Partnerships - Recognised that we work differently with different contractors / partners)				unknown	unknown	unknown	unknown	Further work is required to identify key contracts and obtain appropriate assurances around governance, performance & delivery e.g. FDSS, Highways Alliance, Property.

● = On track

# Key Projects in Information & Commissioning



Programme			
	Dec 2013	Dec 2014	
FDDSP transition	●	●	<p>The Council’s current contract with Mouchel to deliver Information Management &amp; Technology (IMT), Finance, People Management, Property, Management Consultancy and Catering services comes to an end in March 2015. The FDSS programme was set up in May 2012 to explore the options for the Council in the delivery of these key support functions and to then implement the preferred solution for each service.</p> <p>Overall, the programme is currently on plan.</p> <ul style="list-style-type: none"> <li>• The Council continues to work with Serco on the transformation of services within IMT, People Management, Finance and the Customer Service Centre ahead of Serco taking over delivery of these services from April 2015. There is a challenging timetable to complete everything for April and some resource and technical issues have increased the pressure, particularly in the implementation of Agresso.</li> <li>• The VinciMouchel contract is nearing completion and resources have been mobilised and trained, and transition planning is progressing well.</li> <li>• The Agreement has been signed with West Yorkshire Pension Service for the new shared pension service. The bulk of the work is transferring pensions and payroll data and this is progressing well with the first tranche of data transferred and validated, Mouchel are now making the necessary corrections before the next transfer. Accommodation has</li> </ul>

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	Dec 2013	Dec 2014	
			<ul style="list-style-type: none"> <li>• Evaluation of the catering tenders for the secure unit was completed in December and the contract has been awarded to Mouchel.</li> <li>• The insourcing of the Health and Safety service is progressing on plan.</li> <li>• Governance and reporting structures in place and operating effectively</li> <li>• Clear direction, leadership and involvement from the Programme Sponsor</li> <li>• Monthly programme reporting to CMB with quarterly reporting to VfM Scrutiny Committee (as part of CPA reporting)</li> <li>• Dedicated resource deployed from the Commercial Team leading the People and Service transition from Mouchel to the new providers identifying and dealing with training needs, staff and business transfer including electronic and physical assets and data and information transfer Engagement of a dedicated TUPE expert</li> <li>• Programme subject to external review by KPMG</li> </ul>



Project			
	Dec 2013	Dec 2014	
Council Business Plan (CBP) and Performance Reporting	●	●	<p>The Council Business Plan is being prepared for approval by Full Council in Feb 2015. At the same time a new corporate performance management framework is being developed. Both will reflect the move to a commissioning Council.</p> <p>Current reporting system (Performance Plus) to be replaced in 2015/16 A requirements specification is drafted and a system will be commissioned once reporting measures have been agreed.</p> <p>A draft Council Business Plan will go to Overview and Scrutiny Management Committee and Executive in early February.</p>
Contract Management	●	●	<p><b>Contract management is a key component within the Commissioning for Lincolnshire cycle:</b></p> <p>Guidance within the commissioning toolkit provides generic actions that should be undertaken / completed when managing provider(s), regardless of whether the service is delivered internally, externally or through a partnership.</p> <p>The 'Undertake Provider Management Activities – Key Activity Checklists' contain additional tasks and considerations that are specific to each delivery type.</p> <p>Commissioning training has been provided to over 400 key individuals during 2013/14.</p> <p>Within the Commercial Team a number of contract management positions have been established primarily in respect of managing the Serco contract but also to develop and disseminate good practice.</p>

<p>Refreshed procurement strategy 2015-2018</p>	<p>●</p>	<p>●</p>	<p>The National Procurement Strategy was published in August/September 2014 which will be used to inform the Council's refreshed procurement strategy</p> <p>Work is ongoing with the initial draft being developed by January for consideration and approval by the Strategic Procurement Board and member authorities.</p>
<p>Case Management (CMPP)</p>			<p>The delivery of the new case management system (Mosaic) is progressing well but with significant challenges in its final 3 months. A number of aspects are behind schedule but good progress is being made to catch up. The 4 week Ofsted inspection caused some delay to the build of the Children's part of the system and the complexity of the data migration remains challenging. The risks with the data migration will be clearer in early March once the test migration has been undertaken. The target for go live is 30 March 2015.</p>

