



Project Initiation Document

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Appendix 2



Shared Services Project Initiation Document



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Title:

Shared services implementation

Author:

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Summary:

This document defines the overall project, forms the basis for its leadership, management and the assessment of its overall success. The PID is a critical stage within the shared services project. It clearly establishes what is to be done, when and by whom. It is intended to act as an executive summary offering sufficient detail to allow the Project Board to assess progress, review change management requests and to ensure ongoing viability.

Distribution :

Name	Organisation	Date Reviewed
Alasdair Bovaird. CEO	UDC	
Mike Brean, Sponsor	UDC	
Alaine Clarke, LO	UDC	
Councillor Howard Rolfe	UDC	
Project Board (SMB)	UDC	

Business case

An outline business case (OBC) for the sharing of corporate and transactional services has been produced. The following is the executive summary of the outline business case. A detailed business case will be produced as soon as shared services partner/s is/are known.

The current efficiency agenda puts shared service delivery in the centre of Government policy and local authorities can no longer undertake any activity on a standalone basis as the most cost effective way of delivering services.

Experience over recent years demonstrates that costs of service provision can escalate unavoidably and unpredictably due to external influences. It will be difficult to absorb such cost increases without either an adverse impact on services to residents or implementing significantly different modes of provision such as shared services. It should be possible to achieve significant revenue savings from a shared service approach through organisational re-engineering, accessing the skills of other partners and cost reductions through economies of scale. There will also be opportunities to free up space from rationalisation of current office space at the council offices.

The council has experience of providing services jointly, or in collaboration with other councils, for example the payroll partnership with Bedford Borough Council. However, such developments have been fragmented and have not been the standard way of developing services.

The council's Strategic Management Board (SMB) has already endorsed a strategic approach to shared services and collaborative working. This was reported to Operations Committee on 28 June 2007. This set out the early work, which needed to be done to identify opportunities for shared services.

Recently, there have been some promising opportunities to work in partnership with other local authorities, but through no fault of the council, these have not materialised into collaborative working arrangements that will deliver real benefits.

The Chief Executive has stated the need for the council to proactively seek and develop a shared service partnership. What is required now is a step-change in the approach to shared services that will provide reassurance to the council and the community that the medium to long-term financial standing of the authority is sustainable.

This outline business case sets out the strategic case for fundamentally changing the way some of the council's services are provided and also describes the arguments for doing so. These include the Gershon agenda, prospect of local government reorganisation, government guidance, customer expectations and financial pressures. Key internal and external drivers are also highlighted. The outline financial and non-financial cases are also explored.

The council's services can be separated into the following functions: -

- Front office: the customer/client facing operation of the council, dealing with enquiries, follow-up, service allocation etc;

- Transactional (technical or professional): specialised service delivery or regulatory functions which required specific equipment or knowledge to perform effectively;
- Corporate (organisational support services): all the necessities for running an organisation and its infrastructure securely and legally: accountancy & exchequer, debt recovery, human resource management, procurement, mailroom and print services, facilities management, accommodation, catering etc.
- Strategic management and political leadership: shaping the future development of the council, establishing financial, workforce development plans, identifying and setting out political priorities and working to promote Uttlesford's interests.

There are a number of shared service business models emerging from work already being done by other local authorities. The models revolve around sharing the corporate and transactional services of local authorities, essentially, the functions described in the second and third bullet points above.

On initial evaluation, the preferred option that appears to be the most suitable strategic fit for Uttlesford is a partnership with a number of other public sector bodies. The ultimate objective is for the partnership to establish a separate entity to provide corporate services to the partner organisations at a significantly reduced cost. A summary options appraisal of the various business models is contained in the outline business case at appendix 2. A comprehensive appraisal of each option will be carried out as part of the detailed business case.

Project objectives

The strategic objectives for implementing shared services are: -

- To ensure medium and long term financial stability through a period of uncertainty;
- To retain access to a wide range of skills and competencies;
- To maintain and increase resilience in provision of all council services;
- To retain jobs in the locality;
- To protect jobs and employee interests;
- To continue to deliver Gershon efficiencies and maintain a balanced budget in the long term;
- To achieve financial savings of between 15-30% of the value of the shared service arrangement;
- To realise income as the partnership begins trading activities;
- To rationalise and optimise usage of property assets.

