

A01a HR AND FINANCE SHARED SERVICE – BUSINESS PLAN REVIEW 2011-12

MANAGER: Vanessa Coates

Areas of Focus 2011-12

- Re-contracting of CE and CWAC staff to new terms and conditions
- Optimisation of electronic invoicing to achieve associated efficiencies (see below)
- Reduction in non compliance to drive out efficiencies (see below)
- Implementation of i-recruitment
- Retention of business particularly via re-engagement of new academies

Budget 2011-12

£3,064,862

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target						
1 Business Plan target for 2010-11, focus manager self service and quick invoice roll outs	-200	0	0	-10	0	0
2 Implementation of electronic invoicing	0	-100	-100	0	-5	-5
3 Reduction of non compliant Invoices	0	-50	-50	0	-2	-2
4 Introduction of I-recruitment	0	0	-60	0	0	-3
5 Growth of maintaining OLM, OPM and UPK	30	0	0	1	0	0
Total	-170	-150	-210	-9	-7	-10
Shortfall (-) / Overachievement against savings target	-57	-77	-17			

High Level Risks

- Business savings not realised due to non compliance and lack of engagement by clients
- Failure to deliver broader client / partnership base thereby restricting further growth and potential efficiencies
- Reputational damage arising from lack of client focus on achieving HR and Finance Service objectives

A current Business Continuity Plan is in place.

Impact in Other Areas

A range of projects were undertaken last year the main one being the Oracle R12 upgrade, this project has been completed with some outstanding difficulties based around instability of the system and performance. These issues are impacting operationally and also developmentally. Operationally the cost of processing has increased due to extra processes and current slowness of the system requiring more staff to process the volumes daily. Developmentally due to the inability to focus on new projects whilst the system is still causing operational issues. This will eventually impact on the ability to make the required savings.

Areas of Focus 2011-12

- Improving business processes to deliver effective financial management based on full cost recovery supported by accurate time recording and cost allocation
- Working more closely with clients to understand demand and supply and the most appropriate means of meeting needs in a timely way underpinned by accurate service level statements and improved project and programme management
- Adapting a more commercial approach with ICT suppliers to reduce exposure on licensing and to drive out further efficiencies
- Reduce complexity and improve integration in the infrastructure to deliver simplification around applications, data and hardware (see below)
- Produce and communicate a timely essential maintenance plan to reduce unplanned service outages
- Improve incident management by standardising fault resolution workflows and improving first time fixes
- Service Excellence achieved via Improve employee performance, external benchmarking, quality accreditations and by actively seeking customer feedback (see below)
- Strengthen colleague performance management at all levels and identify capability gaps

Budget 2011-12 Subject to Zero Based Budget exercise (see below)

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	666	666	667			
Turnover (1%)	84	0	0			
Performance Management	0	100	0		3	
Vacancy	120	0	0	4		
Contract	385	165	0			
Architecture simplification	0	250	250			
Review of Operating Model	0	150	150		5	5
Commodity Sourcing **	-50	50	0			
Total *	539	715	400	4	8	5
Shortfall (-) / Overachievement against savings target	-127	49	-267	N/A	N/A	N/A

** Further savings relating to commodity sourcing and Service Levels will be identified following benchmarking activity due to complete in August 2011. These savings will be phased in 2012/13 and 2013/14 and potentially impact our colleague numbers.

High Level Risks

- Ongoing support to legacy infrastructure resulting in increased complexity, cost and likelihood of failure
- Poor engagement with clients leading to inability to adequately resource demand
- Configuration management database deficient leading to reduced data collection and management
- Employee skills and abilities and overall resource do not meet customers demands resulting in reduced satisfaction
- Overall savings are brought forward in order to achieve authority affordability targets.

Business Continuity arrangements have been considered and a business continuity plan is currently being developed. Structures are in place for managing disaster recovery.

Impact in Other Areas

The completion of a Zero Based Budget (ZBB) exercise is a major step forward in the ongoing financial management of the ICT Shared Service. It has provided greater clarity on budget position moving into 2011-12 and will be used to track and review financial performance on a regular basis. It is anticipated that this greater financial awareness and the focus on improving business processes, performance management and delivery will help the ICT Shared Service to develop on a more secure footing over the forthcoming year. The ZBB is currently under review by both Finance teams in CE and CWAC in regards to its overall affordability and subsequent phasing of efficiency targets.

