



Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

Report to the Finance, Performance and Resources Select Committee

Title:	Business Services Plus Business Plan Review
Committee date:	Tuesday 13 September 2016
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Cabinet Member sign-off:	John Chilver, Cabinet Member for Resources

Purpose of Agenda Item

The Select Committee have requested an update on the progress against the commitments set out within the BSP Business Plan which was reviewed by the committee in March 2016.

Background

In March 2016 the Select Committee had requested to view the Business Plan for Business Services Plus (BSP) to understand its key functions, priorities and the plans in place to meet these priorities. The Select Committee also wanted assurances that any activities could be delivered within the given budget. The Committee had also expressed an interest in BSP's income generation strategy and its plans around shared services

BSP does business with more than 250 external customers, including schools, academies, charities, and other public authorities such as Buckinghamshire and Milton Keynes Fire & Rescue Authority, Milton Keynes Council and Harrow Council. As local authority, we are not legally able to make profit on the sale of services but the income from these organisations makes a contribution to our overheads, allowing us to sustain services we could not otherwise afford and reducing back office costs to protect frontline services.

The board were updated that to support this activity there was the creation of a new Commercial Team for the business unit. This continues to bring commercial focus to the business unit, which includes securing new business, building relationships to ensure repeat business and looking to share services with other organisations.



The Business plan highlighted the business unit priorities as:

OUR PRIORITIES FOR THE BUSINESS UNIT

- Developing more **Shared Services** with likeminded partners and delivering Strategic Options Appraisals
- **Commercialisation** – generating income and diversifying our customer base
- **Business Improvement** – creating efficiencies and making savings through transformation, smarter ways of working and new technologies

OUR PRIORITIES FOR THE COUNCIL

- **Workforce Challenges** – recruitment, workforce retention, enable the organisation to face the recruitment challenges
- **Work Tools**– delivering tools for people to be able to work efficiently
- **Customer Experience & Demand Management**– the quickest and most efficient way of dealing with customers. Service areas working together to minimise hand offs.

Summary

Particular areas of focus have been:

- Good **progress** has been made against the Business Plan submitted in March 2016 including the design and part implementation of our new **Property Target Operating Model**
- Delivering against our in year **savings challenges** and plans in place for future years
- Development of **Shared Service** opportunities with other LAs
- Achieving/exceeding our **income targets**
- As part of the **next steps** we have a commercial plan in development

