



DOCUMENT COVER SHEET

Programme : GO Shared Services Programme
Title : **Business Case**
Programme Manager : Robert Wood
Status : Approved
Filename : GO Business Case (6-00).doc
Programme Stage : Implementation (Update to Business Case)
Issue Number : 6.00
Date : 16 June 2011
Originator : Jenny Poole

Approval

Name	Role	Signature
Pat Pratley	Senior Responsible Owner	
Jenny Poole	Programme Board	
Paul Jones	Programme Board	
Paul Stuart	Programme Board	
Su Walker	Programme Board	
Sara Mullen	Programme Board	
Karen Gane	Programme Board	
Amanda Attfield	Programme Board	
Robert Wood	Programme Manager	

Document Control Sheet

Document Location

s:\corporate\go erp shared services\business case\go business case\version 6.0\go business case (6-00).doc

Changes History

Release	Date	Description
0-01	28-Sep-2009	Initial draft for review and comment
0-02	29-Sep-2009	Additional sections completed and comments incorporated
0-03	30-Sep-2009	Final sections completed and comments incorporated
0-04	02-Oct-2009	Incorporate review comments from Project Board
1-00	05-Oct-2009	Approved by Project Board
1-01	13-Aug-2010	Updated to reflect changes to partner councils
1-02	16-Aug-2010	Incorporate review comments
1-03	20-Aug-2010	Correction of typographical errors and third party costs
1-04	20-Aug-2010	Amendments to gross and net programme savings
2-00	24-Aug-2010	Approved by Programme Board
3-00	26-Aug-2010	Correction of implementation dates
3-01	12-May-2011	Base document for v4 revision
3-02	25-May-2011	Incorporate comments from Programme Board
3-03	1-Jun-2011	Incorporate comments from Programme Board
4-00	1-Jun-2011	Approved by Programme Board
4-01	15-Jun-2011	Revision to Governance Models
5-00	15-Jun-2011	Approved by Programme Board
5-01	16-Jun-2011	Revision to Governance Models
6-00	16-Jun-2011	Approved by Programme Board

Distribution List

Name	Role
Pat Pratley	Senior Responsible Owner
Paul Jones	Programme Board (Cheltenham Borough Council)
Jenny Poole	Programme Board (Cotswold District Council)
Su Walker	Programme Board (Forest of Dean District Council)
Paul Stuart	Programme Board (West Oxfordshire District Council)
Karen Gane	Programme Board (Forest of Dean District Council)
Amanda Attfield	Programme Board (Cheltenham Borough Council)

Sara Mullen	Programme Board (Cotswold District Council and West Oxfordshire District Council)
Mike Brown	Programme Board (ICT sub-group)
Shirin Wotherspoon	Programme Board (Legal sub-group)
Angela Cox	Programme Board (Procurement sub-group)
Robert Milford	Programme Board (Internal Audit / Programme Assurance)
Robert Wood	Programme Manager
Mark Sheldon	Chief Finance Officer Cheltenham Borough Council
Kate Walton	Cheltenham Borough Homes Ltd
Nicola Templeman	Cheltenham Borough Homes Ltd

Changes Planned

Changes in next issue will incorporate comments from review of this issue.

References

GO Shared Services Programme Business Case (v3.00), dated 26 August 2011

Contents

Document Control Sheet	2
Contents	4
1. Strategic fit	5
Business need	5
GO Programme	5
Strategic Drivers	6
Strategic Outcomes	7
Contribution to key objectives	8
Stakeholders	9
Scope: minimum, desirable, and optional	10
Constraints	11
Strategic benefits	11
Strategic risks	12
Critical success factors	13
Options Appraisal	13
Opportunities for innovation and/or collaboration with others	13
Service delivery options – who will deliver the programme?	13
2. Financial assessment	15
Set up / Implementation principles	15
Implementation costs	16
Savings	17
Investment Payback Period	18
Funding	18
3. Achievability	19
Evidence of similar projects, where available	19
Programme plan	19
Risk management strategy	20
Benefits realisation plan (BRP)	20
Shared Services Business Continuity Plan	21
4. Annex A: Services in Scope for Shared Service	22
Services Not In Scope for Shared Service	35
5. Annex B – Governance Models	37
Phase 1 – Stage A (Up to 1 st GO Organisation “live”)	37
Phase 1 – Stage B (1 st GO Organisation “live” to last GO Organisation “live”)	38
Phase 1 – Stage C (After all GO Organisations “live”)	39
Programme Governance – Organisation Roles	40
6. Annex C – GO Programme Costs and Savings	41
7. Annex D – GO Programme Milestones	42

1. Strategic fit

Business need

- 1.1. All Councils nationally have faced and continue to face relentless budget pressures. The impact on the Government spending plans over the coming years as a result of the worst economic global crisis in many decades will have a significant impact on Local Government finances for many years to come.
- 1.2. The 2006 Government White Paper "*Strong and Prosperous Communities*" which set out a new relationship for local government to work together to improve public services has now been enacted by the *Local Government and Public Involvement in Health Act 2007*. The government also stated that it would be looking for councils within two-tier areas, such as Gloucestershire, to operate at a financial level equivalent to that of unitary authorities.
- 1.3. The government stressed the importance of implementing effective working arrangements to deliver increased efficiencies and improved outcomes, and set as one of the goals for continuing two-tier areas "*to achieve shared back office functions and integrated service delivery mechanisms*".
- 1.4. The Government responded to the 2008-2010 recession with an unprecedented reduction in public sector funding. The Queen's speech of 25 May 2010, stated that the Government will implement '*A significantly accelerated reduction in the structural deficit over the course of a parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes*'.
- 1.5. With the stated commitments to ring-fence health and education, town hall spending will bear the larger proportion of cuts. Indeed, the financial settlements for 2011/12 and 2012/13 have been announced and councils are facing cuts of up to 16.2% in 2011/12 and a further 14.2% in 2012/13.
- 1.6. The challenge facing all Councils is how to continue to provide good quality services to customers with ever decreasing resources. In this respect, it is well acknowledged that back office efficiencies can significantly reduce operational costs for frontline services.
- 1.7. The Chartered Institute of Public Finance and Accountancy (CIPFA) paper 'sharing the gain – collaborating for cost-effectiveness' sets out the major challenges in protecting frontline services while also dealing with budget reductions and spending restraint. Shared services and collaborative working provide many important opportunities. By introducing new business structures, improving processes and deploying new technologies and management systems, such approaches have a major role to play in improving cost-effectiveness and service quality.

GO Programme

- 1.8. The work of the GO Programme is critical because of the potential to benefit from cost savings through working together – benefiting from economies of scale that one council could not achieve alone. GO has the potential to provide better value for money for local council tax payers. Version 3.00 of the Business Case referred to four partner councils (Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council) working together. This Business Case has been updated to include the delivery of transactional services to Cheltenham Borough Homes Ltd (CBH Ltd) and move to full Shared Services for the four GO partner councils.
- 1.9. The concept of sharing services is not new to Local Government. There are many examples around the country of Councils working together to provide more efficient services. Recently the Lincolnshire Shared Services Partnership (LSSP) announced

the launch of new shared services including Procurement Lincolnshire, Legal Services Lincolnshire, ICT projects and customer service training. In June 2010, Havant Borough Council and East Hampshire District Council agreed a business case that outlined proposals for shared management arrangements across both councils. It is proposed that the management of functions (which include Finance, HR and procurement) will be fully implemented by October 2011. Once the shared management structures are in place, the new management teams will undertake service reviews in order to identify the most appropriate service design and mode of delivery. Further examples are provided later in Section 3 - Achievability.

- 1.10. Sharing of resources, particularly amongst support services will produce efficiencies and whilst more and more projects are coming together, successful partnership working has proved to be challenging.
- 1.11. The potential benefits identified for sharing services include:
 - (a) achieve cost savings
 - (b) deliver more efficient and resilient services
 - (c) provide improved, user-friendly IT systems

Strategic Drivers

- 1.12. The main strategic drivers for the GO Programme are summarised in the table below:

Name	Effect
Government White Paper <i>Strong and Prosperous Communities</i>	Sharper focus required from all services in the delivery of cost efficiencies, whilst maintaining service needs and standards required by customers. The increased need to move resources away from management and support into front line service delivery.
Changing role of Local Government (LGPIH Act 2007)	Moving from service provision to one of service facilitation and monitoring. Becoming more of a broker for community governance, and the provision of purely 'core' services.
Transformational and E-Gov agenda(s)	Requiring services to re-appraise the electronic systems and resources used in service delivery and how these can be further leveraged for customer and cost advantage. The more for less scenario, using ICT as the integrating capability. Allowing greater flexibility in work-life issues, home working whilst maintaining data security.

Table 1-1: Summary of drivers for change

- 1.13. The shared local drivers are:
 - (a) Efficiency and revenue savings
 - (b) Sharing scarce resources (people and money)
 - (c) Improved resilience
 - (d) Systems need improvement or upgrade
 - (e) Improved end user experience (i.e. for all managers and staff)
 - (f) Avoiding duplication of effort

Strategic Outcomes

- 1.14. The strategic outcomes are:
- Cost savings
 - Efficient and resilient service
 - Improved, user-friendly systems
- 1.15. The vision has 4 levels as illustrated in the diagram below.
- Level 1** refers to partners coming together to purchase an ERP system and so benefit from economies of scale.
 - Level 2** refers to the sharing of the system i.e. one GO partner council hosting the hardware and software, having one database and one Chart of Accounts. This will allow for more streamlined system administration and standardisation of reporting and auditing.
 - Level 3** refers to the sharing of data processing capabilities such as paying invoices, collecting debts, processing payroll and shared HR and purchasing. For example, this might mean one GO partner council paying all the invoices instead of having a payments team at each of the 4 GO partner councils. (CBH Ltd will be provided with services at this level only)
 - Level 4** this refers to the sharing of all accountancy and HR services including advice.