Areas of Focus 2011-12

- Achieve strategic structural estate objectives based on outcomes arising from (currently outstanding) policy reviews undertaken in CE and CWAC
- Respond to asset challenge and secure capital receipts
- Implement Corporate Landlord business model in relation to the host authority (CE)
- Continue to provide effective and efficient management of the Farms Estate portfolios

Budget 2011-12 -£469,392

	BUDGET CHALLENGES	Financial Impact			FTE Impact		
		2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
	Savings Target	-4.87	-4.87	-4.87			
CEBC 1	CEBC - Asset Management Service - Asset Challenge - (Farms Estate Base Budget Review)	-100.00	0.00	0.00	0	0	0
CEBC2	CEBC - Asset Management Service Budget- Asset Challenge - Farms Estate Reorganisation - Current Policy)	-22.00	-22.00	-22.00	0	0	0
	Total	-122.00	-22.00	-22.00	0	0	0
	Shortfall (-) / Overachievement against savings target	117.13	17.13	17.13			
CEBC 3	CEBC - Asset Challenge / Corporate Capital Receipts Programme (Farms Reorganisation - Indirect Revenue Implications from Disposals (N.B. Budget not held by Asset Management Service / Farms)	-68.00	-68.00	-68.00	0	0	0
	BUDGET CHALLENGES	Financial Impact			FTE Impact		
		2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
	Savings Target	-15.20	-15.20	-15.20			
CW&CBC 1	CW&CBC - Facilities & Asset Management Service - Farms Estate Base Budget Review	-47.00	0.00	0.00	0	0	0
	Total	-47.00	0.00	0.00	0	0	0
	Shortfall (-) / Overachievement against savings target	31.80	-15.20	-15.20			

High Level Risks

- Failure to deliver capital receipts due to market failure or inertia in reorganisations

A review of the Business Continuity arrangements is being undertaken by the host authority (CE) and the Business Continuity Plan will be updated accordingly.

Impact in Other Areas

Both client services will develop objectives for the Farms estate upon the conclusion of current reviews during the current plan year and clearly this will need to be translated from policy to implementation plans and actions within year, consequently determining the development of working relationships thereafter.

The Host authority is adopting a Corporate Landlord business model and has set a variety of work streams in motion to enable a go live date of April 2012. Cheshire Farms will feed in to those work streams to protect, maintain and improve service delivery.

It is anticipated that whilst externally sourced Property Maintenance and Repairs will continue to be delivered using third party contractors, further work will be completed to consider the potential for efficiencies to be realised through corporate landlord and procurement modelling.

Areas of Focus 2011-12

- The continuation of the Emergency Management training and Exercise Programme
- Continued implementation of off-site planning and exercise regimes to ensure statutory obligations are met (e.g. COMAH, REPIR and PSR)
- Increasing emergency preparedness across CE, CWAC and the local communities
- Preparing and testing Reservoir emergency response plans and implementing effective public information campaign

All of the above are to be delivered within the context of programmed service delivery often being impacted by response to, and recovery from, emergency situations (e.g. influenza pandemic. Chester Enterprise Centre fire and fuel protests).

Budget 2011-12 £401,618

BUDGET CHALLENGE	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	29	29	29			
Expansion of Shared EP service to include Warrington Borough Council	20	0	0	0	0	0
Total	20	0	0	0	0	0
Shortfall (-) / Overachievement against savings target	9	29	29			

The outcome of the proposal regarding an expanded Shared Emergency Planning Service was that Warrington BC decided not to progress discussions further following submission of the Outline Proposal in January 2011. In summary the savings proposed above will not be realised in 2011-12. However it is anticipated that vacancy management measures will deliver approximately £36k saving in year on the 2010-11 service budget.

High Level Risks

- Failure of senior managers to engage in emergency planning training leading to inadequate response to major incidents.

A review of the Business Continuity arrangements has been undertaken and the Business Continuity Plan has been updated accordingly.

Impact in Other Areas

- The procurement of a shared Incident Management System is currently being explored and may be subject to a budget growth bid in 2012-13.
- The potential implementation of a Multi-Authority Resilience Team across CE, CWAC, Halton and Warrington by April 2012.