Defined method of approach

Shared services and collaborative working is one of the twelve work streams of the Uttlesford in 2011 transformation programme. The work streams have been developed to manage the implementation, enable effective delivery, prioritise our efforts and allocate resources within the framework of the whole transformation programme.

A programme initiation document for the transformation programme has already been produced and was approved by Operations (now Finance and Administration) Committee on 28 June 2007. The PID sets out the governance model for the whole programme.

The project organisation structure for shared services is shown on page 11 of this document.

Project scope

The OBC indicates that the preferred delivery model is to share services with another local authority. This model can then be developed to incorporate more local authorities, other public/private sector organisations and the third sector. It also explores the possibility for shared service units to eventually trade and generate income.

The OBC considers both corporate support and transactional services. It is common for these to be split in the ratios of 65-75% (transactional) and 25-35% (corporate). Examples of services within each function are as follows: -

- | <u>Transactional</u> | <u>Corporate</u> |
|-------------------------|-------------------|
| • Planning | • Finance |
| • Revenues and benefits | • Human resources |
| • Environmental health | • Audit |

Councils that are already implementing shared services with private sector organisations have estimated that between 15-30% of expenditure associated with corporate services can be reduced as a result of entering into such an arrangement. The full scope of the shared service arrangement will only really become known when potential partners have been identified.

The OBC gives the full list of services within Uttlesford under each heading and the direct expenditure budget for 2007/08 (as at 31 July 2007). It also estimates that the potential annual revenue budget reduction by entering into a shared service arrangement could be between £492,183 (15%) and £984,366 (30%).

These are only estimates and the precise level of savings realised from a shared service arrangement would be more accurately determined as part of the detailed business case for change.

Project deliverables

1. A key requirement of the council's approach to shared services is to ensure that Uttlesford as a corporate identity becomes the focus and that every opportunity is

provided to protect the jobs of current employees and retain a local presence.

2. The council is small in relation to most other local authorities. There is increasing pressure on scarce skills and sharing services will provide much needed resilience to both frontline and corporate support services.
3. To sustain a robust financial position enabling the provision of services that are citizen and business, not provider led which are high quality and offer value for money.
4. For the partnership to establish a separate entity to provide corporate and/or transactional services to other (including partner) organisations at a significantly reduced cost.

Roles and Responsibilities

The Strategic Management Board (SMB) acts as the programme board for the Uttlesford in 2011 Transformation Programme and all twelve work streams, including shared services. The roles and responsibilities are covered in the programme initiation document for the programme.

The roles and responsibilities of the shared services project are as follows: -

Members

Councillor Howard Rolfe is the member champion for shared services. Finance and Administration Committee regularly reviews progress of the Uttlesford in 2011 transformation programme work streams. The Performance Select Committee also receives progress reports.

Project Board

The Strategic Management Board will act as the project board and has overall responsibility for the success of the project. Their specific responsibilities to the project include: -

- To ensure that strategic service issues impacting on the project are communicated to the project team and that the project is duly considered when decisions are made;
- To sponsor the project and to be the champion to all stakeholders;
- To make effective and timely decisions in relation to the project and to engage members when appropriate;
- To approve appropriate project documentation, including project initiation document and project plans;
To act as a point of escalation for issues that cannot be resolved at project team level;
- To monitor project delivery.

SMB meets monthly to discuss and monitor progress of the 2011 work streams. Board meetings will continue until the end of the project.

Project team

The project team will be managing the project on a day-to-day basis. Their specific responsibilities include: -

- To plan, develop and implement the project;
- To procure and manage specialist resources required to undertake elements of the project;
- Monitor and report progress of the project to the project board;
- Manage the project risks and provide mitigation where possible;
- To ensure the decisions that need to be made by the project board are informed effectively;
- To escalate issues that cannot be resolved within the project team to the project board.

Project team meetings will be held on a monthly basis.

Project sponsor

The project sponsor is the Director of Business Transformation and as a member of SMB reviews and approves throughout the project.

Work stream lead officer

The Head of Partnerships and Performance is the lead officer and accountable for the successful delivery of the shared services work stream. In consultation with the Director of Business Transformation, the lead officer has ultimate decision making authority to challenge the progress of the project. This role acts as both the internal and external champion, facilitating buy-in through effective communication, demonstrating clear leadership and ensuring effective decision making.