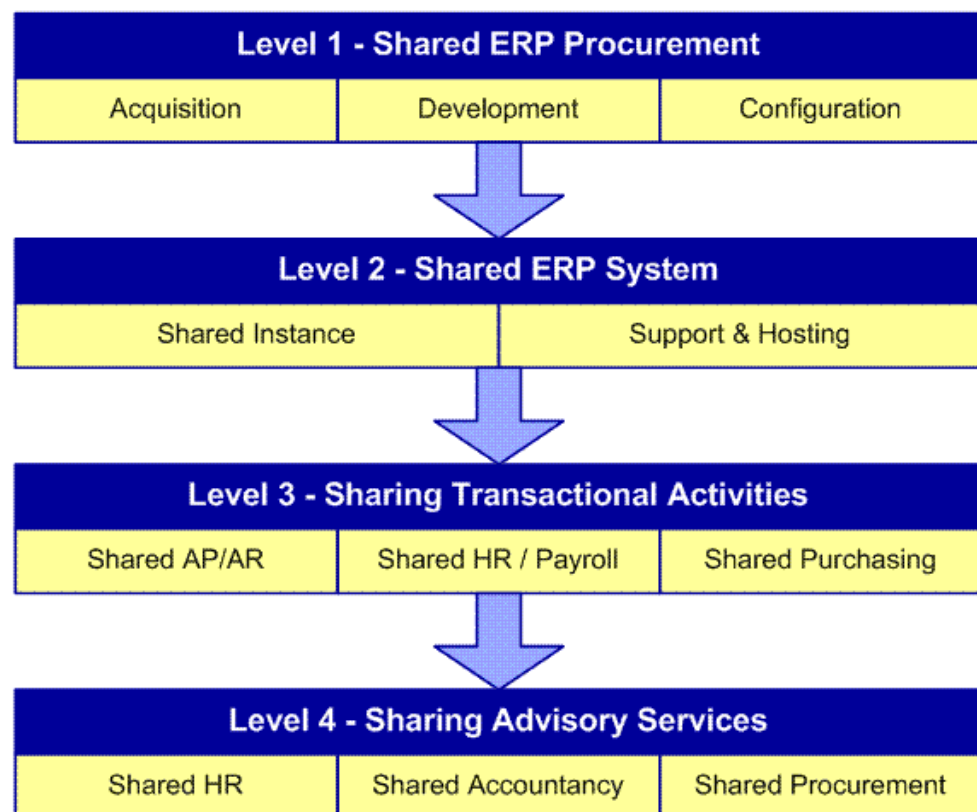


Figure 1-1: Level of Shared Services

- 1.16. In conclusion, the ambition for the partnership is to share all transactional and advisory functions (Level 4). However, each GO partner Council will retain its own Section 151 officer (Local Government Act 1972).
- 1.17. The shared service will be provided by:

- (a) A shared service providing HR, Payroll, Finance and Procurement transactional and advisory services, supported by
- (b) A centre of excellence which is providing the ICT support and hosting functions, based at Cheltenham Borough Council

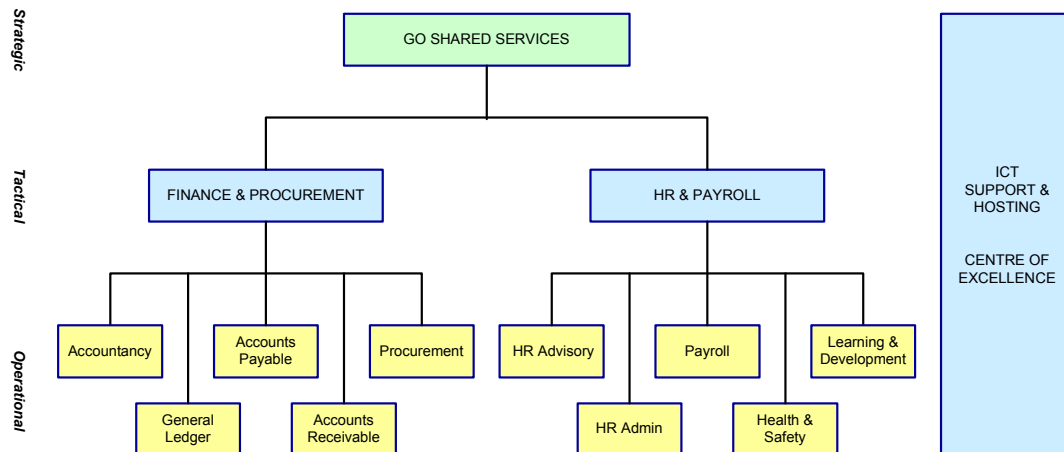


Figure 1-2: GO Shared Services

- 1.18. The transactional and professional & advisory services are detailed in Annex A: Services in Scope for Shared Service. The same annex also details the responsibilities which will be fulfilled locally at each GO organisation (not in scope for shared service).
- 1.19. Cheltenham Borough Homes Ltd have a separately scoped version of the Finance and Procurement, Human Resources and Payroll services listed in Annex A, to reflect that they will be using transactional (administrative) services only, and not professional/advisory services. Transactional services delivered to Cheltenham Borough Homes Ltd will be included in the contractual arrangements with the GO Shared Service.

Contribution to key objectives

- 1.20. The key objectives for the GO Programme are as follows:
 - (a) **Cashable savings** – All GO organisations have within their strategic aims and ambitions, the need to find solutions to budgetary pressures
 - (b) **Staff retention and opportunities** – It is essential to retain good staff in local government to meet the challenges currently being faced by councils
 - (c) **Service efficiencies** – All councils undertake similar work, thus creating duplication of effort and resources. Joint training, single sourcing and standardised documentation also provide opportunities for service efficiencies
 - (d) **Service resilience** – All councils lack capacity and resilience to respond to peaks in demand or absence of staff. The lack of capacity also leads to buying in external expertise which can be expensive
 - (e) **Enhanced reputation** – At a strategic level, the implementation of a shared ERP application and service across Gloucestershire and West Oxfordshire may provide a catalyst for future shared services. If the approach can deliver successful outcomes then it may well serve as a proof of concept that other potential shared services could adopt

Stakeholders

- 1.21. Work has been undertaken to establish the identity and basis of each stakeholder interest in the shared services. These stakeholders are key to the success of the Programme. Without continued consultation and their support the Programme will not succeed.

Name	Effect
Elected Members	<p>Have the authority to approve, reject or modify the shared services proposal.</p> <p>Elected members from all of the GO partner councils will have a leading and supporting role in the Programme and will be asked to approve the recommendations for the shared services. They will be required to contribute to the governance arrangements that will need to be in place to report on the potential impact on staff.</p>
Chief Executives, Board of Directors (in particular CBH Ltd) and senior management	<p>Will need to continue to promote the vision of the GO Programme and its implementation within their organisation. Will need to continue to make resources available to form the Programme team and backfill positions where necessary.</p> <p>Will be keen to obtain cost efficiencies and improved service resilience and service innovation.</p>
Employees (in scope of Programme)	<p>Will form the new shared services. Must be satisfied that their hopes, fears and ideas are being listened to and acted upon. Opportunity for wider skill use and development.</p>
Employees; ALMO ¹ / agencies (service users)	<p>The departments, and third parties, within the GO partner councils that use the finance, HR and procurement services. They will need to be satisfied that the new shared service is effective and affordable. They will also be concerned about any adverse effects to service during the transition period.</p> <p>Will also be keen to understand changes to them, for example the use of self-service tools and record keeping.</p>
Unions	<p>Concerned for the welfare of staff throughout the transition to the new service.</p>
Press / Media	<p>Due to the scope and scale of this Programme there is expected to be strong interest from the trade press.</p> <p>Local media will be interested to report an initiative that delivers better value for money for council taxpayers across Gloucestershire and West Oxfordshire. The press will also be keen to report on the potential impact on staff resulting from this Programme.</p>

¹ ALMO – Arms Length Management Organisation

Name	Effect
Joint Waste Company – Directors, Employees	<p>Should Cheltenham Borough Council and Cotswold District Council decide to establish a joint waste company; the assumption is GO Shared Services will provide services to the company. Officers that will have responsibilities within the waste company will need to become engaged in the build and testing of the ERP system and the establishment of the shared service.</p> <p>Directors and employees will need to be assured that the new shared service will be able to adequately support the new company, this is especially critical as the company is planned to be established at the same time as the ERP system is being implemented and the shared service is being created.</p>
Suppliers	<p>Relationships will need to be maintained with suppliers of existing business applications for availability of historic data, or for the development of interfaces with the ERP system.</p> <p>Any changes made to the way suppliers are paid must be to the benefit of this stakeholder group (e.g. electronic invoicing may be good for larger companies but must ensure the smaller businesses are not excluded).</p>
Public	<p>Will be interested in cutting down bureaucracy and keeping Council Tax as low as possible through cashable savings and efficiencies.</p> <p>Again, need to ensure payments made to the public, whilst made efficiently do not exclude any particular groups of people.</p>

Table 1-2: Stakeholder Analysis

Scope: minimum, desirable, and optional

- 1.22. The initial focus of the GO Programme was around a financial management system. This included general ledger; accounts payable; accounts receivable; bank reconciliation; purchase order processing and asset accounting.
- 1.23. The scope now also includes integrated HR, payroll and procurement systems, shared systems administration and for the system to be hosted at Cheltenham Borough Council.
- 1.24. Included within the first phase of the Programme are:
 - (a) The joint procurement of an ERP system (completed);
 - (b) The installation and build of a single ERP system which is shared by all GO organisations (in progress);
 - (c) The sharing of transactional and advisory services across all partner Councils;
 - (d) The provision of transactional services with Cheltenham Borough Homes Ltd;
 - (e) If it is decided that a joint waste company is to be created, the GO Programme will provide transactional and advisory services to the new company.

Constraints

- 1.25. The business case for the GO Programme contains a limited budget for contingencies. The partner Councils are all running change programmes in response to the level of cuts in central government funding. These change programmes require support from the same Officers that are also involved in the implementation of the GO ERP system and development of the shared service.
- 1.26. Some of the programmes running at the partner councils are introducing new constraints on the GO programme, for example, the potential establishment of a Joint Waste Company, means that the GO Programme will be required to develop a client within the ERP system for the joint waste company along the same timelines as the development of the clients for Cheltenham Borough Council, Cheltenham Borough Homes Ltd and Cotswold District Council.

Strategic benefits

- 1.27. Benefits can be identified from two different aspects of this Programme:
 - (a) The implementation of an integrated system
 - (b) Sharing services across the partnership
- 1.28. Implementation of an Enterprise Resource Planning (ERP) system will:
 - (a) Improve decision making by giving online access to up to date data.
 - (b) Save time by supporting e-enabled processes for day to day tasks such as ordering goods, claiming expenses and requesting annual leave.
 - (c) Allow the council to respond quickly to changes by bringing together all the data concerning human resources, finance and assets and supporting improved modelling and forecasting.
 - (d) Through co-ordinated procurement ensure the right goods and services are provided at the best possible cost. It will also play a role in stimulating and maintaining local economies.
 - (e) Allow managers to control and take direct ownership of their service costs removing the reliance on centralised corporate control.
- 1.29. Sharing services will:
 - (a) Produce cashable savings from shared implementation and ICT support & hosting costs, shared transactional processing costs and shared costs of advisory services. These savings could be used to protect frontline services.
 - (b) Improve capacity by bringing together staff resources from all the GO partner councils.
 - (c) Deliver increased resilience by standardising processes across all organisations and creating skilled teams which can support all of the shared service clients.
 - (d) Provide the opportunity for further partnership working supported by the shared data stored on the system, for example identifying shared procurement opportunities; streamlining policies and procedures which will generate further efficiency gains.
- 1.30. Benefits will be gained from:
Shared ERP system:
 - (a) Implementing integrated modules rather than a number of separate systems
 - (b) Installing a single, rather than multiple, ICT solutions
 - (c) Simplify the number of interfaces required, thereby potentially reducing costs
 - (d) Using a single set of resources to administer systems

- (e) New systems are more flexible to:
 - (i) Configure initially, and
 - (ii) To amend in line with both legislative changes, and
 - (iii) Organisational development (the cost of change)
- (f) Overall administration can benefit from economies of scale

Shared Finance:

- (a) Centralising and standardising Accounts Receivable (AR) and Accounts Payable (AP) and payroll transaction processing to reduce administration costs
- (b) Financial management can be decentralised and delegated to service managers

Shared Human Resources:

- (a) Human Resource (HR) management and record keeping can be delegated to individuals themselves
- (b) Efficiencies can be improved by moving progressively to a self-service regime for budget management, procurement management, HR and payroll.

