

# Project Minerva

## Overview and Scrutiny

17<sup>th</sup> December 2013

1. Work completed to date
2. Options and Choices Considered
3. Cabinet Recommendations
4. Next Steps

# 1. Work Completed To Date



- Cost and staffing baseline developed – ‘Prospectus’
- Initial round of market discussions – including two County Councils
- Second round of market discussions as a ‘soft market test’ including one County Council
- Managers and staff developing in-house options
- Research into the market and other Councils
- Regular Trade Union & staff briefings
- Cross Party Member Steering Group
- CSB engaged throughout the process
- Engagement with schools

## 2. Options and Choices considered

- Internal Options - Programme of projects and changes to reduce costs
- External Options – Outsource functions to the private sector to deliver
- Shared Services Options – Share services with another Local Authority

## 2. Impact of internal options

Function	Estimated Cost – 2013/14			
	2013/14 Estimated Cost Provided to External Suppliers	Number of Staff	Saving Proposed	One-Off Costs
	(£m)	No	(£m)	(£m)
Information Technology (IT)	7.7	7	-	-
Revenues & Benefits	4.5	99	0.6	0.1
Finance & Assurance	3.6	56	0.9	0.3
Commercial & Procurement	0.9	14	-	-
Human Resources & Shared Services	3.5	71	0.5	0.9
Transactional Processing carried out in other Areas # #	0.2	7	-	-
<b>Total</b>	<b>£20.4m</b>	<b>254</b>	<b>2.0</b>	<b>1.3</b>
<b>Note:</b> the reductions put forward are in addition to those already planned through the Medium Term Financial Strategy				

### Conclusions

- The majority of internal proposals are based around reductions in staffing
- The options include the removal of some budgets
- Some internal proposals include small amounts of additional income
- There is no case for Harrow to replace SAP at this stage. However it might be proposed by a future IT provider
- Overall the internal options provide a programme of work to reduce costs by 17% - 20% per annum across all of the areas.

### Conclusions

- There is a wide range of proposed savings from the market
- The proposals received were not subject to competition and there is an opinion that savings were understated in order not to show their hands to the competition
- There is also a view that some providers may have overstated the savings in order to 'attract Harrow to go out to market'
- All stated that they would move off of a SAP solution, and this is reflected in the high investment costs
- All suppliers believed Harrow to be relatively efficient, hence lower savings expectations
- All suppliers stated that maximising the scope would obtain higher savings
- All stated that they would move elements of services to other sites in the UK

### 3. Recommendations to Cabinet



- Re-tender the IT Service to establish a new contract commencing October 2015.
- Launch an internal cost reduction programme for HRD, Payroll, Finance and Revenues & Benefits to deliver 17%-20% savings through to March 2017. Start delivery of these savings.
- March 2015 - review delivery of internal cost reduction plans
- Continue to investigate potential options for further savings with shared service partners.



## 4. Next Steps

The next steps for Project Minerva are:

- The Recommendations will be taken to the January Cabinet
- The Minerva Programme will become the transformation programme for the Resources Directorate
- A procurement exercise will commence to procure Legal and Commercial advisors for the ITO procurement
- Work will start on determining the specification for the ITO and any associated procurement activity
- Transformation activity in areas previously out of scope of Minerva (such as Legal, Strategic Commissioning and Access Harrow) will now become part of the Minerva Programme
- Planning will commence for projects identified within the Internal Options