

Sourcing strategy – programme closedown / transfer to General Reserve

A decision has been taken to decommission the Sourcing Strategy as a strategic programme. A number of the projects now exist in their own right and will report their delivery through to either Operational Programme Board or Bridging the Gap. A summary of the programme's deliverables is as follows:

The GO Shared Services Programme, approved by Council in October, is now a key strategic project in its own right and a ground-breaking partnership for 4 councils and one ALMO in Gloucestershire and Oxfordshire. The Council was successful in its bid to become the Support and Hosting Centre of Excellence and has more recently concluded successful discussions with Cheltenham Borough Homes to join the partnership. The new ERP system will be implemented in the Council in April 2012 and the Council intends to bid to run the remaining 2 Centres of Excellence. The total savings impact on the MTFs from GO Shared Services Programme is £179k pa by 2013/14 equating to £0.9M over 10 years (net of investment).

Original proposals to share Revenues and Benefits did not prove financially attractive to the Council. In addition to shared service investigation, the service also undertook systems thinking work and will have delivered its original target of £75k by 2011/12 and a further £115k target by April 2012. The total savings impact on the MTFs from Revenues and Benefits systems thinking is £190k pa equating to £1.72M over 10 years (net of investment).

Original proposals included a feasibility study to share ICT with Tewkesbury Borough Council (TBC). A small investment of £10k was set aside for the feasibility review. However, the project did not progress as a result of TBC withdrawing from the GO partnership and needing to concentrate on the installation of a new finance system. A decision was taken to use the £10k investment to undertake systems thinking work in ICT to deliver £30k pa savings from 2011/12. The total savings impact on the MTFs from ICT systems thinking is £30k pa equating to £290k over 10 years (net of investment).

Original proposals to share HR (known as OneHR) also with Tewkesbury did not go ahead again due to their withdrawal from the GO partnership. Whilst the decision to close the project was difficult, the shared learning will be beneficial as the service prepares its bid for the GO HR and Payroll Centre of Excellence. HR generated £24k additional income by providing an interim service to TBC in 2010/11.

In July it was reported that category management had been successfully implemented in the Procurement service. However, quarter 2 budget monitoring reported that whilst procurement had identified current year savings of c£62k, against a 2010/11 target of £120k, these could not be readily identified as cashable and matched to budget allocations. Therefore the original target of £130k pa savings will not be delivered. For 2011/12 onwards SLT endorse a cashable savings procurement work-plan with accountability to deliver savings resting with service managers.

Finally, the original recommended proposal for Customer Services was a consolidated customer service function across CBC. Whilst supportive of such a proposal SLT resolved they could not support better and more accessible electronic service delivery at the present time as it did not present a sufficiently compelling business case. However, SLT did acknowledge the significant benefits and savings derived through systems thinking work and endorsed this as the approach to take to improve services and drive further cashable savings. They will support investment in technology where this delivers an invest to save case. £254k was set aside in the Sourcing Strategy for this part of the programme.

As a result of the above, £274.4k of the original £785k allocated to the sourcing strategy programme can be returned to general balances. It is however, recommended that £80k of this sum be reallocated to support the organisations's business change activity in a period of significant change facilitated by the GO programme. In addition it is recommended that £100k be put aside for potential revenues and benefits shared service with a future partnering authority.