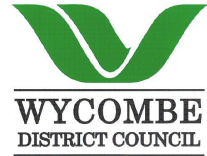




South Bucks
District Council



Buckinghamshire Joint Improvement Board 14 September 2007

Agenda Item	Page No
7 SUPPORT SERVICES To consider the report on the shared services project. Paper to follow as Appendix E	1 - 8

Support Services Partnership

Project Sponsor Chris Williams, Buckinghamshire County Council

Project Manager Ian Trenholm, Buckinghamshire County Council

1. Recommendation

1.1 That the Board agree:

- a) The production of a costed business case to be delivered by December 2007, looking at options for partnership working across support services for the five councils and other local partners,
- b) The services to be considered, as outlined in paragraph 3.1

2. Project objectives

2.1 The objectives which this project is aiming to deliver across the specified support services are:

- Better service delivery outcomes, as perceived by the users of those services
- Cost savings from partnership working.

2.2 **Note** – this document is seeking sign off to commence the work which will produce the business case, which in turn will deliver the outcomes out-lined above

3. Scope

3.1 Within scope

At its meeting on 18 April 2007, CADEX took an initial view on the scope of this project. It agreed that the following broad categories of service should be included within the ‘core’ of this project, and form part of this initial phase of the project:

- | | |
|----------------------------------------|----------------------------------|
| ➤ Human Resources (HR) | ➤ Legal Services |
| ➤ Payroll | ➤ Internal Audit |
| ➤ Finance | ➤ Information and Communications |
| (excluding revenues and benefits) | Technology (ICT) |
| ➤ Property services | |
| (Facilities Management functions only) | |

CADEX agreed a further set of services as being defined in an ‘outer ring’ of support or front-line services, and thus for consideration at a later stage:

- | | |
|---------------------------------------------|---------------------------------------------|
| ➤ Communications | ➤ Revenues and Benefits |
| ➤ Democratic services | ➤ Procurement |
| ➤ Voluntary and Community sector management | ➤ Property – strategic management of assets |

Assumptions

- There are opportunities for other public sector providers to ‘opt in’ if they wish
- All existing third party providers/services are within scope where the above services are currently provided under contract

- The current service both in terms of people, quality and costs is the ‘baseline’.
- Mechanisms for performance managing the delivery of proposed benefits, i.e. an Intelligent client function

3.2 Out of scope

People who are embedded in other services for whom the activities above represent only a small part of their role

4. Benefits

4.1 Financial

The pathfinder bid document estimated that around £4m savings could be generated from this work-stream. The purpose of this project is to carry out the work required to substantiate or update that estimate and identify a delivery timetable for any changes.

4.2 Non financial

The business case in phase 1 of the project will identify service delivery outcome benefits which could be delivered in later phases of the project.

5. Deliverables

- 5.1 The first phase of this project will produce a business case which will set out a range of costed options for how, through partnership working, the partners will be able to reduce the cost of support services, and/or improve service delivery outcomes at no extra cost.
- 5.2 The business case will include detailed scope of services and, where relevant, the proposed legal vehicle(s) to be used to share services.
- 5.3 Where appropriate, the business case will describe the governance and performance management relationship between the ‘commissioners’ and ‘deliverers’ of services.
- 5.4 Other deliverables beyond phase 1 of the project will become clearer upon production of the business case and subsequent decisions by the partners as to the preferred way forward.

6. Timescales and key milestones

6.1 Within Project

6.1.1 Phase 1 (see Appendix 1)

- July – September: Detailed definition of the scope of the business areas under review (aka ‘mapping’). This activity to be led by, and take account of previous work undertaken for, the existing Professional Groups (Legal, Finance, HR, ICT), overseen by project board.
- September – October: (Orientation and data gathering / analysis). Initial investigation and gathering information, to include workshops for staff plus desktop research on performance and current people and other costs. This work will be carried out by a mixed team of consultants and Council employees. Some councils, notably CDC and SBDC, have concerns about their ability to resource this phase of the project. As a result there is a risk that this phase may have to be extended by up to 6 weeks. The risk may be mitigated by the use of mutual aid from other councils and consultants (the latter would incur additional cost). Subsequent phases would remain the same length and have the same resource requirements but start dates would slip accordingly. CADEX would advise on the need for extra time and possible responses with advice from the Project Steering Group.