Progress

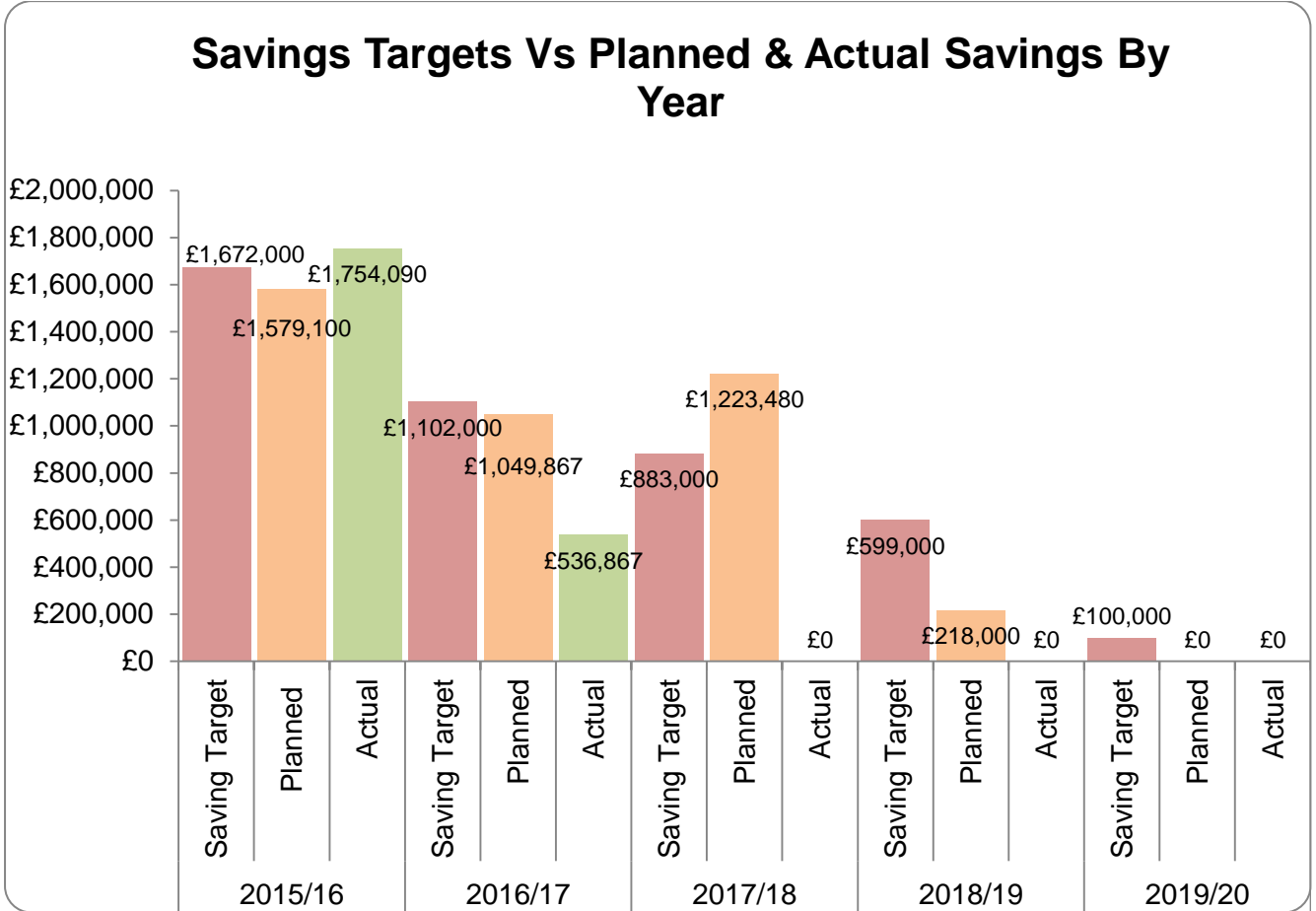
Key issues raised in March 2016	Progress (August 2016)
<p>With the inclusion of Property services, the business unit had inherited an over spend which its leadership team were working to manage. In 2015, the overspend was forecast at £1.2m but by March 2016 this has been managed down to £380k</p>	<p>Good progress continues to bring down the over spend in Property. As it stands in August 2016, this is now showing as £250k.</p> <p>We have improved control of budgets resulting in a reduction in the over spend by introducing a Property Service desk which manages works sent to our contractor.</p> <p>To create a more sustainable operating model we are in the process of retendering our repairs and maintenance contract. We</p>

	anticipate that we can prevent approximately £120k of spend with specialist contractors on reactive work. We anticipate that this efficiency will be offset against the current under-priced parts of the pre-planned maintenance contract.
Lack of funding for Legionella and asbestos testing of the County Council's buildings, which the Cabinet Member has set as a priority needed to be addressed	<p>This continues to be a risk to the business unit. Some money has been budgeted for this year and we have now let the contract and commenced the survey process.</p> <p>Unfortunately current potential allocation for next year is not sufficient to cover the requirement and there is no funding currently in place beyond that to cope with issues, particularly with Legionella. With this in mind, a bid has been submitted to the Asset Strategy bid in order to secure funding.</p>

Resource implications raised in March 2016	Progress (August 2016)
Significant resources have been contributed to the Council's Ofsted Improvement Plan, particularly to make enhancements in ICT and to our HR processes	BSP continue to support the Ofsted Improvement Plan. Resource implications are monitored regularly by Directors and at the Ofsted Improvement Board

Savings Challenges

The following chart shows how the savings are profiled and how BSP plans to deliver against the savings targets. It shows that, notwithstanding inherited budget pressures in Property Services, the Business Unit over-delivered on its savings targets in 2015/16 and has plans in place to deliver 93% of our remaining overall target of our £2.7m by 2019/20.