Shared Procurement:

- (a) Sharing procurement information to improve procurement strategies and enable further efficiency savings to be delivered
- (b) Aggregating spend to achieve better prices
- (c) Rationalising suppliers to reduce the cost of procurement administration
- (d) Standardising specifications to help simplify purchasing aggregation
- (e) Reducing/eliminating rogue purchasing to help purchasing aggregation

Shared Advisory Services:

- (a) Improved and more effective management support and advice.

Strategic risks

- 1.31. The key strategic risks associated with this Programme can be grouped into three areas:
 - (a) Risks associated with the partnership
 - (b) Risks associated with the critical nature of an ERP system
 - (c) Risks associated with the level of change required by the Programme
- 1.32. Risks associated with the partnership arise principally from the fact that the Programme benefits are derived from aggregations of scale; any failure or reduction of the partnership would result in the benefits being reduced or, in the worst case, being lost. While all GO organisations are fully committed at the start of the Programme, the main benefits, particularly the cashable savings, will require some time before they materialise. The savings are planned to be delivered from October 2012. Keeping the partnership together over a number of years will require significant commitment at a senior level in each partner council. Failure to keep the partnership together will at best result in reduced benefits and at worst create an atmosphere which will make it difficult for the councils to work together in other areas.
- 1.33. Risks associated with the critical nature of an ERP system arise from the importance of finance and HR services to the councils. Any failure of the systems managing these resources, or of the processes associated with them, could have severe consequences for the councils concerned which will result at least in loss of money and effectiveness, or in the worst case loss of reputation and legal action.

- 1.34. Risks associated with the level of change required by the programme arise if the councils cannot realise the benefits identified above because stakeholders are unwilling or unable to change the way in which they work. Implementation of the ERP system will require nearly every member of staff to change the way they work, and will also affect suppliers and debtors.
- 1.35. The GO Programme Board operates an adopted Risk Management Strategy. The Programme Board monitor all risks on a fortnightly basis. Any risks with a mitigated score of 8 or above (red) will also be transferred to the Corporate Risk Registers of GO partner councils or shared service clients as applicable.

Critical success factors

- 1.36. The factors critical to the success of this programme are:
 - (a) The commitment of all GO partner councils to the programme
 - (b) The successful implementation of the ERP system to support the efficiency gains envisaged in this business case
 - (c) The successful realisation of the benefits of shared working to a level envisaged in the vision of the programme.

(b) and (c) are both sensitive to benefits being eroded because new ways of working are not embraced.

Options Appraisal

- 1.37. Version 3.0 of the Business Case set out details of the options appraisal carried out for the GO Programme.

Opportunities for innovation and/or collaboration with others

- 1.38. The scale and size of the GO programme is already an innovative solution for collaborative working and shared services.
- 1.39. The GO programme has already provided the opportunity for Cheltenham Borough Homes Ltd to join as a client of the shared service. In addition, work is progressing on the opportunity to provide services to the possible new joint waste company which may be established in April 2012 by Cotswold District Council and Cheltenham Borough Council.
- 1.40. The governance arrangements set out in Annex B – Governance Models, provide for GO partner councils to delegate responsibilities (under s101 of the Local Government Act 1972) to lead authorities for the shared service and Support and Hosting Centre of Excellence. The lead authority for the shared service will undertake the responsibility for an initial two year period. During 2013, the governance arrangements will be reviewed in line with the vision for the shared service.

Service delivery options – who will deliver the programme?

- 1.41. During the implementation phase, the GO partner councils and Cheltenham Borough Homes Ltd will be incurring significant financial liabilities and contributing significant officer time. However the contractual relationships are clear and until the system is operational risk is limited to loss of finance.
- 1.42. Once the ERP system has been implemented and is operational it will become a critical part of each GO organisation's working and therefore each GO organisation will need to ensure it is managed and monitored carefully and it is robust and resilient. A shared system also requires the GO organisations to align their working

practices and agree on a number of issues from business processes; through to changes and developments on the system; and the governance structure will need to be flexible enough to support swift decision making on priorities in circumstances where there are urgent issues to be resolved.

2. Financial assessment

- 2.1. The following summarises the **overall** financial business case for the implementation of a shared ERP system and the creation of a shared service for the partnership.

Set up / Implementation principles

- 2.2. The partnership has agreed that the implementation of an ERP system needs to maximise the operational and financial benefits from sharing. Whilst transactions and ledgers for individual organisations will need to be maintained, the ability to look across the database for all organisations must be allowed for in the building of the system. This will facilitate the creation of an individual entity's set of financial ledgers for accounting purposes (budgeting and Statement of Accounts) and for reporting across all GO organisations (e.g. reporting total spend on supplies or by supplier) which could lead to a more collaborative approach to procurement of supplies and services across one or more GO organisations and further collaborative procurement savings. This approach to the implementation of an ERP system has been agreed between the Councils and Cheltenham Borough Homes Ltd. and is the most economic option for all involved since it avoids the cost of the replication of the system build process in 5 entities.
- 2.3. The maximisation of the savings derives from sharing all transactional and advisory functions (refer to Figure 1-1: Level of Shared Services). In order to achieve this, it is critical that a standard approach to processing is agreed amongst all GO organisations. As such, a common coding structure (allowing for local needs), standard chart of accounts, and procurement are critical to ensuring that the reporting and analysis opportunities are maximised. The ambition is to enable each GO organisation to produce its own management accounts using standard reports but also to automate the production of the Statement of Accounts, VAT returns, Government statistical returns, etc.
- 2.4. The business case financial projections over a 10 year period (typical life expectancy of an ERP system) are at Annex C – GO Programme Costs and Savings to this report.
- 2.5. In developing the business case, the partner Councils have agreed the principles of sharing both costs and the savings generated from an ERP system which form the basis of the business plan financial projections. The allocation of implementation cost is based upon the assumption that all GO organisations jointly procure a single system and share the costs and savings.
- 2.6. The charging principles, for the ongoing shared services, have been established as:
- The GO Shared Services will recharge all costs to the initial GO organisations on a cost recovery basis.
 - In the interim period, up to 31st March 2014, costs will be recharged in proportion to the original baseline staffing position. This will ensure an equitable level of savings for all GO partner councils in line with the original Business Case. The long-term aspiration will be that transactional services will be recovered on a unit cost per transaction basis by April 2014 and other posts will be shared on an agreed equitable basis.
 - For the period 1st April 2012 to 30th September 2012, while the Shared Service is being established, costs will be recharged to the pre-transfer GO partner council. Where staff will have transferred (TUPE'd) to the lead / employing authority but will still be providing a service to their pre-transfer GO partner council, all employee and related costs will be recharged to the employee's former employing council on a full cost recovery basis.

- Each GO partner council will provide a baseline staffing position for each Shared Service area (Accounts Payable, Accounts Receivable, Payroll, Accountancy, HR transactional and HR advisory). This will reflect the full establishment of each service by person, post, grade and budget. The Baseline costs will be measured against the service costs once the Shared Service has been fully implemented, the difference being the savings to accrue to each respective GO partner council
 - Any additional savings arising from any future restructurings will be shared in proportion to the original baseline staffing position. Any new income generated by the Shared Services will be shared equally by the GO partner councils.
- 2.7. There will be a formal review of all charging mechanisms and allocation basis to take into consideration all processes to provide specific services. Any changes would aim to be implemented for the start of April 2014. It is intended that data for such charging can be generated from within the new ERP system and will not create a complex administrative burden. However, the principle for charging is that it should be transparent and relative to individual partner usage.

Implementation costs

- 2.8. The cost of implementing a shared ERP system, based on an approach which realises the above aspiration for sharing of system and services includes the following components:
- (a) One off hardware and licence costs as per version 3.0 of the GO Business Case.
 - (b) Implementation team: In order to realise the benefits and maximise savings from sharing, all councils will work collectively on building the system. A core, multi specialist, implementation team has been created, drawing individuals from the 4 councils, which will implement the system in all GO organisations ensuring that the consistency in approach is maintained. The principle of gifting implementation team resource to the project was agreed in order to keep the project costs to an affordable level.
 - (c) The aim of the programme is the implementation of a shared ERP system, the creation of the ICT Support & Hosting Centre of Excellence and the establishment of a shared service providing Finance, Procurement, HR and Payroll functions. The establishment of the ICT Support & Hosting Centre of Excellence has required some initial set up costs which have been shared equally amongst all GO partner councils.
 - (d) The creation of the shared service should ultimately reduce the number of posts required to provide the functions in the GO partner councils. The future service delivery model has been considered and an estimate made on the likely impact on posts and a provisional sum has been allowed for to finance any 'one off' staffing costs.
 - (e) The change to include all professional and advisory services has increased the overall level of savings available, £112,000 of this has been set aside in 2012/13 to increase the provision for one-off costs. No one partner council will be disproportionately disadvantaged as a result of the cost of redundancy due to local arrangements. These costs have been netted off against savings generated in the earlier years of the programme in the financial projections but the phasing and amounts may change.
 - (f) A provisional sum has been assumed for the writing of interfaces with residual systems into an ERP system (e.g. bank files or retained systems). However, the intention is to minimise the number required since this removes the need

for systems support and reconciliation work. This should ultimately lead to less ICT support, although this has yet to be quantified.

Savings

- 2.9. The collective procurement of an ERP system is the most cost effective way of acquiring an ERP system. The cost for each GO organisation individually procuring its own acquisition of an ERP system would be more expensive and would not enable the partnership to access the operational efficiency saving which the business case identifies.
- 2.10. The financial modelling is based on a conservative assessment of savings over a 10 year period which can be used as indicative figures for forward planning in the individual councils Medium Term Financial Strategies.
- 2.11. The business case for GO (included at Annex C – GO Programme Costs and Savings) indicates that the overall investment required for the programme is £1,418,647. This is projected to generate annual savings of £52,046 in 2012/13 rising to annual saving of £672,752 by 2013/14 across all 4 partner councils. **Overall**, the gross programme savings are estimated to be £5.2m with savings, net of the investment, of £3.8m across all 4 partner councils over a 10 year period. This compares to the original Business Case that provided for gross programme savings estimated to be £3.4m with savings, net of the investment, of £2.0m. For each council, the savings delivered will vary depending on the current cost of annual licences, ERP modules being used and associated projects which are enabled as a result of the potential sharing of an ERP system.
- 2.12. Given the complexity of the programme, the timing of savings may vary from the projections above.
- 2.13. Savings will arise from 2 areas. The first being the anticipated saving in licence costs resulting from the replacement of many individual interfaced systems in individual councils (e.g. Finance, Accounts Receivable, Payroll and HR with one integrated package for all partner councils). The other area is staffing within the scope of the GO Shared Services.
- 2.14. There are likely to be further savings across the organisation resulting from introducing new processes and procedures which are typically available in an ERP system (e.g. electronic ordering and payment for goods and services). These are likely to have a significant impact across all 4 partner councils. The final business case assumes that each council will save one administrative post beyond those identified in the shared service as a result of streamlined processes. In reality, it is anticipated that these savings may be greater.
- 2.15. The implementation and sharing of an ERP system is likely to lead to a closer collaboration between the GO organisations which may ultimately drive out more savings beyond the existing parameters of the programme (e.g. combined banking contracts, insurance tenders, reduction in need for individual duplication of core Financial and Human Resources, systems audit work etc).
- 2.16. The financial projections do not currently assume any savings in residual ICT departments as a result of no longer having to manage several independent systems or the hosting and management of a single ERP system moving to a single council. Each GO partner council will manage the access to the shared ERP system for individual users up to the respective fire walls but that system management (e.g. upgrades and data base management) and administration (authorisation levels, access to ledgers etc.) will be managed in the Support and Hosting Centre of Excellence. The business case assumes additional staff and on-going revenue cost in the Support and Hosting Centre of Excellence to manage the systems on behalf of

all GO organisations but there is no assumption of savings elsewhere to offset these costs.

