

## **BTP: Corporate Services Programme**

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**Document Reference:**

**BTP - CORPORATE SERVICES PROGRAMME**

### **SUMMARY BLUEPRINT**

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## BTP: Corporate Services Programme

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### Approvals

Name	Title	Signature	Date	Version
Myfanwy Barrett	Corporate Director Finance			
David Ward	Divisional Director Risk, Audit & Fraud			
Carol Cutler	Director of Business Transformation & Customer Service			
Ghan Varsani	Capita Programme Director			

### Distribution

Name	Title	Organisation	Date	Version
Jo Fitzgibbon	Service Manager - Shared Services	Harrow Council	29 Oct 2010	v0.7
Linda D'Souza	Service Manager - Shared Services	Harrow Council	29 Oct 2010	v0.7
Dave Ramadan	Service Delivery Director	Capita		
Dave Cooling	ITS Client Service Director	Capita		

### Related Documents

Document Title	Date	Version
Corporate Services detailed blueprint document		
Business Planning & Consolidation blueprint		

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### **1. Executive Summary**

The London Borough of Harrow Council has a £50m funding gap over the next three years and has embarked on a series of efficiency programmes and projects to help manage the potential deficit. One area that has been identified as having potential for further efficiency savings is Corporate Services and, in particular, enhanced usage and take up of the existing SAP technology. Significant work has already been undertaken with a view to shaping future efficiency savings through Corporate Services.

The aim of the Corporate Services programme is to deliver a range of cashable and non-cashable benefits through building on the Council's significant investment in SAP. To achieve this aim the Corporate Services blueprint has the following three core objectives:

- 1) Improve delivery of corporate transactional processes
  - Process improvement
  - Centralise activity where it makes sense
  - Automate where effective
- 2) Support Employees' and Managers' ability to self-serve HR management
  - Reduce the workload for Shared Service team
  - Improving the user experience of ESS/ MSS
- 3) Improve financial monitoring & controls
  - Bring strategic and operational finance teams closer together
  - Improve use of planning and forecasting tools (BPC)

During the cross-council efficiency review (CCER) that PwC carried out for the Council in 2009 a number efficiency business cases across the Council were developed. These were explored in more detail in early 2010 and for the Shared Service team a series of projects were identified to resolve the specific challenges summarised below:

- High volume of manual processes have been identified in Shared Services that require data input to SAP that require significant resources to carry out;
- Schools payroll data is already input into another system called SIMS, which is then printed off, sent to Shared Services for scanning and manual input into SAP;
- Over 66,000 invoices are scanned and manually input into SAP, although there is a mature market for OCR invoice solutions;
- The SAP ESS/MSS module is being deployed across the Council, while major issues surrounding its usability reducing its uptake. One of the key issues cited is with the complexity of sickness reporting process;

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- The SAP Purchase Card process has too many steps, making users submit and approve baskets individually for each transaction. The current card is not HMRC compliant which poses a significant risk to the Council;
- The need for the service checking and chasing provided by Shared Service's supporting application for CRB disclosures has evolved to resolve inaccurate data entry onto the paper application forms.

The solutions described in this blueprint cover the use of the following new technologies:

- 1) **E-Invoicing** - implementation of SAP's Invoice Management enabling the receipt of e-invoices from suppliers directly into SAP, and utilising Optical Character Recognition (OCR) technologies automating the handling of paper invoices;
- 2) **SIMS Interface** - development of a new interface to extract payroll and sickness data directly from SIMS into SAP. Reducing the creation of paper forms in schools, scanning and indexing of these forms, and the upload of the data into SAP;
- 3) **Purchase Cards** - implement Royal Bank of Scotland (RBS) Purchase Card solution that streamlines the shopping cart process for users, as well as simplifying the reporting of VAT and non-VAT items, HMRC compliance;
- 4) **ESS/MSS Enhancements** - improvements to ESS/MSS module screen layouts for a number of manager self-serve processes, including resolving the user issues with the sickness reporting process;
- 5) **CRB on-line** - use of CRB's e-Bulk disclosure application web-form, facilitated by CRVS's processing centre, to error proof applications at source.

These projects aim to both improve the use of SAP across the Council as well as deliver cashable savings in Shared Services through the automation of manual data entry processes and improving the accuracy.

Following a review of the cost benefit profile of these projects, it was decided to proceed with the SIMS, ESS/MSS and CRB projects in Phase 1 of the Corporate Services Programme. During this phase the E-Invoicing solutions will be revised to focus on receiving electronic invoices directly from suppliers, removing the OCR component. If this provides a better cost benefit profile the Council will consider a Phase 2 for the programme.

The blueprint for the implementation of SAP's Business Planning and Consolidation (BPC) has been delivered as a stand-alone document. The solution, developed as part of this blueprint, has been separated from Corporate Services programme by the Council so that it can be taken forward as part of the strategic review of the Finance department.