- November: (Production of Target Operating Model) work-up of final options
- December: (Developing Business case) Business Case Produced
- February 2008: JIB

6.1.2 Phase 2 and 3 (see Appendix 1)

- Phase 2 of this project will run during 2008, exact timetable will depend on the outcome of Phase 1 of this project
- Phase 3 will be a live running stage which is currently expected to run from March 2009 (but is again dependent on the conclusions reached at phase 1)

6.2 **Outside Project**

- Reorganisations by non-council partners, notably in the health sector may impact on the potential quantum of savings
- The shared services elements of Milton Keynes, Oxfordshire and Buckinghamshire improvement partnership
- Government decisions (e.g. from implementation of other parts of the White Paper, or changes in direction)

7. **Estimated costs**

7.1 The approach proposed calls for a mixed project team of council employees and external consultants. One of the County Council's Transformation partners, Vertex, have been approached to provide a proposal to support the project. Vertex were approached because;

- They have been through an extensive procurement process as part of the County Councils procurement of a Transformation partner. As such they can commence work immediately without a further procurement exercise
- They have previous experience with other clients and can bring in relevant experts as needed

7.2 A four stage approach has been proposed as follows;

Stage	Vertex days	Vertex cost	Council days	Council cost
Orientation	39	£19,982	168	Born by councils
Data Gathering & Analysis	126	£50,928		
Production of Target Operating Model	163	£76,864		
Dev Bus Case	63	£32,949		
Total	391	£180,723		

NOTE these figures are ex VAT and do not include expenses which will be at cost and capped at £10% of fees.

7.3 The proposed work breakdown is as shown below;

Name	Role
Vertex	Project Manager
Vertex	Design Authority + internal QA

Name	Role
BCC	Lead BCC + Finance/Audit (To be agreed by Professional Groups and joint leads to be considered)
AVDC	Lead AVDC + Legal (To be agreed by Professional Groups and joint leads to be considered)
WDC	Lead WDC + FM (To be agreed by Professional Groups and joint leads to be considered)
Vertex	Lead CDC + ICT (To be agreed by Professional Groups and joint leads to be considered)
Vertex	Lead SBDC + HR (To be agreed by Professional Groups and joint leads to be considered)
Vertex	Specialist Input
External	Project Assurance

NOTE both CDC and SBDC indicated that they could not support the project with a full time member of staff. As a result a Vertex consultant will carry out research and write up work in conjunction with part time council staff. The Council roles would be a single individual who had responsibility for ensuring engagement within their own council alongside representing the professional groupings within the project team. This approach will allow a cross cutting view to be taken and thereby maximise the opportunities for an innovative approach to be taken.

- 7.4 It is proposed that additional support is brought in from local government support bodies such as the South East Centre of Excellence (SECE) and IDEA. A meeting is being planned between the Project Steering Group, SECE and the IDEA on 11th September in order to agree potential roles. Vertex have indicated a willingness to work with other bodies on the project.
- 7.5 This project is also subject to a capacity Building Fund Bid via SECE of £200K.
- 7.6 Vertex have proposed on the basis of a fixed price for the work and the risk of cost over-run, provided scope and timescales remains unchanged, is eliminated. A list of key deliverables is shown at Appendix 3.
- 7.7 Additional costs incurred by individual councils are assumed to be absorbed by them.
- 7.8 The costs shown above cover Phase 1 of the workstream and it is anticipated that further implementation costs internal or external may be incurred in subsequent phases (Appendix 2). In all cases these costs will be offset against the targeted revenue savings of ca £4mn per annum.
- 8. Project Board**
- 8.1 One representative from each of the participant councils, collectively acting as the project executive. As well as directing the programme of activity for this project, these representatives will be responsible for ensuring that resources within their respective councils are made available to undertake project working wherever possible. The representative will also coordinate communications activity within their council.
- 8.2 Chaired by the BCC Director of Resources, on behalf of the project sponsor, acting as project leader and senior supplier of consultancy services.

