AGENDA ITEM: 8

SUMMARY

Report for:	Cabinet
Date of meeting:	30 April 2013
PART:	1
If Part II, reason:	Electronic Records Management System

Title of report:	
Contact:	Councillor Brian Ayling, Cabinet Support Member Councillor Nick Tiley, Portfolio Holder for Finance & Resources Author/Responsible Officer: Shane Flynn, Assistant Director (Project Governance)
Purpose of report:	To request drawdown from earmarked reserves to meet the costs of scanning and indexing records to enable the implementation of the Council's Electronic Document and Records Management system (EDRMS).
Recommendations	1 That Cabinet recommends to Council a supplementary estimate to increase the 2013/14 Dacorum Anywhere budget by £270k, to be financed from the Management of Change Reserve. 2. That Cabinet delegates to the Portfolio Holder (Finance and Resources) authority for the award of a contract following a mini competition under a Government Procurement Service Framework to undertake scanning and indexing of current and historical documents.
Corporate objectives:	Dacorum Delivers: Maximising the Value of Council Assets, Value for Money.
Implications: 'Value For Money Implications'	<u>Financial</u> Estimated costs of uploading all required records to the EDRMS are £220,000. This is based on volume information provided by a neighbouring authority that has undertaken a similar process within the past two years using identical systems. The total costs will change according to actual

	volumes but it is anticipated that the £220k requested will be the maximum required. A Service Level Agreement will be arranged before backscanning is undertaken for each service, which will enable costs to be reviewed at regular intervals. Further costs will be incurred through the integration of the Information@Work (I@W) with back office systems. Estimates are base on advice from other local authorities and range from £3,000-£5,000 to £10,000-£15,000. Three of the Council's major systems (Northgate Revenues and Benefits, Agresso Finance and Acolaid Planning & Building Control) already have some integration with I@W. Integration is required for two further main systems (Flare and Orchard Housing). Some integration may be beneficial for smaller systems but a separate cost benefit analysis will be needed for each one. The actual cost of integration will depend on the level of IT consultancy support required in each case. Value for Money Value for money will be tested through a mini competition under Government Procurement Service Framework Agreement RM713 (Lot 3) Software Applications Solutions – Document & Records Management Solutions.
Risk Implications	EDRMS project Risk Assessment completed November 2012; last reviewed by the EDRMS Project Board on 14th March 2013.
Equalities Implications	Equality Impact Assessment carried out as part of the development of the EDRMS Project Initiation Document November 2012.
Health And Safety Implications	Outsourcing scanning to a third party reduces the risk to council employees of repetitive strain injury arising from continuous scanning processes.
Monitoring Officer/S.151 Officer Comments	**Deputy Monitoring Officer:** An effective document management system is essential to ensure that the council properly manages all documentary information received. The scanning of documents into the system should help to minimise the unauthorised release of documents and therefore minimise any sanctions for breach of the Data Protection Act. **Deputy S.151 Officer** The Management of Change reserve is an appropriate source of finance for this project. If Council approves recommendation 1 in this report, the reserve will have a forecast balance of £675k at the end of 2013/14, subject to outturn.
Consultees:	
Background papers:	EDRMS Project PID, version 1.0

Glossary of acronyms and any other abbreviations used in this report:	*EDRMS*: Electronic Document and Records Management System *I@W*: Information@Work (the Council's selected EDRMS) *PID*: Project Initiation Document

BACKGROUND

1. The Council has purchased an Electronic Document Records Management (EDRM) system from Northgate called Information@work (I@W). This product has been implemented in Revenues and Benefits, Planning and the Accounts Receivable section of Financial Services. EDRM offers considerable savings in paper handling and associated processes. Its corporate implementation across the Council is required to enable the 'front office' to deal with document queries, 'back office' to handle all documents electronically and to enable remote workers access to key document information. A project has been set up to manage, through structured phases, the roll-out of document management, retention and records management corporately across the Council.