Areas of Focus 2011-12

- Embedding new structure and Implementation of E-OPAS electronic system to be implemented by September 2011
- Improving processes to improve management information and encourage customer feedback
- Exploring potential for additional clinic facilities in Cheshire East
- To maintain external customer base

Budget 2011-12 £218,285

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	14,441	14,441	14,441			
1.Service Restructure	7,206	21,608	36,010	1	1	0
2 Renewal of existing contracts	0	0	0	0	0	0
3 New Contracts	0	0	0	0	0	0
Total	7,206	21,608	36,010	1	1	0
Shortfall (-) / Overachievement against savings target	-7,235	7,167	21,569			

High Level Risks

- Potential loss of external contracts leading to reduced funding
- High level of staff turnover leading to loss of key skills

Business Continuity arrangements have been considered and a Business Continuity Plan is currently being developed. This will be in place by 1 October 2011.

Impact in Other Areas

During the year the OHU will be preparing a bid for the contract to deliver services to Cheshire Constabulary which would commence on 01 April 2012. The unit is also being considered as part of the proposed Shared Services Separate Legal Entity and will be contributing to this project.

Areas of Focus 2011-12

- Review of future Archives and Local Studies provision and accommodation
- Provision of on-line genealogical resources and assessing impact on service delivery
- Developing service role in Information Management
- Improving electronic access to the Cheshire Archive services

Budget 2011-12 £488,922

3. BUDGET PROPOSALS	Financial Impact			FTE Impact		
	2011/12	2012/13	2013/14	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	- 35,383.87	- 35,383.87	- 35,383.87			
1. Online Genealogical resources	64,000	28,000	4,000	0	0	0
2. Cease provision of microfilms of local newspapers	12,000	0	0	0	0	0
3. Deletion of 0.5 FTE Technical Support Officer post	8,000	0	0	0.5	0	0
4. Redesign of reader services	0	18,500	0	0	1	0
5. Change in governance arrangements	0	20,000	0	0	0	0
6. Provision for future storage requirements	0	-30,000	0	0	0	0
Total	84,000	36,500	4,000	0.5	1	0
Shortfall (-) / Over achievement against savings target	48,617	2,000	-31,000			

High Level Risks

- Failure to secure appropriate accommodation leading to risks in security and integrity of historical archive.

Business Continuity arrangements have been considered and a Business Plan is currently being developed. This will be in place by December 2012.

Impact in Other Areas

The Service is seeking to align itself with the strategic objectives of CE and CWAC and to support this with a robust performance management framework. It will also be involved in the exploration of an alternative delivery model for cultural services in CWAC.

Work will also be undertaken to maintain service level agreements with Halton and Warrington Councils for the ongoing provision of archive services.

Areas of Focus 2011-12

- Co-location of service to a single site
- Review of shared service activity
- Maximising process efficiencies and income generation through traded services particularly the Education Library Service

Budget 2011-12 £916,768

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	-66,674	-66,674	-66,674			
Objective 1. Co-location of Shared Services	34,060	0	0	1.1	0	0
Objective 2: Process efficiencies	20,000	20,000	20,000	0	0	0
Objective 4: Growth of Business Information Service	9,000	0	0	0	0	0
Cessation of Business Information Service	0	67,000	0	0	2	0
Objective 5: Charging for premium services	6,000	0	0	0	0	0
Objective 6: Business Development at ELS	20,000	40,000	20,000	0	1	0
Objective 7: Alternative governance arrangements	0	30,000	0	0	0	0
Total	89,060	157,000	40,000	1.1	3	0
Shortfall (-) / Overachievement against savings target	22,386	90,326	(-26,674)			

High Level Risks

- The future viability of the Business Information Service given notice to withdraw by CE (issue to be addressed in Service review)
- Ongoing delays in co-location of the service leading to anticipated efficiencies not be delivered to plan
- Failure to sustain and increase Education Library Service customer base through improvement initiatives leading to reduced income

A review of Business Continuity arrangements has been undertaken and the Business Continuity Plan does not require updating

Impact in Other Areas

Work will be undertaken in relation to the Library Stocks Supply contract which is due for renewal in April 2012 although there is an option to extend by 12 months. Work to rationalise the Picow Farm Bookstore will continue in line with the co-location project. The Service will also be involved in the exploration of an alternative delivery model for Cultural Services in CWAC.