- 8.3 Other public sector partners who opt to join in, either supporting project assurance or joining the project executive on behalf of their organisation.
- 8.4 Assumption is that deputies will attend in the absence of the formal representative.

9. Member involvement

- 9.1 In addition to the wider governance arrangements applying to the Pathfinder programme (JIB, Leaders Group, etc), it is expected that the JIB would wish to set up a 'sounding board' panel of members for each Pathfinder work stream. In this project the Project Steering Group would work with the sounding board panel to guide the project and agree the most effective way to communicate the objectives and progress of the project to all members, in all councils.

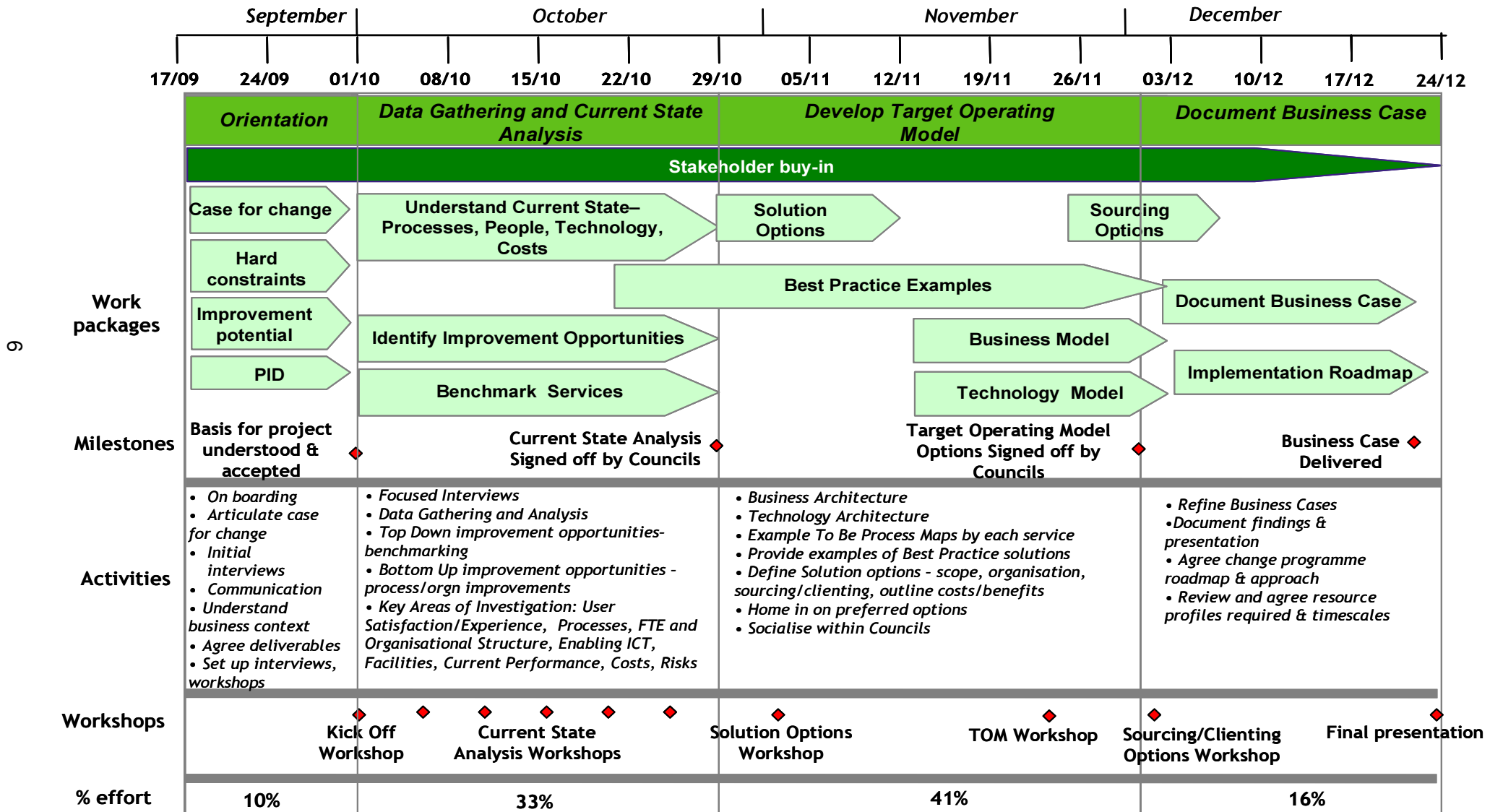
10. Related projects / Work streams

- 10.1 The support services involved in this project are also involved in all other facets of the Pathfinder and there may be resource conflicts such as:
- Some cross-over with the local access work stream which may place conflicting calls on resources in areas such as ICT and HR
 - Legal and Finance are providing support to all other projects
 - Property services will be providing advice on buildings matters as changes take place

11. Key Risks

- If one, or more, partner(s) choose to limit the degree of their involvement in the project then the quantum of the savings may be reduced.
- If one or more partner is unable to offer timely access to the information required to produce the business case then the process will be delayed.
- If one or more partner is unable to make available the local specialists required then the production of the business case will be delayed.
- If one of the proposed partners takes a strategic position which does not enable it to consider all options then the quantum of the saving may be reduced

Appendix 1 - Programme Timeline for Support Service Partnership



Appendix 2 - Overview of work stream

	2007				2008												2009
Activity	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan on
Phase 1																	
Orientation	■																
Data gathering		■															
Develop target operating model			■														
Document business case				■													
Pre JIB clearance process					■	■											
JIB sign off for next steps					■	■											
Phase 2																	
Setting up partnership vehicles (as agreed in the business case)						■	■	■	■	■	■						