2. The Council has at least four critical organisational drivers for reducing paper-based processes and implementing an EDRMS

   - To secure and control information. Reducing paper records decreases significantly the risk of documents being lost through fire, flood and other environmental hazards and increases the level of security over records. The system incorporates a document retention and disposal process so that documents that are no longer required can be disposed of efficiently in a structured manner and with a full audit of disposal. This controls the build up of material and prevents records being maintained beyond data protection and FOI requirements, in accordance with the Council's Retention Policy.

   - Modernisation and flexible working. The Dacorum Anywhere programme is designed to minimise premises costs, improve productivity by creating a flexible working environment and reduce inefficiency by streamlining processes. Flexible working means that employees need to be able to access records from remote locations. Digitisation and secure availability of records is a pre-requisite for these arrangements.

   - Development of the Public Service Quarter (PSQ) and the interim decant required to enable this. The PSQ design assumes a decrease of approximately 33% in office space requirements. Flexible working will enable this reduction by providing staff with the capacity to work from remote locations. The offices purchased for the decant (which is scheduled for June 2014) require a similar reduction in office accommodation needs.

   - Improved customer contact. As part of its transformation programme the Council is exploring ways to improve customer access to services by shifting communication channels away from face-to-face to phone and web access. This will enable those who are seeking information only to access it directly, this freeing up officer time to deal with those customers who prefer face-to-face contact. Moreover, by providing front-line staff

with direct access to documentation through the EDRMS, more issues can be resolved at first point of contact, thus reducing the need to hand customers on to back office staff to retrieve the necessary information.

3. In addition to managing important documents that we need to preserve and make available to others, the EDRMS project will save considerable space. An information audit undertaken as part of the project has identified that 3,300 linear metres of shelving is currently used to store documents (which equates to 8 circuits of a standard 400m running track).

4. The requirements of the planned new office accommodation mean that a balance needs to be struck between the costs of storing paper records, providing accommodation for staff and Members and the costs of building and maintaining the facility. Moreover, the requirement to decant from the Civic Centre would involve moving the records twice.

5. At present all services use electronic documents to some extent and the use of e-forms and other approaches to supporting web access are increasing. Recently, for example, online applications for job vacancies have been enabled. This means that no paper records need be created and the application process from start to finish can be managed with electronic documents. Over 700 external users have registered with this system since its introduction in November 2012 and over 250 job applications have been received through it.

6. Implementation of the EDRMS would support further the move to e-based working. However, the documents identified that occupy the 3,300 metres of shelving are existing records that must be either disposed of, kept as hard copies only or scanned in to the EDRMS so that they can be referred to as required by staff working remotely. Two weeks were identified in March 2013 to enable staff to sort existing records into these three categories. This resulted in 4.5 tonnes of paper records being removed and destroyed. Those documents that remain following this exercise will need to be scanned into the EDRMS system or moved into external storage to be retrieved as necessary.

7. In addition to scanning documents into the system, a process of indexing the documents is needed so that each document can be found and retrieved. This involves assigning a unique identification number or case number to each document and categorising it according to document type. The latter is required not just for searching and retrieving but also for security, as access to documents is primarily restricted by their classification type.

8. The number of pages stored within a metre of shelving varies according to the type of material, but if a linear metre holds approximately 15 box files which are capable of holding 50 records each, this equates to 2,500,000 documents. If each page is double sided, then 5,000,000 items will need to be scanned. It is unlikely that the need is as great as this as work is underway to reduce the volume of material that needs to be scanned in. However these overall estimates have been used in developing the costings for this report.

9. There are three main options for undertaking this 'backscanning' and indexing process:

- Option 1 DBC staff in service departments scan and index with existing equipment

- Option 2 A mixture of third party and own staff undertake the scanning and indexing

- Option 3 A third party undertakes all scanning and indexing.

10. Option 1 is for backscanning to be undertaken by existing staff. The time involved is difficult to estimate but if 4 million records are required and each one takes 30 seconds to scan and index, then around 4,500 FTE days would be required to complete the process (22 Full time staff working 200 days per year). At £15,000 per FTE (including oncosts) the cost would be £330,000.

11. Option 1 has two disadvantages.:
    - Additional scanning equipment would be required. Scanning equipment is currently in use within the Revenues and Benefits section which makes most use of I@W at present and additional scanning facilities are available but the above analysis suggests that 20 scanners would be needed full time if the project were to be completed fully within the timescale.