Staff sounding board

A representative group of staff will be formed to ensure that views and opinions are communicated to the project team and information and progress on the project is cascaded throughout the organisation.

Stakeholders

These will include those affected by the project and therefore will need to be included in communications: -

- All staff;
- Members
- Unions;

- Partner organisations.

Project assurance

Assurance covers all interests of the project, including business, user and supplier.

The Uttlesford in 2011 risk management group will also provide the project with assurance, challenge and scrutiny.

Advice

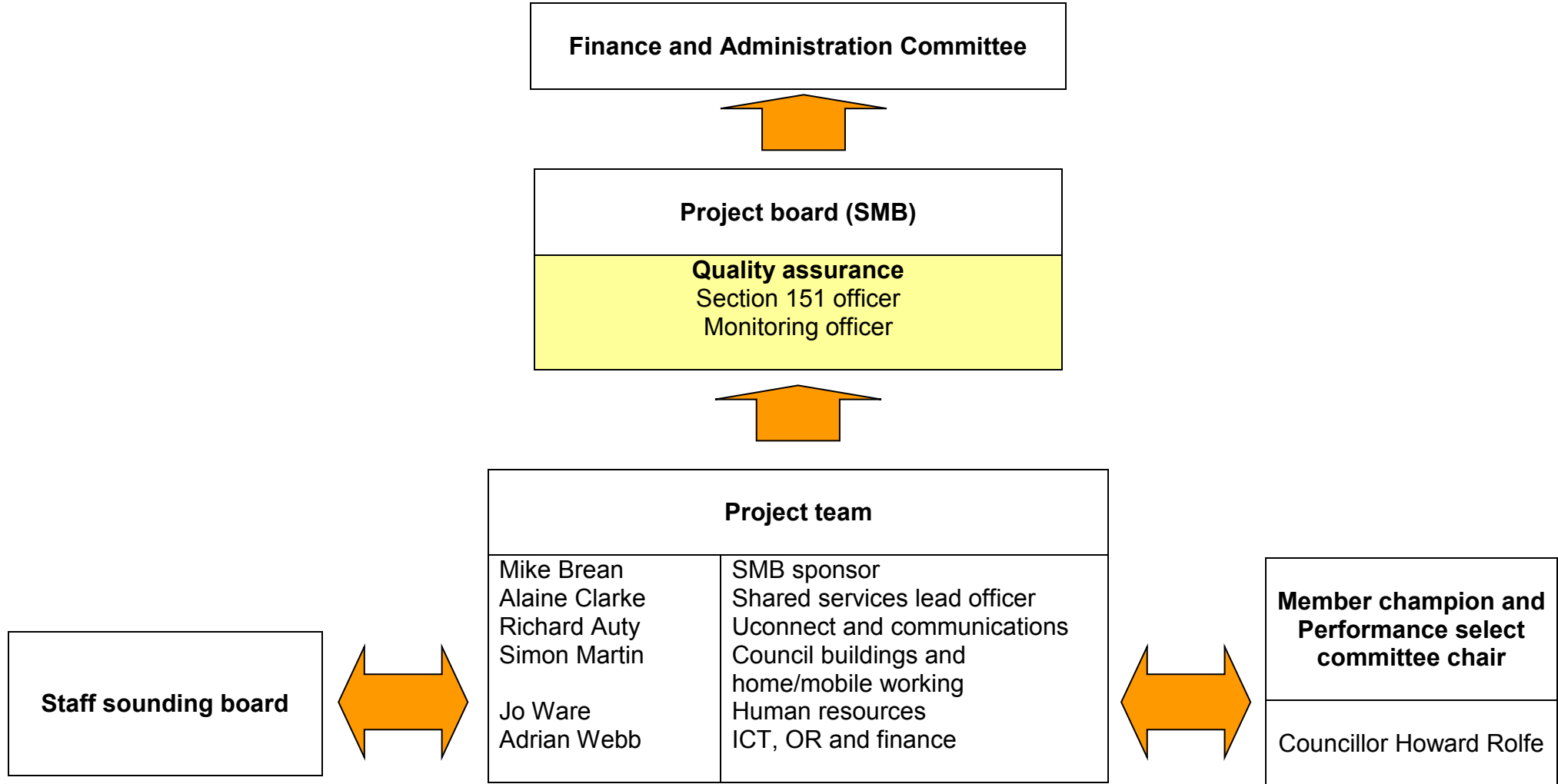
Council staff not represented on the project team but involved in areas such as legal and internal audit may be required to provide advice on specific aspects of the project.