Areas of Focus 2011-12

- Maintaining and deliver quality cultural events and activities across CE and CWAC in line with current funding
- Developing a marketing strategy and advocacy plan for the Rural Touring Network
- Developing a partnership agreement with “Spot On Lancashire” Rural Touring (in line with of National Portfolio status with Arts Council England) to be implemented by April 2012

Budget £29,000

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target	2,080	2,080	2,080			
Policy Option 1 - Reduction in developmental projects outside of core rural touring network	1,080	0	0	0	0	0
Policy Option 2 - Increase in earned income through increase in ticket prices	1,000		0	0	0	0
Policy Option 3 - Consortium formed with Lancashire to become a national portfolio organisation of Arts Council England (this new partnership will put forward planned efficiencies). This will be achieved through identified efficiencies in programming buying power and streamlining of processes.	0	2,080	2,080	0	0	0
Total	2,080	2,080	2,080	0	0	0
Shortfall (-) / Overachievement against savings target						

High Level Risks

- Reduced funding for main network leading to reduced programme of events and activities
- Development funding not realised resulting in cancellation of associated projects
- Audience numbers not achieved leading to poor attendance at events and reduced income

A review of the Business Continuity arrangements has been undertaken and the Business Continuity Plan does not require updating.

Impact in Other Areas

As part of the marketing strategy the Service will also be involved in training volunteer promoters in marketing and new media usage. The new partnership agreement will enable the development of new projects focused on new artists and youth development.

Areas of Focus 2011-12

- Managing the reduction of offending and reoffending and minimising custodial sentences in the context of reduced resources
- Working in partnership to improve safeguarding and to tackle accommodation needs of offenders
- Developing an effective workforce to deliver targeted services to young people who have offended or are at risk of offending

Budget 2011-12 Total £2,112,432 (Combined contribution from CE and CWAC £914,881)

See over page

High Level Risks

- Back office issues (accommodation, ICT, finance) continue to be problematic across the shared service and hold back the developments of services
- Continued reductions in funding leading to reduced service delivery

The Youth Justice Management Board will consider Business Continuity at its next meeting

Impact in Other Areas

The YOS will put young people, victims and the community at the forefront of service delivery and will be made to ensure that service reductions don't have an adverse impact on improving outcomes.

The Service manager will participate in a review of Youth Offending Services across Cheshire (CE, CWAC, Halton and Warrington) which has been requested by Sub Regional Leaders.

BUDGET CHALLENGES	Financial Impact			FTE Impact		
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2011/12 FTE	2012/13 FTE	2013/14 FTE
Savings Target						
LA Savings Target	200,000 (confirmed)	nk	nk			
YJB & partners savings target	329,094 (confirmed)	nk	nk			
Total	529,094			April 2011 55.98 FTE + 12.9 (seconded)		
Delete posts from Vacancy Management Programme (4 posts deleted January 2011- 1 x grade 8, 3 x grade 7, 1 x grade 5).	154,468	0	0	0	0	0
2. Head Count Reduction (redundancy programme)	0	0	0	0	2 FTE (if policy 3 fails)	2 FTE (if policy 3 fails)
3. Head Count Reduction (non-filling and possible subsequent deletion of vacant posts. Vacant posts at 1 April 2011 = 1 x Grade 13, 2 x grade 7)	126,909	30,000	15,000	3 (not incl. in 55.98 FTE above)	2	2
4. Reduction in premises	15,000	5,000	0	0	0	0
5. Efficiency Savings – reducing car mileage	8,000	4,000	1,000	0	0	0
6. Efficiency Savings - car parking	1,000	3,000	0	0	0	0
7 Efficiency Savings - utilities	2,000	1,000	0	0	0	0
8 Efficiency Savings - supplies and services	15,000	7,500	3,000	0	0	0
9. Review staff terms and conditions (essential/regular car user allowance)	40,000	0	0	0	0	0
10. Staff at Risk – Termination of Temporary Contracts	97,443	0	0	6		
11. Under spend on 2010/2011 budget (contribution to 2011/2012)	69,274					
Total	529,094	50,500	19,000	66.88	64.88	62.88
Shortfall (-) / Overachievement against savings target	0.00	nk	nk			