    - Reducing the cost by sharing the load amongst staff and not backfiling time diverted to scanning would result in the process being lengthened. While not critical to the project, the failure to scan all records by the date of the proposed decant would add to the costs of the Decant and PSQ projects.

12. Option 2 would enable the process to be completed on a timely basis but would still require the release of staff to some degree. The advantage would be that backscanning could be procured as and when required and the best balance of release of internal staff and external support could be achieved according to service needs. In some instances, for example, it may not be necessary to provide any external support. The disadvantages are that:

    - there would be less returns to scale available in comparison with a bulk purchase (cost estimates provided by Northgate indicate that 23% savings are available with a bulk purchase compared to a department-by-department procurement approach)

    - multiple procurement exercises would be needed

    - if different providers were sourced, there would be a greater risk of inconsistent indexing, leading to different services selecting different document types.

13. Option 3 involves commissioning a third party to undertake scanning and indexing. Government Procurement Office frameworks exist which mean that a contract of this scale could be let without a full procurement process. A mini competition would enable officers to determine the best value for money provider. However, Northgate hold the rights to access the software. If DBC uses a third party other than Northgate the scanning process would require two separate stages, scanning and indexing and then importing into the I@W system by DBC staff. If Northgate undertake the scanning they can scan directly into the system. They are the only agency that can do this.

14. Northgate had indicated a cost based on their work at North Herts, for whom they undertook a similar process. This indicates that costs would be £217,900 based on the following volumes:

- 3,500,000 standard images (1 document type)
- 1,500,000 standard images(multiple document types)
- 50,000 large format black and white
- 25,000 large format colour Photo's
- Preparation, Scanning, index, Quality Assurance and storage.

15. On the basis of the information provided in this report, option 3 is recommended and a draw down from reserves up to the value of £220,000 is requested.

16. In addition, the effective deployment of I@W across departments will require, in some cases, integration with back office systems. Three systems already have a degree of integration, as per paragraph 1, and some departments would either not require integration (e.g. the Strategic Housing system Abritras, which has an integrated document management system already) or integration would not be technically possible (e.g. with the Human Resources system EIS, which is an in-house developed system). Integration between systems requires the release of software access rights (referred to as an Application Programming Interface). The cost of these rights varies from system to system but discussions with colleagues at other authorities indicates that they will be below £15,000 in each case. In order to ensure sufficient resources are available to integrate the main systems with I@W a further drawdown of £50,000 is requested.

17. Integration between the EDRMS and back office systems will require further consideration in due course. Numerous legacy systems exist which need to be rationalised to minimise the number of systems and processes that need to be supported and increase the speed of information flows though the organisation. Data migration strategies will also be needed in future to ensure that information held in electronic format can continue to be accessible. These issues are outside the scope of this report which focuses on the means by which existing paper records are converted to electronic records.

18. There are a number of companies which provide a scanning service but without access to the I@W database, the indexing side of the process is more difficult. The Council would either have to provide a nightly "cut" of its database, which would be an additional overhead and will be a minimum of one day out of date, or the indexing would have to continue to be done by the Council. This option would considerably add to the costs and time of completing the backscanning process. In addition, the scanned images would have to be downloaded on to the I@W database each day, thereby causing additional delays in making the images available for staff to work on.

19. Northgate has its own bureau service called Docs-on-Line, which provides a full post room service from the receipt of post to delivery of the images direct to officers' computers. They are able to do this as "owners" of the software, they can have access to our database and can work directly on it through a secure Virtual Private Network (VPN) link, thereby delivering the scanned and indexed images directly to the computer of the relevant Officers.

20.   The value of the proposed contract is such that a full value for money test is required. To achieve this it is proposed to undertake a mini competition under Government Procurement Service Framework Agreement RM713 (Lot 3) Software Applications Solutions – Document & Records Management Solutions.

21.   To facilitate the timely delivery of the contract, Cabinet is asked to approve delegation of the authority to award the contract to the relevant Portfolio Holder on the advice of the Cabinet Support Member and the Assistant Director (Project Governance).