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GOVERNANCE MODEL



Project dependencies

Leadership and support from SMB to shared services.

Commitment of time resources from the project team.

Shared services and collaborative working is a key work stream of the transformation programme and represents a major change for the council. This change will affect all staff and services within the organisation and will have to be led, managed and communicated effectively.

Interfaces

For the successful delivery of this project, the Strategic Management Board will provide leadership and the SMB sponsor will closely with the work stream lead officer and project team. Members will also be regularly consulted and informed.

There will also be a need to work and consult both internally with staff and Members and externally with partners and stakeholders. The communications plan for the project will ensure that this happens effectively.

Assumptions

1. The project has the full commitment of Members and the Strategic Management Board.
2. That the council's budgetary position will be regularly reviewed and the medium term financial strategy updated accordingly.
3. That the organisation is capable of achieving significant change.
4. Sufficient resources are committed to the project.
5. Senior management are committed to investigating and implementing new ways of working, improving services and delivering efficiency gains.

Programme and project management

Management and control of the transformation programme and associated projects will follow the council's project management methodology, which has been developed in line with PRINCE2.

Project tolerances

Variations against the many projects and actions will appear and it is essential for progressing these that the work stream lead officer, SMB sponsor and project team members do not have to get agreement from SMB for additional minor variations. However, SMB will not want progress to deviate wildly from the project plan without being informed of any variations.

Tolerances will be permissible deviation from the plans. The two standard tolerance elements will be: -

1. Time
2. Cost

Tolerance figures will be developed for those two elements.

Project controls

There are various levels of control in the project. The project will be reviewed monthly by SMB, which will receive information via the council's performance management system from the work stream lead officer. The work stream lead officer will inform the project team and SMB on an exception basis. The Finance and Administration Committee will receive regular progress reports. The project controls are detailed in the council's project management toolkit.

Communication plan

The communications plan is shown at appendix a. It will be complementary to and form part of the council's overall communications plan.

Overall objective is to provide effective internal and external communications on the shared services project by: -

- Raising awareness
- Increasing understanding
- Securing engagement
- Achieving commitment

Risk register

An initial risk register has been produced and is shown at appendix b.

Project plan

The project plan will be produced as soon as partner organisation/s have been identified.

Appendices

- A Communications Plan
- B Risk Register
- C Summary shared services implementation plan

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APPENDIX A

Stakeholder	Interest	Channels to be used	Frequency	Deliverer
Public	May affect individual's access to services Interest in ensuring good quality services continue to be provided	Press releases Advertisements Uttlesford Life Website	Mainly as and when developments are confirmed. However consideration will be given to keeping shared services agenda in the public eye should there be long gaps between announcements	Workstream lead officer Comms team
Staff	Potential impact on roles within authority and the way the authority runs as a whole	Briefing notes via Utterings/team briefs Drop-in sessions Team meetings where decisions affect staff/services Mass staff meetings for significant developments	Monthly updates via team briefs and Utterings Drop-in/mass staff sessions where appropriate	Workstream lead officer Comms team Director of Central Services Team/service managers
Members	Impact on authority and communities they represent. Potential for cross-authority networking	Reports to committee/council Members Bulletin Briefing sessions	Reports in line with committee cycle Members Bulletin updates monthly if	Workstream lead officer Director of Central Services

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	Opportunity to promote council's shared services agenda	(ad-hoc and chairs of committee/group leader meetings)	progress to report Briefing sessions	Chief Executive
Strategic Partners (Uttlesford Futures)	Some partners may be involved in the delivery of our services Shared services may change the focus of the council's outlook, potentially affecting relationships with existing partners	Through Uttlesford Futures board	As and when developments are confirmed	Member champion Head of Partnerships and Performance
Businesses	May affect businesses' access to services Interest in ensuring good quality services continue to be provided	Press releases Advertisements Uttlesford Life Website Business forums	As and when developments are confirmed. However consideration will be given to keeping shared services on the agenda should there be long gaps between announcements	Workstream lead officer Comms team Economic Development Manager
Other stakeholders/community partners (parish councils, MP, regional bodies etc)	Impact on communities they represent Potential changes in relationship with council Opportunity to promote council's shared services agenda	Area Panels Briefings	As and when developments are confirmed. However consideration will be given to keeping shared services on the agenda should there be long gaps between	Workstream lead officer Chief Exec