Investment Payback Period

- 2.17. The financial projections are based on these costs and savings and project cumulative savings over a 10 year period of £5.2m and indicate an overall project payback of circa 4 years. The payback period is considerably earlier than would normally be expected from the implementation of an ERP system (typically 10 years) as a result of the sharing of costs amongst the GO partner councils. The individual GO partner council payback period is likely to vary depending upon the starting position (i.e. the cost of annual licences and the age and quality of the existing Financial Management Systems and payroll systems).

Funding

- 2.18. The Funding for the GO Programme has already been agreed by the GO partner councils. At this point in time, costs are within the approved budget.

3. Achievability

Evidence of similar projects, where available

- 3.1. Private Sector companies have been sharing services for a number of years and have delivered significant benefits in terms of cost savings and efficient processes. Development of shared services in the public sector is more recent but the following examples show where the projects will (and have) achieved excellent results.
- (a) Nottingham and Leicestershire County Councils - The councils will generate estimated savings of £2 million a year sharing HR, payroll and finance services
 - (b) Bromsgrove and Redditch Councils - sharing management services and a chief executive has saved the councils an estimated £500,000 over the last 18 months
 - (c) East Kent District Councils – four councils have set up a joint management business to oversee the delivery of some back-office services and waste management. It aims to deliver 10 per cent savings on current costs.
 - (d) Huntingdonshire and Cambridgeshire District Councils - Since 2005 the councils have shared a call centre saving £71,000 a year.
 - (e) North and North East Lincolnshire – The councils have jointly saved more than £1.4 million since 2006 by joining forces to procure items like telecommunications, heavy vehicles, wheelie bins and furniture.
 - (f) South Hams and West Devon District Councils – sharing management teams and a chief executive has saved the councils £350,000 since the measures were introduced in 2009.
 - (g) Cambridgeshire County Council and Northamptonshire County Councils are merging various functions including IT and Human Resources and will be saving £1.3 million annually with a further £1 million predicted.

Programme plan

- 3.2. The table below details the key dates for the programme since the original business case was agreed:

Date	Activity
August 2010	Business Case approved by Programme Board
Sep 2010 – Oct 2010	Programme approved by GO partner councils
November 2010	Start of implementation
Nov 2010 – Aug 2011	Establish Support & Hosting Centre of Excellence
Nov 2010 – Oct 2011	Installation, implementation and configuration of ERP application
November 2011	First GO organisations “live” on ERP application
Nov 2011 – Apr 2012	Rollout to other GO organisations (see Table 3-2: Intended “Go-live” dates for each GO below)
April 2012	Start of GO Shared Services and staff TUPE to lead authority
Apr 2012 – Oct 2012	Establish shared service

Table 3-1: Implementation Plan – Key dates

Go-Live Date	Module		
	Finance	HR/Payroll	Procurement
November 2011	Forest of Dean West Oxfordshire	Forest of Dean West Oxfordshire	Forest of Dean West Oxfordshire
April 2012	Cheltenham Cheltenham Borough Homes Ltd Cotswold	Cheltenham Cheltenham Borough Homes Ltd Cotswold	Cheltenham Cheltenham Borough Homes Ltd Cotswold

Table 3-2: Intended “Go-live” dates for each GO organisation

- 3.3. The key programme milestones are included at Annex D – GO Programme Milestones.

Risk management strategy

- 3.4. Clearly a programme of this scale and nature will carry a number of significant risks and a comprehensive risk register is in place, along with accompanying risk strategy. These documents have been developed in compliance with a standard Risk management approach (PRINCE2 / Managing Successful Programmes (MSP)) for assessing and managing risk.
- 3.5. There are two main types of risk faced by the implementation of this programme:
- (a) risk involving the development and implementation of the GO partnership, and
 - (b) risk of the subsequent failure of the GO partnership
- 3.6. In compiling the programme risk strategy there are some fundamental questions that have been addressed, including:
- (a) what risks are to be managed
 - (b) how much risk is acceptable
 - (c) who is responsible for the risk management activities
 - (d) what relative significance time, cost, benefits, quality, stakeholders have in the management of risks
- 3.7. Possible risks to the success of the programme in meeting its time, cost and scope targets will be identified, assessed and managed. A risk log has been generated to register and track the programme risks in a simple and pragmatic way.

Benefits Realisation Plan (BRP)

- 3.8. The benefits realisation plan is indicative at this stage of the programme however, it will be compiled in order to track the realisation of benefits (outlined in paragraph 1.20 above) across the GO Programme as part of the implementation following the approval of this revised Business Case.
- 3.9. The outline arrangements for benefits management that will be applied to this programme are summarised below:
- (a) the Benefits Realisation Plan will clearly show what will happen, where and when the benefits will occur and who will be responsible for their delivery
 - (b) the plan for benefits needs to be integrated into, or co-ordinated with, the project plan and should be very clear about handover and responsibilities for

ongoing operations in the changed state (where the benefits will actually accrue)

- (c) there should also be a tracking process which monitors achievement of benefits against expectations and targets. The tracking process must be capable of tracking both 'hard' (e.g. cost) and 'soft' (e.g. reputation) benefits and operates alongside the changed operation
- (d) in addition, there should be evidence of realisation of actual benefits (through the tracking process). The benefits claimed should be defensible against independent (third party) scrutiny.

Shared Services Business Continuity Plan

- 3.10. Once committed to this programme, any delay or failure during the implementation phase has the potential to threaten business continuity to one, or more, of the GO organisations,
- 3.11. A Business Continuity Plan will be essential to summarise the outline arrangements for managing unexpected events, including a fallback position if the GO programme is delayed for any reason. It will be necessary to cover possible ways of ensuring the continuity of business services in the interim period.
- 3.12. The Business Continuity Plan for the ICT Support & Hosting Centre of Excellence is part of the implementation, and will be tested before the first GO partners are live.
- 3.13. The full Business Continuity Plan will be developed for the GO partnership during the next stage of the programme. This Business Case will be reviewed and revised, as appropriate, during the duration of the programme.

4. Annex A: Services in Scope for Shared Service

Transactional Services (Administrative experts) and Business Partners

Keeping the business running day to day, creating an efficient administrative infrastructure, with effective and efficient processes, re-engineering processes and where needed, providing shared services.

Working on the ground with services to deliver effective solutions to business problems, give advice and guidance, trouble shoot, effect on the ground improvements.

Finance and Procurement	
Finance	
1. Accounts Payable	<ul style="list-style-type: none">• Process invoices• Create payment batches from Creditors module and feeder systems such as: Housing Benefits, Council Tax, and National Non Domestic Rates as required.• Arrange for authorisation and submission of BACS payments.• Printing and dispatching cheques.• Manage enquiries from suppliers.• Printing and dispatching remittance advices (preferably e-remittances).• Cancelling out of date cheques• Produce management reports
2. Purchase ordering	<ul style="list-style-type: none">• Maintain Purchase Order module including closing down out of date orders• Produce management reports
3. Accounts Receivable	<ul style="list-style-type: none">• Raise debtor accounts, printing and posting invoices• Issue reminders• Apply income to debtor accounts• Negotiate and administer instalment arrangements• Liaise with service departments over recovery action• Pass non paid accounts to legal dept for recovery action• Manage queries from customers• Process cancellation and write offs• Production of management reports• Calculation of bad debt provision
4. General ledger management	<ul style="list-style-type: none">• Scoping of reports/changes to reports• Production of Trial Balance and confirming Ledger is in balance• Reconciliation of modules• Maintenance and balancing of management reporting budget views
5. Cash and Bank input	<ul style="list-style-type: none">• Import income files into ledger• Import cashed cheques into the ledger

- Manual cash posting
- Management of Local Cash Receipting Systems (including system administration)

6. VAT

- Preparation and submission of monthly VAT returns
- Calculation and submission of partial exemption return where necessary
- Preparation of VAT guidance/VAT Manual
- Liaise with external VAT advisor to provide specialist advice as required
- Advice on changes to VAT regulations and how changes need to be implemented
- Preparation of ad hoc (returns such as Isle of Wight claims)
- Support for any VAT disputes including referrals to VAT Tribunal
- Produce monthly and year-end VAT working papers

7. Bank reconciliation

- Monthly reconciliation of bank accounts to ledger
- Analyse and correcting discrepancies
- Produce year-end working papers

8. Cheltenham Box Office Reconciliation

- Monthly reconciliation of Cheltenham Town Hall box office system (Infx) to financial ledger, to include transfer of ticket sales to council promotions
- Analyse and correcting discrepancies
- Produce year end working papers

9. Trust Funds

- Treasurer to trust funds, providing advice and support to Trustees, Members and Tenants
- Production of annual Charity accounts and presentation at the Annual General Meeting
- Produce year-end working papers

10. Mortgages, Car Loans and Loans to Third Parties

- Maintain records of mortgages, car loans and other loans to third parties
- Preparation of car loan documentation
- Reconcile new advances to general ledger
- Reconcile mortgage, car loan and other loan instalments to ledger – including payments made through third parties (e.g. LAAMAC)
- Administration of salary sacrifice schemes
- Produce year-end working papers

11. Freedom of Information Requests (FOI)

- Maintain records of FOI requests received by GO Shared Services
- Allocate to relevant Financial Services officer to action
- Co-ordinate response and liaising with FOI officer as necessary

12. Mayors / Chairmans Charity

- Provide financial support to officers for charity fundraising activities
- Maintain records of income and expenditure
- Prepare annual Charity accounts

13. Leasing (Financial aspects) – Employee cars/pooled cars

- Advice to officers regarding obtaining quotations for and ordering leased cars (where the employee is entitled to a leased car)
- Completion of leased car contract

- Arrange for the contract to be signed by the as applicable
- Pay invoices for leased cars
- Complete year end working papers for leased cars

14. Leasing – Other Leases

- Keep up to date with accounting regulations applicable to leases and advising on any changes to be implemented – including impact upon budgets
- Maintain a register of leases
- Contribute to the final accounts production plan
- Account for leases in accordance with IFRS
- Provide advice on the accounting treatment of new contracts/leases – including impact on budgets
- Produce year end working papers for leases including information for the Asset Register, Balance sheet, Comprehensive Income and Expenditure Account etc.