We currently have 19 change projects in progress on our dashboard and 10 delivered projects, which are bringing financial benefits in 16/17 and beyond.

Shared Services

We outlined in March that our focus would be to continue to have conversations and develop opportunities for shared services arrangements with other likeminded partners:

HR Shared Services

Phase 1 of the HR shared service with the London Borough of Harrow went live on 1st August. The new arrangement involves BCC management of Harrow HR services, including employee relations and payroll. It will involve no change for BCC users of the HR service.

Phase 2 of the shared service will involve the transfer of the relevant Harrow staff to BCC and is currently scheduled to take place by April 2017. Once fully operational, the HR shared service will give us opportunities to share knowledge, generate new business and find more efficient ways of working. Our ambition is to drive tangible improvements through creating a more resilient shared team and adopting best practices from each organisation.

Legal Shared Services

From 1 July the Council's legal staff joined HB Public Law – the local government commercial practice first set up by Harrow and Barnet Councils in 2011. HB Public Law becomes the largest local authority legal practice in the country - employing more than 150 lawyers. It is based at the offices of Harrow Council and has a Branch Office at NCO Aylesbury. The practice's diverse portfolio includes the London Borough of Hounslow and district council, Aylesbury Vale.

Our move to join HB Public Law complements existing shared service arrangements with Harrow Council. We provide Harrow with Organisational Development services and agreements are in place to share HR services too. We expect to realise up to £2million savings per year to 2019/20 through shared service arrangements.

We want to find ever greater efficiency from back office functions on top of the considerable savings we've already made by sharing senior posts and support services. We're delighted that HB Public Law can now contribute to this ongoing commitment to save taxpayers thousands.

Service	Delivered By	Savings	Non-Financial Benefits	Progress
OD	BCC	£50k	<ul style="list-style-type: none">• Foundation of relationship• Retained capacity and expertise held by team in BCC• Increasing reputation and exposure of high performing team	Implemented
Legal	LBH	£500k	<ul style="list-style-type: none">• Consolidation of similar models and strategies	Implemented
HR	BCC	£450k	<ul style="list-style-type: none">• Create efficiency and resilience• Improved customer exp.• Enable better use of tech• Future proofing of service	Implemented

We are also in the process of developing a business case with Harrow to look at the opportunities of sharing our SIMS to SAP platform.

Income

Resource implications raised in March 2016	Progress (August 2016)
<p>Good progress has been made on income generation with limited resources for business development and we have been successful in securing business with new customers such as independent schools, charities and other local authorities. We have seen an incremental increase in our external revenue; recent investments in technology, including our ecommerce capability and sales management database should allow us to take this even further.</p>	<p>To date we have received over £2.4m worth of orders relating to upfront annual packages and an additional £400k of pay as used so far this year. We are expected to exceed our target revenue and are also working alongside service areas on a number of opportunities to grow existing accounts and bring in new customers.</p> <p>The Commercial Team has been working with service areas in the business to develop their products, packages and marketing strategies. This has included an update to our website with an enhanced, easier to use online shop. See our new Commercial Services site for more information. https://commercial.buckscc.gov.uk/s4s/</p>

Next steps

- Actively seek out opportunities for further shared services, including additional services to share with Harrow Council and the expansion of the HR model to other authorities.
- Continue to grow and diversify our revenue from services provided to external customers.
- Implement our pipeline of digital opportunities and develop our online marketing presence to transform the Business Unit into a modern, customer-focused service provider that is easy to do business with.