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			announcements	
Neighbouring authorities	Potential changes in local authority structures Learning opportunities	Cross-authority networking groups (chief officers group, service specific groups) Regional groups Specialist publications	Regular discussions and updates	Chief Exec Director of Central Services Project team Comms team All officers with appropriate cross-authority contacts and project knowledge
Service users from outside district	Potential effect on access to services	Press releases Advertisements Website Trade publications	If a service is changing	Workstream lead officer Comms team Heads of Division

SHARED SERVICES INITIAL RISK REGISTER

(Prepared in accordance with guidance issued by the Office of Government Commerce)

This risk register has been prepared by the risk management team comprising Simon Martin, Christine Oliva, Lynn Rusling, Jitendra Patel, Michael Perry, Bronwen Stacey & Geoff Smith. It has been prepared in thirteen sections. Sections 1 – 12 examine the risks involved in each individual project stream. Thereafter is an overarching risk assessment for the project as a whole. In each of sections 1 – 12 risks have been identified, the probability of the risk occurring assessed, the consequences arising from the risk occurring identified and mitigating measures suggested. For the overarching risk assessment the interaction of the project streams with each other have been considered and the consequences of failure of each of the individual streams identified. Some additional generic risks have been highlighted. In each case the probability and impact of the risk has been assessed and again mitigating measures have been suggested.

Risks have been graded from 1 – 4 as follows:-

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 – Near certainty of risk occurring, catastrophic effect or failure of project.

Each risk assessment is supported by a graph plotting each of the numbered risks showing the probability of the risk occurring and the impact if this should happen. The graph shows a thick line which represents the group's risk appetite. Risks within the line are tolerable and require no special attention although proportionate mitigation has been suggested in some cases. Risks outside the line require

managing and efforts should be made to reduce the probability of the risk, the impact of it occurring or both to bring the risk within the line or at least closer to it.

Members of RMG will meet with risk owners at least quarterly to discuss progress on the work stream. They will then report back to a meeting of RMG. If there are serious concerns the risk owner will be invited to attend the meeting to discuss these. RMG will reassess the risks at their quarterly meetings and will report any changes to SMB.

UTTLESFORD IN 2011 TRANSFORMATION PROGRAMME INITIAL RISK REGISTER
(Prepared in accordance with guidance issued by the Office of Government Commerce)

Work Stream 11: Shared and Collaborative services
Risk Owner: Alaine Clarke

	Risk	Consequence	Probability	Impact	Response
1	Absence of a project plan	Cannot monitor/gauge success or slippage	1	3	Prepare detailed project plan
2	Failure to identify suitable partners	Won't happen at all. Anticipated benefits not realised.	2	4	Seek other methods of service delivery
3	Failure to identify an appropriate partnership model	Partnership fails to deliver	1	3	Examine other local authority partnerships and carefully evaluate all options
4	Conflicts of interest	Inability for partnership to provide service.	1	2	Have contingency plans for outsourcing work where conflicts arise
5	Staff resistance to change	Missed opportunities	3	3	Consult and engage with staff
6	Customer resistance to change	Poor public perception	2	2	Consult and engage with customers
7	Failure to evaluate the potential advantages/disadvantages	Service provision at greater cost/lower service level. Inadequate service provision	1	3	Prepare full business case for consideration. Consult with customers and staff.
8	Lack of flexibility if tied to a contract	Could delay in us improving service delivery	1	3	Endeavour to negotiate flexible contracts and appropriate "get out" clauses.

9	Impact on corporate capacity (e.g. in emergency situations, general cross cutting working group etc)	We have insufficient staff to deal with emergency situations. Cross cutting corporate issues re emergencies	1	3	Ensure all staff are available to be emergency responders. Seek volunteers for emergencies (e.g. Members, parishes etc). Engage partnership staff in working groups.
10	Failure of partnership to deliver	Heavy financial consequence and lack of service	1	3	Monitor and benchmark service performance. Endeavour to negotiate flexible contracts and appropriate "get out" clauses.
11	Failure to have an adequate fallback position in the event of dissolution of partnership arrangement	Unable to provide service.	1	3	Ensure business continuity plan is in place and robust

SHARED SERVICES