15. Support services costing

- Contribute to final accounts project plan and budget preparation plan
- Prepare budgets for support services recharges
- Prepare and entering journals for management accounting purposes
- Complete year end working papers and journals to allocate support services costs to services

16. Journals

- Administer journal requests
- Entry of all Finance generated journals
- Complete all necessary year end journal entries including accruals and prepayments

17. Statement of Accounts

- Provide advice on any proposed changes to the accounting regulations, with impact assessment which include changes which need to be incorporated at the respective GO organisation(s)
- Prepare project plan for production of statement of accounts
- Prepare guidance notes for budget managers and management teams preparation for year-end
- Collate returns (e.g. year end creditors or debtors, petty cash, stock values) to enable year-end transactions to be posted to each general ledger
- Prepare statement of accounts in accordance with the IFRS and CIPFA Code of Practice
- Provide weekly updates on statement of accounts progress including details of any returns which have not been provided by, or have not been correctly completed, by GO organisations
- Statements to be prepared before 30th June each year
- Prepare working papers in accordance with requirements from external auditors
- Liaise with external auditors during audit of the statements
- Incorporate any changes agreed with the external auditor into the financial statements ready for approval by 30th September each year
- Carry out a review of the final accounts process and recommend any changes to improve the process

18. Collection Fund Accounting

- Keep up to date with accounting requirements for production of the Collection Fund accounts
- Advise of the impact of any changes to the accounting regulations
- Report details of any projected Collection Fund surplus or deficit to partner authorities for submission to appropriate precepting authorities by 15th January
- Contribute to the final accounts project plan
- Prepare Collection Fund accounts in accordance with the final accounts project plan
- Prepare working paper for external auditor review
- Liaise with the external auditors
- Incorporate any changes resulting from the external audit review into the final accounts to be approved at the end of September

19. Fixed Asset accounting

- Maintaining the asset register module for new assets, asset disposals, depreciation, impairments etc.
- Advise of the implications of any change to asset accounting regulations
- Contribute to the production of the final accounts project plan
- Complete fixed asset accounting entries in accordance with the final accounts project plan
- Check that appropriate journal entries have been completed to enable production of statement of accounts
- Provide fixed asset notes to statement of accounts in accordance with the final accounts project plan
- Provide working papers to support the accounting entries and notes to the statements
- Liaise with external auditors during audit of financial statements
- Incorporate any changes from the external audit into the final statements to be approved by 30th September

20. Financial Strategy/Budget Preparation

- Assist with development of Medium Term Financial Strategy by providing details of forecast interest and inflation rates and projected investment returns
- Prepare guidance notes for the update of the MTFS and Budget Preparation Process
- Prepare a project plan for budget setting
- Prepare returns (capital and revenue) for budget managers to complete and to assist with the development of the MTFS
- Collate returns from budget managers to assist with update of the MTFS
- Provide data to support the MTFS report
- Use data from update of the MTFS to prepare budgets for the next financial year.
- Prepare salary estimates and salary allocations
- Prepare budget book in electronic format by end of February each year

21. Business Partnering

- Assist budget holders and other officers with the development of business cases for changes to services
- Review reports for financial implications and advise report author accordingly
- Advise budget holders of changes to regulations that have a financial impact upon

budget

- Work with budget holders to review consultation documents to understand the financial implications of proposals and provide feedback to s.151 officer where there is a significant financial impact
- Prepare monthly management reports for budget holders
- Produce monthly Key Variance Report for Portfolio Holders
- Produce quarterly financial performance data for performance report to Cabinet
- Produce forecasts of budget outturn
- Provide assistance with budget monitoring, preparation of budget forecasts etc.
- Support budget holders with the process to be followed where budgetary pressure needs to be address – assist with finding solutions or escalate as per Financial Rules
- Support to budget holders and other officers for one off projects / capital schemes
- Support to third parties for ad-hoc requests
- Client financial support to third parties

22. Cheltenham Borough Homes Ltd

- Maintain the Cheltenham Borough Homes Ltd (CBH) holding account, held with Cheltenham's general ledger
- Raise of invoices between CBH and CBC
- Reconciliation of holding account
- Produce year-end working papers

23. Gloucestershire Airport

- Support Runway Safety Project in capacity of shareholder (e.g. attendance of monthly project boards, arranging for the release of funds, ad hoc queries etc.)
- Analysis of monthly management accounts and reporting back to Strategic Director.

24. Government returns – RO, RA, QRO, CO. etc.

- Complete statutory government returns in accordance with statutory timescales for approval by each GO organisation

25. Technical Accounting support

- To keep up to date with accounting regulations as they apply to local authority ALMO, company, charity, trust fund, joint committee etc. accounts
- Advise on any proposed changes to accounting regulations, including implications to enable each GO organisation to respond to consultation as appropriate
- Provide advice on all technical accounting issues as required including the development of policy
- Provide support to service managers upon s.106 developer contributions

26. Council Tax insert note

- Prepare the financial tables and narrative detail for inclusion within the council tax leaflet for approval by each GO partner council

27. Benchmarking

- Provide data to enable benchmarking of services
- Provide data to support the reporting of performance indicators in accordance with each GO organisation's requirement. Performance indicator data requirements to be submitted to the shared service before the end of March each year
- Liaise with auditors over the production of the performance indicator data as necessary

28. Statistical reporting

- Assist with the completion of statistical returns such as “CIPFA stats” or VFM data as required by each GO organisation

29. Treasury Management

- Keep up to date with the latest Treasury Management Rules and Regulations
- Advise GO organisations on any proposed changes to rules and regulations together with impact assessments
- Carry out competitive procurement exercises for external Treasury Management advice on behalf of the GO organisations, as required.
- Work with any external advisor to develop the annual Treasury Management Strategy including Prudential Indicators and Minimum Revenue Provision policy
- Maintain a cash-flow forecast for each GO organisation, to feed into budget setting process
- Carry out daily cash management
- Negotiate investment in accordance with the appropriate Treasury Management Strategy
- Arrange borrowing in accordance with the appropriate Treasury Management Strategy
- Ensure that each GO partner council maintains bank balances in accordance with its Treasury Management Strategy and Financial Rules
- Produce quarterly Treasury Management Performance Reports
- Monitor new investment opportunities and advise each GO organisation on the risks, opportunities and legality of entering into such investments
- Provide support to Treasury Management Panels (or similar Member groups) at each GO partner council as required
- Maintain Treasury Management Practices and Policies
- Produce statutory reports as required for each GO organisation.

30. Insurance support and advice

- Collate information for tendering of insurance services, as required
- Prepare tender documentation for approval by GO organisations, as required
- Advertise the tender in accordance with Procurement Rules
- Agree evaluation criteria with GO organisation
- Carrying out evaluation of responses
- Make recommendation on supplier
- Post tender work – notifying successful/unsuccessful bidders
- Claims processing
- Preparation of insurance budgets for each GO organisation
- Allocation of insurance premium charges within finance system for each GO organisation
- Insurance and risk management advice to service managers for each GO organisation

31. Collate Precept data from Parish Council, Upper Tier Authorities, Police Authorities

- Obtain council tax base data per parish and for district as a whole
- Write to all Parish Council to request details of the value of the parish precept and banking details for the following financial year

- Collate feedback from Parish Councils
- Collate precept data from upper tier authorities, police authorities, as appropriate
- Ensure all Parish Councils have submitted precept requests
- Provide details of all Parish Council and other precepts to each GO partner council by the end of the first week of February

Procurement

1. Common Procurement Strategy, reflecting local flexibility

- Write GO Procurement Strategy, incorporating agreed local information

2. Common Contract Rules

- Write GO Contract Rules, incorporating agreed local information

3. Common suite of Standard Documentation

- Write GO Standard Procurement Documentation, incorporating agreed local information

4. Standardised procurement web pages

- Facilitate GO Website

5. Common Contract Register

- Responsibility for maintaining contract register
- Include all current contracts

6. Full tender / quotation process

- Research Suppliers/collaborative opportunities/frameworks. Undertake Internet Research
- Provide incumbent supplier details
- Develop advertisements
- Advertising (GO website/e-portal/supply2gov/OJEU): Publish Advertisement on website and through e-portal
- Legal: Send Instruction Memo to appropriate legal team. Sending regular updates.
- Draft Invitation To Tender: Use common standard documents for ITT
- Specification: Provide common outline template, advice and guidance
- Evaluation documentation: Provide common outline template, advice and guidance
- Evaluation Criteria: Provide common outline template, advice and guidance
- Tender Returns (all tenders to be returned to Shared Service): Undertake formal receipting process
- Tender evaluations: Facilitate evaluation meetings/scorings from a compliance view.
- Supplier References/Due Diligence reports: Apply for appropriate references/undertake snapshot financial checks/facilitate due diligence checks, deciding on outcome of report
- Supplier presentations: Facilitate the process. Providing advice and guidance
- Site visits: Facilitate the process, provide common template, advice and guidance
- Contract Award process: Inform winning supplier/s. Debrief losing suppliers
- Legal Terms & Conditions: Liaise with appropriate legal team to formulate the contract, provide all necessary documentation and clauses specific to this contract, relevant legal team to provide closing memo for entry in the contract register

7. Contract Management

- Provide advice to GO partner councils if any issues arise

- Day to day contract monitoring will be undertaken on a GO partner council basis
- Report for all contracts placed by Shared Service (current contracts placed by authorities will be reported locally)

8. Contract Monitoring

- Overview of all contracts will be a role for the Shared Service. Collating feedback and end of contract report before starting the process again
- Liaise with Procurement if there are any specific issues that need raising
- Report for all contracts placed by Shared Service (current contracts placed by GO partner council will be reported locally)

9. Spend Analysis, Reporting and identification of procurement savings

- Provide current spend data and supplier information as requested

10. Common Work plan

- Developing work plan from contract register and authority requirements

11. Supplier Adoption on E-portal, where in use

- Maintain the e-portal

12. Category Management

- Collate individual contract information from each GO partner council to enable category management technique to be utilised.

