

Health and Safety Executive Board Paper

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HEALTH AND SAFETY EXECUTIVE

The HSE Board

COIN Approval of Business Case

A Paper by Neil Goldsmith

Advisor(s):

Cleared by Justin McCracken and Vivienne Dews on [21 November 2003]

Issue

1. To seek support from the HSE Board for the approach adopted to the development and implementation of COIN (Corporate Operational Information System) and to seek approval for the expenditure for the next stage of the project.

Timing

2. For discussion on 3 December 2003. Decision required to enable next stage to commence.

Recommendation

3. It is recommended that the Board agree that the project should proceed to the prototype stage. The costs of the prototype and the estimated lifecycle costs and benefits will be provided orally at the Board meeting on 3rd December.

Background

4. The operational Directorates currently use a number of different IT systems to support their front line activities. These systems are ageing and not easy to use and nor do they adequately provide the information needed to support the front line activity. They will need to be replaced in the next one to two years as they are nearing the end of their life and are unable to support initiatives such as mobile working. Crucially, they do not provide the information needed to target effort to

support the new strategy and its strategic programmes. The systems are not liked by the users and they require a high level of mouse use such that there is an increasing risk that HSE will be subject to RSI-related compensation claims by staff.

5. The COIN project was initiated over one year ago to address these deficiencies, and to provide a single system which supports more-consistently defined operational processes across all Directorates - and hence HSE's corporate coherence. COIN's prime objective is information to support front line staff. At the same time the Operational Process Improvement Project (OPIP) was initiated to examine the ways in which the HSE operational processes are carried out, and to define common processes (which COIN will support) with a minimum of Directorate-specific variation.

Argument

6. Earlier work endorsed by the COIN Project Board evaluated the various options for COIN and identified commercial off the shelf software (COTS) packages as the best option. The underlying expectation has been that existing package software is available which will meet HSE's requirements and therefore HSE will not need to look for a bespoke solution. Package solutions have the benefits of reducing the risks in developing IS/IT solutions; providing a shorter implementation timescale and therefore earlier benefits realisation; and lower cost than bespoke (OG Core cost over £9M to develop).
7. The software chosen for COIN will be an enabler for the new ways of working required by the strategic direction of 'One HSE'. It will provide a single system for all of HSE front line operational staff. In approving the previous stages of the COIN project the Project Board and OMF agreed the principle that HSE's processes would, if necessary, be adapted to meet the requirements of a package solution, unless the package solution presented fundamental and serious problems in the way it required staff to work.
8. A detailed selection exercise has been carried out evaluating the functional, technical and commercial suitability of prospective COTS suppliers. This has culminated in over 30 front line and support staff 'test driving' the two short-listed packages. This selection exercise not only confirmed the suitability of the package approach to address the business needs of COIN but also proved that packages are popular with operational staff.
9. As a result of this selection process, PeopleSoft was identified as the preferred software package and a recommendation to chose PeopleSoft was endorsed by the COIN Project Board. The plan is to undertake a prototyping phase which will configure the selected software package to meet HSE's detailed needs. The prototype stage is a modelling phase where HSE's business requirements are mapped onto the package. This will permit HSE to verify that the package will meet its requirements. Following this the prototype will be signed-off and permission will be sought to proceed with the full procurement. This will incur limited cost to HSE to establish the detailed design and functionality. In particular this stage will require

operational staff to work with the team, the supplier and REFIT to configure the system to meet the detailed requirements.

10. Following this stage, if it is completed satisfactorily, HSE will proceed to an OGC Gateway 3 review. REFIT will then procure the software licences and the supplier will build the operational system from the prototype. HSE will then implement the operational system.
11. A Design Authority chaired by Phil Scott as Senior User has been established to control the scope of this stage and to provide a rapid means of arbitrating between conflicting requirements. Its membership consists of senior staff from the operational Directorates and its terms of reference were agreed by the COIN Project Board.
12. The prototyping stage is within HSE's delegated authority, however, the overall project cost of COIN is outside HSE's delegated financial authority to approve. We have had an initial meeting with DWP (HSSD) and they are supportive of the project.
13. All procurement will be undertaken by the REFIT partnership. REFIT will negotiate with the supplier of the COTS package and will contract with the supplier. HSE will purchase from REFIT a service as it does for its existing operational systems. BEU are developing the service level agreements and contract details.

Consultation

14. There is a Project Board for COIN chaired by Justin McCracken as Head of Operations with representatives from COSAS, SID and OPD. REFIT and BEU are also represented as the 'senior suppliers'. The draft outline business case for COIN has been reviewed and endorsed by the COIN project board. It is available for information please email Neil Goldsmith if you wish to receive an electronic copy. There is a user forum which has over 40 HSE staff, primarily front line staff, involved in its activities. The user forum has been intimately involved in all stages of the selection process and its members will play a key role in the prototyping stage. The project has met the requirements of an OGC Gate 0 review, and an internal health check review has recommended that we are on track to meet the requirements of a combined Gate 1 and 2 review, which can be set for early in 2004.

Presentation

15. The development is necessary both technically and to support our strategic objectives; and that it is likely to be welcomed by staff.
16. The HSE Unions have been informed of progress and at least one Union representative has been involved in the evaluation exercises.