Engagement of other public service bodies						■	■	■	■	■	■						
Mobilisation and implementation										■	■	■	■	■	■	■	
Phase 3																	
'Go live'																	■

NOTE Phase 1 activity is based a Project Plan, Resource allocation plan and Work Breakdown Structure in line with PRINCE2 principles. Planning for subsequent phases is dependent on the outcome of the Business case production and as such has yet to begin. This Paper is seeking authority to proceed with Phase 1 only

Appendix 3 - List of key deliverables

List of deliverables for the piece of work, together with process for the client accepting each deliverable and acceptance criteria.

Deliverable	Description	Acceptance Criteria	Signatories
Project Initiation Document	PID for project in Prince2 format	Meets requirements of client	Project Steering Board
Project Charter	Short (2-4 page) document that outlines the business objectives of support services partnership, hard constraints to its development and the principles for its development.	Meets requirements of client	Project Steering Board
Current state analysis	Covers: Analysis of current processes, organisation, ICT support, culture and other relevant factors for each service and each Council, including identification of best practice within the partnership and outside the partnership. Also includes potential improvements that could be made in addition to support services partnership (based on best practice)	Accepted as accurate picture by all stakeholders	Project Steering Board / CADEX
Options document	Outline of options for how support services partnership environments might be organised, located, sourced etc Will cover an initial evaluation of pros and cons of each candidate option, with recommendations as to which ones should be taken forward for more detailed analysis	Understood by stakeholders	Project Steering Board / CADEX
Final business case(s)	Articulation of costs, benefits, risks and other relevant factors for each of the selected options, with recommendations on which one(s) to select for implementation	Decision made on which option(s) to take forward	JIB
Implementation plans	High level implementation plan / roadmap for each selected option	Understanding by stakeholders	Project Steering Board
Final report	Final deliverable encompassing all the deliverables above, plus outline approach taken, staff involved etc	Accurate reflection of work undertaken and support for subsequent buy-in process	Project Steering Board