13. Purchase Order Management

- Monitoring of Purchase Order process

14. Purchase Cards

- Administration

15. Procurement Training provided by Shared Service

HR and Payroll

Human Resources (HR)

1. Workforce Intelligence

- Production of workforce intelligence reports direct from system, downloaded to relevant media: e.g. word/excel
- Analysis of information and conversion into formats for publication: e.g. reports/intranet, etc.
- Standard monthly/quarterly reports
- Cabinet/Committee reports & workforce planning
- Analysis and recommendation for performance monitoring, responding to request, benchmarking, etc

2. Recruitment

- Recruitment approval form and check that it is an established vacant post
- Advert , JD and person spec – post advert on intranet – external advertising if applicable
- Online applications forms or paper – receive applications – record equal opportunities monitoring stats
- Short-listing for interview (Admin process), invite to interview letters, receipt and storage of interview notes / test results, reject letters
- Authorisation to appoint form and offer letter for successful person
- Clearances to include: proof of right to work; CRB if applicable; references; medical; qualifications; benefit check

- Update establishment list
- Terms and conditions document (contract) and other welcome paperwork
- Signed paperwork received back and bank details etc
- Advise relevant parties of new starter e.g. training and ICT
- Advice and guidance on resourcing and recruitment
- Interview support and Interview testing

3. Leavers

- Termination form, including leave calculations
- Exit questionnaires (if not line manager function)
- Exit Interviews (by phone or in person) and any follow up actions
- Analysis of Exit interviews/questionnaires
- References

4. Induction

- Paper
- Health & Safety
- Government Connect Training
- Corporate Induction
- Arranging Security Pass

5. CRB, Vetting and Barring Scheme, Independent Safeguarding Authority

- Train / Coach Managers & employees
- Send out paperwork to new employee
- Monitor ERP system and send out renewal reminders & paperwork to existing employee
- Receive completed CRB form & check against original ID documents – (If check not done at interview by local advisory “Level 4” professional)
- Add info to ERP system
- Pass completed form to counter signatory for approval
- Liaise with third parties and umbrella organisations

6. Employee Relations/Case work

- To be the first point of contact to provide basic advice to managers and staff about conditions of employment, HR policies and HR systems, employee relations, employee welfare
- Detailed advice to managers and staff about conditions of employment, HR policies and HR systems, employee relations, employee welfare and restructures including attending meetings and briefing managers

7. Grievance, Disciplinary & Capability

- Admin (Prepare Evidence Pack, Letters etc)
- Note taking at meetings (if required)
- Updating ERP system
- Advice and guidance
- Train / coach managers & employees
- Advice on investigations
- Support and advice at Hearings / Appeals
- Absence Management
- Train / coach managers & employees
- Advice and guidance

- Support and advice at Hearings / Appeals
- Home Visits (Visit and note production) and follow up

8. Absence Management

- Monitoring trigger points
- Admin (Prepare Evidence Pack, Letters etc)
- Note taking at meetings (if required)
- Updating ERP employee file
- Occupational Health referrals (all admin)
- Home Visits (Letter production)

9. Change Management

- Admin support (e.g. letter production and distribution) as required
- Advice and guidance
- Train / coach managers & employees
- Advice and guidance on restructures
- Consultation Support

10. Redundancy

- Admin support (e.g. letter production and distribution) as required
- Redundancy calculations
- Advice and guidance
- Train / coach managers & employees
- Consultation Support

11. Job Evaluation

- Admin support (e.g. letter production and distribution) as required
- Updating ERP employee file
- Advice and guidance
- Train / coach managers & employees
- Grading Panels
- Any required board approvals

12. HR Procedure & Policy Development

- Research, write, consult, agree and publish operational procedures whose content solely relates to the transactional workings of the HR/Payroll Shared Service.
- Publish all approved HR/Payroll Policies and Procedures
- Research, write, consult and agree (including committee approval) HR policies
- Train / coach managers & employees

13. Health, Fire and Safety

- Develop, update and implement H&S policy, fire risk assessments, ensuring compliance with H&S legislation, Construction Design Management, regulations compliance, Legionella assessment, input to H&S aspects of contracts and procurement, working with buildings managers re health and safety issues, H&S communications and updates, advice to managers on public health and safety (events management).
- Accident, incident and near miss reports entered into ERP
- Maintain fire warden list on ERP system
- Maintain First Aid list
- Manage and administer first aider training arrangements. Process on ERP system
- Manage and administer eye testing arrangements. Process on ERP system

- Manage and administer VDU/Workplace assessment arrangements. Process on ERP system. Co-ordinate Annual review & returns.
- Publish information relating to above items
- Advice and guidance
- Review of accident, incident and near miss reports and RIDDOR reporting to HSE
- Investigation support into accidents, incidents and near misses, and investigations where needed, and HSE liason
- Health, Fire and Safety audits and monitoring
- Train / Coach managers and employees in all Health, Fire and Safety matters (**except** First Aid, Eye Testing and VDU/Workplace safety)
- Risk management and assessment
- Fire Evacuations & Fire Marshall training
- Violent Persons Register
- Advising manager re any issues identified as part of VDU/Workplace assessment

14. Benefits

- Manage and administer Nursery vouchers/Childcare scheme
- Manage and administer Cycle scheme
- Manage and administer Staff Loans

15. Employee Job Cycle

- Address Change
- Name Change
- Changes to grade of post
- Changes to line manager reporting
- Changes to where post sits in organisation
- Changes to hours worked
- Changes to days worked
- Changes to car mileage allowances
- Changes to Rota

16. Maternity / Paternity

- Pay calculations
- Record details on ERP system
- Advice and guidance
- Train / coach managers & employees
- Maternity interviews

17. Pensions

- Management of employee records in respect of LGPS membership: joiners/leavers/ hour changes
- Completion of associated forms/paperwork for joiners/leaver/changes
- Annual Banding of employees contributions
- Periodic re-banding of employee contributions following salary changes
- Maintenance of employers contributions following changes/re-valuations of the scheme
- Provision of estimates in respect of retirement/redundancy (including associated employers costs)

18. Long Service Awards

- Administration / Letters

- Award ceremony organisation (in conjunction with local advisory “Level 4” professionals)
- Gift purchase

19. Retirements & Flexible Retirements

- Calculations
- Record details on ERP system
- Advice and guidance
- Train / coach managers & employees

20. Death in Service

- Pension information
- Record details on ERP system
- Advice and guidance
- Support to line manager, family, employees

21. Annual Leave & Flexi Leave

- Monitor & process on ERP system (where not a self service function)
- Process and forward for approval by line management requests to Buy and Sell leave
- Calculations of leave entitlement

22. Performance & appraisals

- Record details on ERP system
- Advice and guidance
- Training and coaching appraisal process (where appropriate and required)
- Monitor and update the appraisal process and documents
- Retain Investors in People (where appropriate and required)
- Design and develop, review and update competency frameworks
- Monitor appraisal statistics, reports to management

23. Reward & recognition

- Recording details on ERP system and processing of any payments/gifts
- All functions except recording details on ERP system and processing of any payments/gifts
- Advice and guidance on reward and recognition

24. Apprenticeships, future jobs fund, backing young Britain

- Undertake scheme administration activities
- Promote schemes and benefits
- Acquire & maintain funding for schemes
- Mentor and monitor apprentices progress and development

25. Structure Charts

- Preparation
- Distribution

26. Periodic staff communications

- Collation and distribution of internal communications (e.g vacancies, newsletters), with input from local advisory “Level 4” professionals
- Ensure communications are maintained to individuals on long term sickness or maternity leave.

27. Organisational HR Strategy

- Advice and guidance

- Research, consult, develop strategy
- Agree and deliver strategy, monitor, review and report on outcomes

28. Learning & organisational development, learning skills, knowledge, behaviours

- Learning management system and e- learning
- Training needs analysis
- Design and delivery
- Evaluation
- Monitoring of expenditure
- Commissioning external training providers
- Facilitation of events (where appropriate/required)
- Team building away days, focus groups Professional development
- Leadership skills and knowledge development
- Elected Member development (where appropriate and required)
- Talent management - any programmes to support development of talent
- Succession management and planning

(NB recording of completed training on ERP system and Induction, CRB, first aider, eye testing and VDU/Workplace assessment are covered by transactional service)

29. Other

- Government Employment Statistical Returns
- Work Experience Co-ordinator
- Work Experience Paperwork/H&S
- Maintain Casual register

Payroll

1. Payroll Function

- Maintenance of employee records: New starters, transfers, post amendments, hours/grade changes, fixed allowances & leavers
- Maintenance of employee records and dealing with enquiries in respect of Tax & NI: e.g. P45/P46/P38(S)
- Maintenance of employee records in respect of car users (casual, regular & essential) and vehicle information. Generation and electronic submission of forms
- Input of temporary pay information: Overtime claims, expenses, temporary allowances, car mileage payments
- Manage allowances (Mileage Allowances, Evening Meeting Allowances, Overtime, Casual hours, Unpaid leave, First Aid Payments)
- Maintenance of records and calculation of entitlements for occupational and statutory sick pay, maternity, paternity and adoption leave
- Calculation of pay for both monthly and weekly payrolls: Including calculation of gross & pensionable pay and the deduction of Tax, NI, Pension Contributions and other deductions
- Reconciliation of costing information and transfer to FMS systems
- Reconciliation of deductions from payroll and the payment and distribution of monies to 3rd parties: HMRC, Pensions, Trade Unions and other internal accounts
- Generation and distribution of relevant tax forms to employees and transfer of periodic returns to HMRC
- Year end reconciliations and transfer of appropriate returns/forms to HMRC & employees: e.g. P35, P14, P60 & P11D

- Ad-hoc reporting
- Completion of periodic questionnaires, statistical returns and correspondence from employees and others. e.g.: Mortgage applications & insurance claims
- Salary sacrifice advice and scheme maintenance
- Processing pay awards, calculating backpay and updating tables
- BACS processing (Physical file transmission may need to remain a local function)
- Set up and maintenance of new elements/schemes
- Advice and guidance
- Management information and reporting
- Research, develop and implement improvements

Services Not In Scope for Shared Service

Strategic Partner

Aligning business and strategy, a change agent role working to improve, transform and develop the organisation.

The finance roles are anticipated to be carried out by the Section 151 Officer or designated deputy.

Finance & Procurement

Finance

1. Approve and submit statutory government returns, where statutory section 151 officer (or designated deputy) approval is required
2. Approve budget table and narrative for inclusion within council tax leaflets
3. Use advice from shared service to communicate to Members and develop responses to consultation documents
4. Support strategic programme management (e.g. Briding the Gap at CBC, One Team at CDC)
5. Liaison with actuary on pensions including negotiations in respect of triennial revaluation / revised pension contribution rates and development of pension fund strategy
6. Client role in relation to Housing Revenue Account/Cheltenham Borough Homes
7. Approve award of insurance contracts
8. Approve award of contracts for advisory services (Treasury Management, VAT/Tax etc.)
9. Receive the proposed Treasury Management Strategy from the shared service, review draft and present to Council for approval
10. Production and presentation of the Medium Term Financial Strategy report and Budget Strategy for approval by Council
11. Presenting the Council Tax setting report to Council for approval.
12. Development of Corporate Plan, Corporate Performance Indicators
13. Section 151 (or designated deputy) statutory, strategic and performance roles including:
 - Attendance at Senior Management Team (or equivalent) meetings

- Attendance at Treasury Management Panel meetings (or equivalent) and liaison with Members on treasury matters
- Attendance at informal cabinet/portfolio holder or other Member briefings

Procurement

1. Full tender / quotation process

- Specification. Provide authority specific detail to complete the specification
- Evaluation Documentation. To be populated by individual GO partner councils.
- Evaluation Criteria. To be agreed between procurement and individual GO partner councils
- Tender Evaluation. Nominated officers from individual GO partner councils undertake actual evaluation process. Scoring etc.
- Supplier presentations. Attendees required from individual GO partner councils. Complete scoring, as necessary.
- Site visits. Attend site visits if required. Complete scoring, as necessary.