Costs and Benefits

17. The numerical costs and benefits are commercially sensitive (supplier costs are the subject of negotiations and the benefits are still being worked on). Financial costs and benefits of COIN will be presented orally to the Board.

18. The benefits have been expressed in cash terms in the business case, most operational directorate savings are made up of small parts of staff's working days. It may be best to reinvest these savings to increase productivity e.g. increased outputs/outcomes and reduced stress levels.

The Key Benefits are:

- The use of a single system will enable HSE to monitor operational performance across its strategic programmes
- COIN will enable easy compilation of management and operational information on all areas of HSE's operational activity. It will enable lead Principle Inspectors and senior management quickly and easily to compile activity reports on a large 'Duty Holders', i.e. the HSE top 350 companies. HSE will therefore have an enhanced reputation with opinion formers. This supports the strategic aim of 'communications and reputation management'.
- The use of a common system underpinning common processes will facilitate the easy movement of operational staff across the Directorates; it will also support and enable the move towards 'One HSE'.
- COIN will provide a platform for access to HSE's operational information base to other strategic partners such as LAs. Partners could use COIN to support their own Health and Safety activities.
- The COTS packages we have identified both significantly reduce the number of 'mouse clicks' required to fulfil basic tasks compared with the current operational systems. This will significantly reduce RSI risk.
- Reduced risk of cost escalation and improved probability of success by using an industry standard package rather than bespoke.
- COIN is critical to HSE being able to meet the challenges of the change programme and is a strategic enabler for many of the proposed new ways of working in HSE's strategic plan.
- COIN will release front line staff time for extra interventions
- It will support mobile and flexible working initiatives – contributing to the release of time and accommodation.

For information, the "High" risks for the COIN project are shown in the attached annex.

The Board is asked to note that a hostile bid has been made for PeopleSoft by Oracle in the USA. The bid has been on offer for nearly 9 months and is subject to anti-trust legislation, and legal action by a number of States in the USA and is being investigated by

the EC competition authorities. PeopleSoft is the second largest application software supplier in the world and has a very large user base. We do not regard this as a high risk and there are processes in place which will secure our investment. It is likely that the action will lapse.

Financial/Resource Implications for HSE

19. As identified in the Outline Business Case.

Environmental Implications

20. None

Other Implications

21. COIN is an enabler for HSE and has implications for the success of other change programme projects including Operational Process Improvement, Operational Productivity and the Flexible Working projects.

Action

22. Once the decision is taken we will:

- Complete the prototype stage
- Ensure HSE user acceptance of prototype (May 04)
- Seek agreement by HSE Board for procurement
- Procure the software (May 04)
- Start roll out to Operational Directorates (Sept 04)
- Track the realisation of the benefits (January 05)

COIN Risk log

A copy of the current “High” risks for the COIN project as presented in the Outline Business Case are shown below. Risk mitigation action is in place for all these risks.

BUSINESS RISKS (BR)	
BR1	As full requirements cannot be identified until the functional specification is agreed, scope of COIN could escalate in response to pressures to incorporate operational intelligence needs.
BR2	Agreement cannot be reached on a data strategy, could lead to increased project costs.
BR3	The Project Team does not receive the full co-operation of Business Units (e.g. in developing the Business Case and Options). Could lead to incomplete business case (shortfall in benefits).
BR4	Packages do not fit the vision of front line staff or meet legal requirements/central government initiatives e.g. DPA, DSE, E-Gif, etc
BR5	User resistance to using the new system could have a large impact on benefits delivery.
BR6	HSE Divisions prove to have real differences in needs and cannot use the same package
BR7	Roles and responsibilities for all staff required on the project have not yet been published and agreed and so staff may not perform the roles expected
BR8	Key resources may be lost to the project, could lengthen project delivery timescales & delay benefits.
BR9	Communications are inadequately managed and expectations are not set correctly resulting in poor acceptance of the project solution. Could put extra emphasis on project training.
BR10	User expectations of the usability and performance of COIN aren't met – may avoid using the system (see also BR5).
BR11	Insufficient budget allocated in order to commission the pre-implementation work
BR14	Other developments (e.g. Change Management Programme, OPIP) might affect the requirements of COIN at any stage of the project. Could lead to cost increase.
BR15	Unavailability or lack of skills of part-time Project Team members representing the business areas, e.g. in prototyping or user testing activities.
BR16	The project over-runs the planned dates and/or exceeds the allocated budget

BR17	Lack of support for the 'One HSE' and 'Beyond Compliance' concepts.
BR18	Programme management approach not yet adopted across other potentially-dependent projects.
TECHNICAL RISKS (TR)	
TR3	The chosen package may require a complex, multi-tier architecture that requires considerable "tuning" effort. Could impact on system performance.
COMMERCIAL RISKS (CR)	
CR1	Satisfactory contractual arrangements between HSE, Refit and chosen supplier/s cannot be agreed with regard to: <ul style="list-style-type: none"> a) Management of support; b) Business change management e.g. enhancement management and impact on support models.
CR2	Prohibitive cost for option (including full life-time costs).
CR3	Training effort and costs too great
CR4	Supplier ceases to trade.
CR5	Central government financial constraints reduce the availability of HSE funding for the project.
CR6	Packages causes a Health and Safety risk through RSI etc

Document3