2. Contract Management

- Report for contracts placed by GO partner councils prior to creation of Shared Service

3. Contract Monitoring

- Report for contracts placed by GO partner councils prior to creation of Shared Service

4. Purchase Cards

- With appropriate GO partner councils

5. Purchase Order Management

- Requisitioners at each authority responsible for day to day raising of orders and receipting.

HR and Payroll

Human Resources (HR)

1. Member Development

2. ICT training

5. Annex B – Governance Models

Phase 1 – Stage A (Up to 1st GO Organisation “live”)

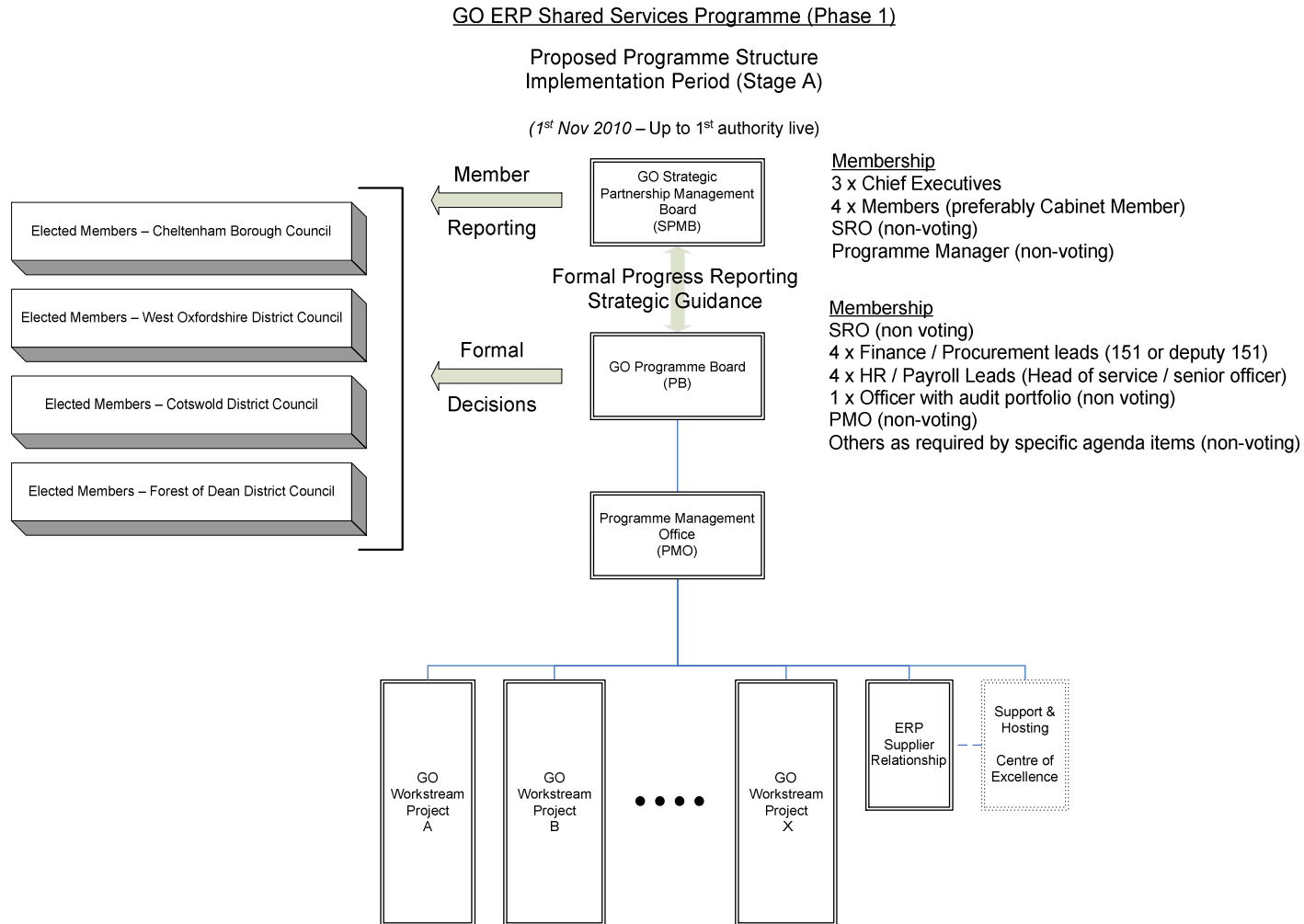


Figure 5-1: Programme Structure – Development of business case

Phase 1 – Stage B (1st GO Organisation “live” to last GO Organisation “live”)

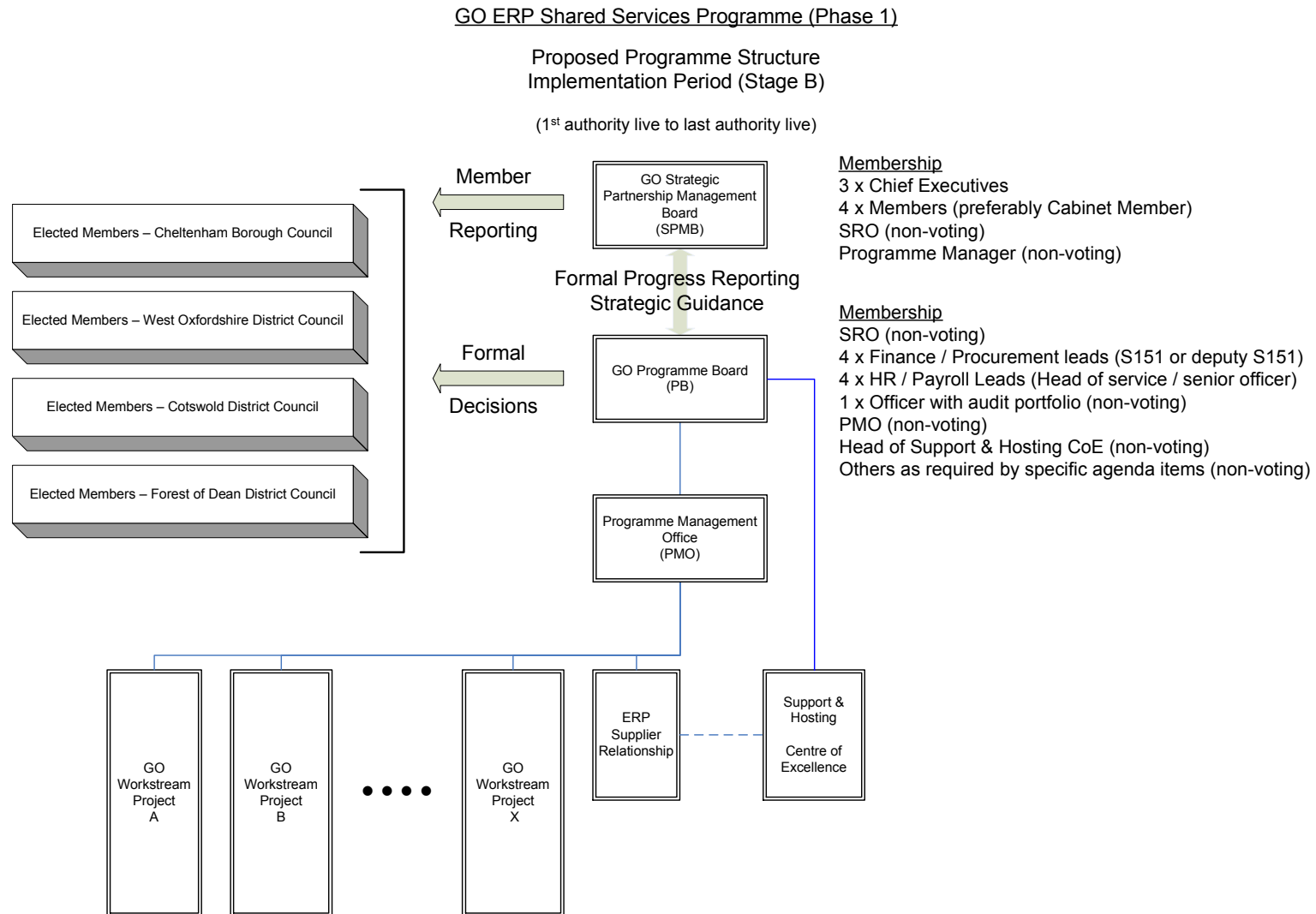


Figure 5-2: Programme Structure – Implementation

Phase 1 – Stage C (After all GO Organisations “live”)

GO ERP Shared Services Programme (Phase 1)

Proposed Programme Structure (Phase 1) Post Implementation Period (Stage C)

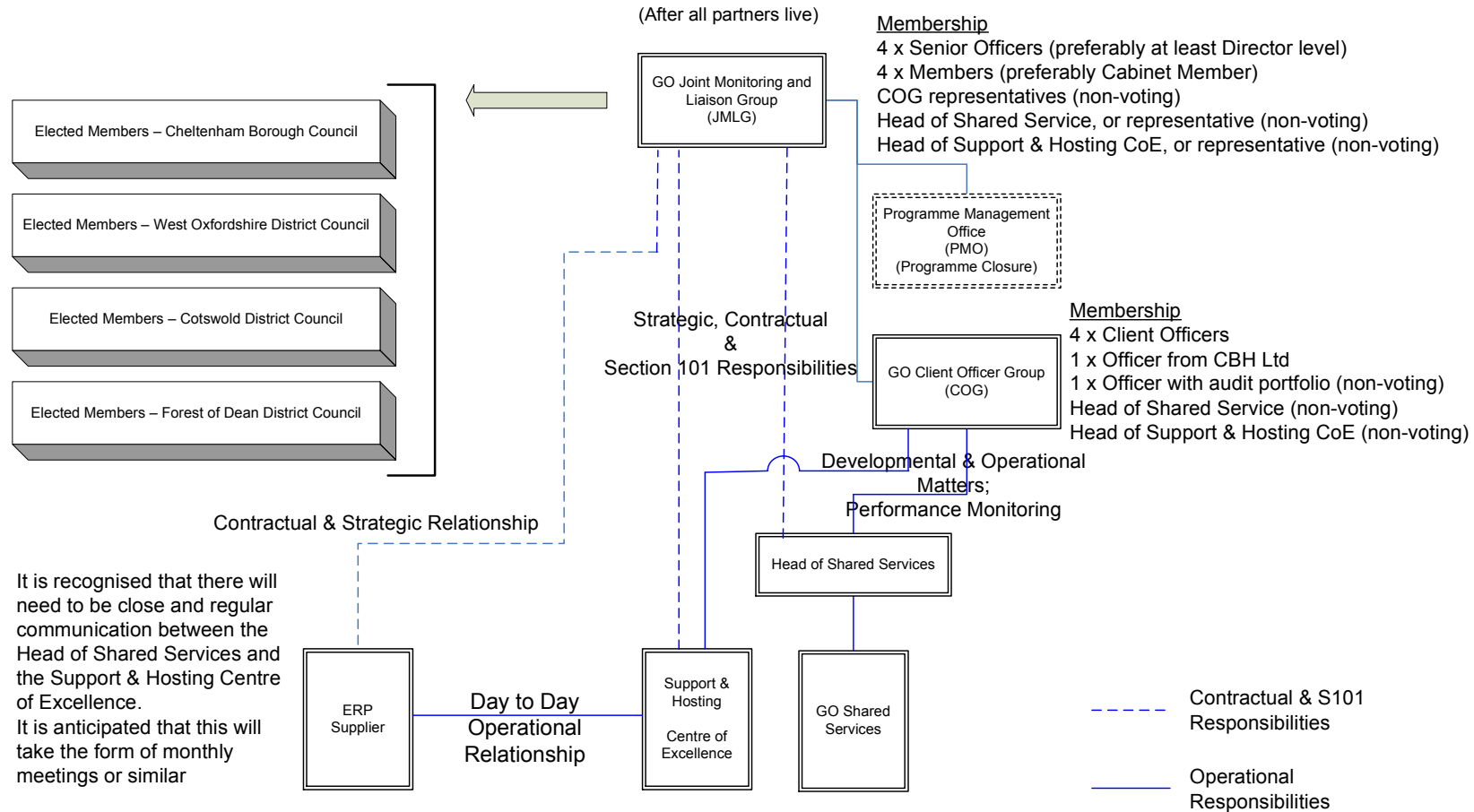


Figure 5-3: Programme Structure – Operations

Programme Governance – Organisation Roles

GO Strategic Partnership Management Board (SPMB)

- Receive monthly (and major exception) reporting for the Programme.
- Take responsibility for any further periodic dissemination of reporting to other elected members (i.e. cabinet or scrutiny) or directors (i.e. council leadership teams). The Programme Board via the Programme Management Office will retain responsibility for specific operational or exception communications.
- Act as an important (but informal) strategic source of advice and guidance relating to major decisions, issues or disputes.

Programme Board (PB)

- Responsible for the delivery of the Programme to the agreed business case (timescales, costs and performance).
- Responsible for the monitoring of Programme risks and issues
- Responsible for day to day decisions with the limits of its delegated authority
- Responsible for escalation of key decisions to the Cabinet committees of the GO partner councils.

GO Joint Monitoring and Liaison Group (JMLG)

- Responsible for the ongoing strategic delivery and governance of the GO Shared Services to the required standards
- Responsible for decisions within the limits of its delegated authority
- Responsible for monitoring risks & issues
- Responsible for the ongoing enhancement of the system and shared service arrangements, including the identification of new partnership opportunities

GO Client Officer Group (COG)

- Responsible for performance monitoring of the GO Shared Services with regards to target service levels and customer satisfaction. Provide periodic (and exception) key performance summaries to JMLG
- Discuss operational issues and escalate to the JMLG for any key decisions (i.e. those with a legal, cost or significant performance impact)
- Identify opportunities for improvement of the system or service to JMLG

6. Annex C – GO Programme Costs and Savings

Revised Business Case (4) Summary	Year Financial Year	0	1	2	3	4	5	6	7	8	9	10
		10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Classification												
Total Capital Investment		£649,235	£684,412	£0	£0	£0	£0	£0	£0	£0	£0	£0
Centres of Excellence Project Team	Revenue	£0	£60,000									
Advice (Legal etc)	Revenue	£3,225	£21,775									
Total Revenue Investment		£3,225	£81,775	£0	£0	£0	£0	£0	£0	£0	£0	£0
Internal Hosting - Maintenance	Revenue		£35,092	£35,092	£35,092	£35,092	£35,092	£35,092	£35,092	£35,092	£35,092	£35,092
Support Centre of Excellence	Revenue	£12,267	£95,091	£106,299	£106,299	£106,299	£106,299	£106,299	£106,299	£106,299	£106,299	£106,299
Data Communications / Network Connectivity	Revenue	£0	£66,975	£66,975	£66,975	£66,975	£66,975	£66,975	£66,975	£66,975	£66,975	£66,975
Software Lic 3rd Party - Quick Address&Org	Revenue	£2,960	£4,500	£4,500	£4,500	£4,500	£4,500	£4,500	£4,500	£4,500	£4,500	£4,500
Licence / IT savings	Revenue			-£68,907	-£68,907	-£68,907	-£68,907	-£68,907	-£68,907	-£68,907	-£68,907	-£68,907
One-off employment costs	Capital / Revenue			£191,184	£0	£0	£0	£0	£0	£0	£0	£0
Procurement Savings	Revenue		£0	-£77,668	-£77,668	-£77,668	-£77,668	-£77,668	-£77,668	-£77,668	-£77,668	-£77,668
Indirect savings from service sharing	Revenue				-£120,000	-£120,000	-£120,000	-£120,000	-£120,000	-£120,000	-£120,000	-£120,000
Total savings from service sharing	Revenue		£0	-£309,521	-£619,042	-£619,042	-£619,042	-£619,042	-£619,042	-£619,042	-£619,042	-£619,042
Total Revenue Impact (saving)		£15,227	£201,657	-£52,046	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752
Cumulative impact												
Cumulative investment	Capital	£649,235	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647	£1,333,647
Cumulative investment	Revenue	£3,225	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000	£85,000
Total cumulative investment		£652,460	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647	£1,418,647
Cumulative savings	Revenue	£15,227	£216,884	£164,838	-£507,914	-£1,180,665	-£1,853,417	-£2,526,169	-£3,198,920	-£3,871,672	-£4,544,424	-£5,217,176
Net Cumulative Total		£667,687	£1,635,531	£1,583,485	£910,733	£237,982	-£434,770	-£1,107,522	-£1,780,273	-£2,453,025	-£3,125,777	-£3,798,529
Payback												
ROI		267.76%										
NPV 5%		-£2,287,288										
Net Cost / (Saving)		£667,687	£967,844	-£52,046	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752	-£672,752

7. Annex D – GO Programme Milestones

M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M001	ABW Software Installed	GOPC		16/03/2011	16/03/2011	B
M002	ABW SD Sign Off (Finance)	GOPD	Finance SDDs signed off.	28/03/2011	18/04/2011	B
M003	ABW SD Sign Off (Procurement)	GOPG	Procurement SDDs signed off.	28/03/2011	18/04/2011	B
M004	ABW SD Sign Off (HR)	GOPE	HR SDDs signed off.	05/04/2011	17/05/2011	A
M005	ABW SD Sign Off (Payroll)	GOPF	Payroll SDDs signed off.	04/05/2011	27/05/2011	B
M006	Process / Regulation Gap & Impact Analysis (Finance)	GOPD	Agreed revised milestone date	04/05/2011	13/05/2011	B
M007	Process / Regulation Gap & Impact Analysis (HR)	GOPE	Agreed revised milestone date	04/05/2011	13/05/2011	B
M008	Process / Regulation Gap & Impact Analysis (Payroll)	GOPF	Agreed revised milestone date	04/05/2011	13/05/2011	B
M009	Process / Regulation Gap & Impact Analysis (Procurement)	GOPG	Agreed revised milestone date	04/05/2011	13/05/2011	B
M010	Shared Service Paper (Fin & Proc elements)	GOPA	Agreed revised milestone date	12/05/2011	25/05/2011	G
M011	Shared Service Paper (HR & Payroll elements)	GOPB	Agreed revised milestone date	12/05/2011	25/05/2011	G
M012	Regulation & Policy changes paper complete (FoD)	GOPH		30/05/2011		G
M013	Regulation & Policy changes paper complete (WO)	GOPI		30/05/2011		G
M014	Regulation & Policy changes paper complete (CDC)	GOPJ		30/05/2011		G
M015	Regulation & Policy changes paper complete (CBC)	GOPK		30/05/2011		G

M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M016	Regulation & Policy changes paper complete (CBH)	GOPL		30/05/2011		G
M017	Solution Build Sign Off	GOPC		27/06/2011	04/07/2011	A
M018	User data collection complete (FoD)	GOPH		29/06/2011		G
M019	User data collection complete (WO)	GOPI		29/06/2011		G
M020	Network Installation Complete	GOPC	Delays in procurement	04/07/2011		A
M021	IST Phase 1 Sign Off	GOPC		22/07/2011		G
M022	Data migration specification complete (FoD)	GOPH		25/07/2011		G
M023	Data migration specification complete (WO)	GOPI		25/07/2011		G
M024	BC Test Sign Off	GOPC		02/08/2011		G
M025	Deployment plan sign off (FoD)	GOPH		25/08/2011		G
M026	Deployment plan sign off (WO)	GOPI		25/08/2011		G
M027	IST Phase 2a Complete (FoD)	GOPC		26/08/2011		G
M028	IST Phase 2a Complete (WO)	GOPC		26/08/2011		G
M029	User data collection complete (CDC)	GOPJ		30/09/2011		G
M030	User data collection complete (CBC)	GOPK		30/09/2011		G
M031	User data collection complete (CBH)	GOPL		30/09/2011		G
M032	UAT sign off (FoD)	GOPH		04/10/2011		G
M033	UAT sign off (WO)	GOPI		04/10/2011		G
M034	Go Live (FoD)	GOPH		01/11/2011		G
M035	Go Live (WO)	GOPI		01/11/2011		G
M036	Data migration specification complete (CDC)	GOPJ		28/11/2011		G
M037	Data migration specification complete (CBC)	GOPK		28/11/2011		G

M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M038	Data migration specification complete (CBH)	GOPL		28/11/2011		G
M039	Deployment plan sign off (CDC)	GOPJ		20/12/2011		G
M040	Deployment plan sign off (CBC)	GOPK		20/12/2011		G
M041	Deployment plan sign off (CBH)	GOPL		20/12/2011		G
M042	IST Phase 2b Complete (CBC)	GOPC		23/01/2012		G
M043	IST Phase 2b Complete (CDC)	GOPC		23/01/2012		G
M044	IST Phase 2b Complete (CBH)	GOPC		23/01/2012		G
M045	UAT sign off (CDC)	GOPJ		14/03/2012		G
M046	UAT sign off (CBC)	GOPK		14/03/2012		G
M047	UAT sign off (CBH)	GOPL		14/03/2012		G
M048	Go Live (CDC)	GOPJ		02/04/2012		G
M049	Go Live (CBC)	GOPK		02/04/2012		G
M050	Go Live (CBH)	GOPL		02/04/2012		G
M051	Shared Service Benefits Realisation	Programme / All		01/10/2012		G

RAGB Status	G	LOW – No issues exist that will delay the delivery
	A	MEDIUM – Progress is delayed, and mitigating actions are in place
	R	HIGH – Will not meet end date without management intervention
	B	COMPLETE - Milestone has been completed

END OF DOCUMENT