Whilst the benefits modelling is out of the scope of the blueprint, Capita have supported the Council's tracking of their benefits. Of the 18.5FTE savings that were agreed before the blueprint was commissioned, 16.5FTE are still in progress to be realised. The scope of the Corporate Services programme has changed during the

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course of the blueprint phase and the Council has chosen to take a number of the projects forward as part of other initiatives:

- RFID Libraries (2FTE) – will realise the libraries e-Invoicing savings;
- CM2000 (1FTE) – will realise the Adults brokerage e-Invoicing savings;
- SAP Pensions Interface (2FTE) – is being delivered outside of the General Fund;
- Finance department strategic review (2FTE) – will review how best to take forward the blueprint design produced for BPC
- E-Invoicing (3FTE) – to be re-profiled around receipt of electronic invoices and considered as a Phase 2 for the Corporate services programme.

This means that the Corporate Services programme Phase 1 is now responsible for delivering 6.5FTE to deliver from the five projects listed above. These savings will all be realised from the Shared Services team.

As the scope for some of the projects is now being delivered elsewhere, these projects will also pick up the solutions and costs that were part of the Corporate Services blueprint. This has resulted in the cost of the Corporate Services project being reduced from £1.4m to £505k.

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### **2. Purpose**

This document outlines the solutions, implementation plan and fixed price for delivering the Corporate Services projects. It also contains the results of the feasibility reviews commissioned as part of the blueprint phase. It is a summary document for review by senior stakeholders and is supported by a detailed technical blueprint for each project that has been reviewed and signed off by the Shared Services team Heads of Service.

### **3. Background**

PwC were engaged by the Council to carry out a cross-council efficiency review (CCER). This led to 10 Strategic Business Cases being put forward to CSB on 22nd December 2009. CSB decided to take the Corporate Services business case forward. Between January and August 2010 significant work was undertaken by Capita and PwC to validate the future efficiencies and understand the costs.

The Corporate Services programme is primarily a series of technology projects focused on enhancing SAP and enabling savings in the Shared Services team.

The Council asked Capita to carry out a blueprint instead of taking the OBC/FBC route because of the confidence that the benefits will be delivered and for Capita to focus on the solution design without taking on the benefits risk. The Blueprint approach has a number of benefits to the Council in the current funding climate:

- Fast-track delivery of programme outcomes;
- Blueprint (developing and delivering the solution) costs significantly less than OBC/FBC;
- Resource and support can be fully committed over a shorter timescale for delivery;
- Benefits are realised sooner in the life-cycle of the programme.

The blueprint for the implementation of SAP's Business Planning and Consolidation (BPC) has been delivered as a stand-alone document. The solution, developed as part of this blueprint, has been separated from the Corporate Services programme by the Council so that it can be taken forward as part of the strategic review of the Finance department.

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**4. Blueprint Scope**

The Corporate Services blueprint describes costed solution designs for the following five projects:

- 1) **E-Invoicing:** an integrated solution combining the SAP Invoice Management (IM) Module, Kofax OCR technology, the SAP Supplier Portal and SAP Enterprise Content Management (ECM).
- 2) **SIMS Interface:** schools payroll improvements from enabling the Schools Information Management System (SIMS), to upload schools payroll data automatically into SAP. This includes a bespoke interface developed from the SIMS system to SAP HR/Payroll.
- 3) **Purchase Cards:** the P-Card solution involves exchanging the existing Visa Cards for MasterCards using the RBS Onecard solution. This will provide access to the RBS Smart Data OnLine (SDOL) system.
- 4) **ESS/ MSS Enhancements:** acting on user feedback about the ESS/MSS initial roll-out and will improve key HR processes (make screens more intuitive and easier to follow) and user accessibility
- 5) **CRB on-line:** using CRB’s e-Bulk on-line application solution to control the workflow and help track the status of all CRB applications efficiently and securely.

The Council has decided to proceed with three of these projects in Phase 1 of the Corporate Services programme: SIMS, ESS/MSS and CRB.

The Corporate Services blueprint project also undertook feasibility reviews for the following two projects:

- 1) **Advance payment of suppliers:** to identify the feasibility and potential saving from paying the Council’s top 20 suppliers early;
- 2) **Automatic approval of invoices:** to identify the feasibility and potential saving from automating the Goods Receipting process for low value invoices.

The Corporate Services blueprint investigated the following four areas and identified more effective routes for the realisation of the benefits:

- **Centralise Invoicing:** it was identified that existing service change projects are better placed to deliver the savings identified, which now have robust plans for realising these savings. The Corporate Services requirements for ensuring SAP is updated from line-of-business applications have been defined and incorporated into the relevant service projects;
- **Pensions (SAP):** the enhanced interface from SAP to the Axis-E Pension application has been delivered during the course of the project within existing resources, enabling the planned savings to be realised. The costs and the savings sit within the Pension Fund, which is outside of the General Fund;
- **Procurement Compliance:** the Procurement department is about to undertake a strategic review of procurement, following on from the initial



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analysis by PwC. One of the outcomes of this review will be the definition of a set of requirements for SAP enhancements to enable greater procurement compliance. Following this strategic review Capita will support the scoping and costing of these requirements.

- **SAP Business Planning Consolidation (BPC):** blueprint has been separated from the Corporate Services project so that it can be taken forward as part of the strategic review of the Finance department. BPC provides an Excel front-end to SAP making it much easier for senior managers, budget holders and Finance officers to access and manipulate financial data in SAP. BPC provides workflow and auditable version control to enhance the Council's financial control and monitoring of budgets. SAP BPC will help exploit the benefits of using the existing SAP Business Warehouse /Intelligence (BW / BI) module.

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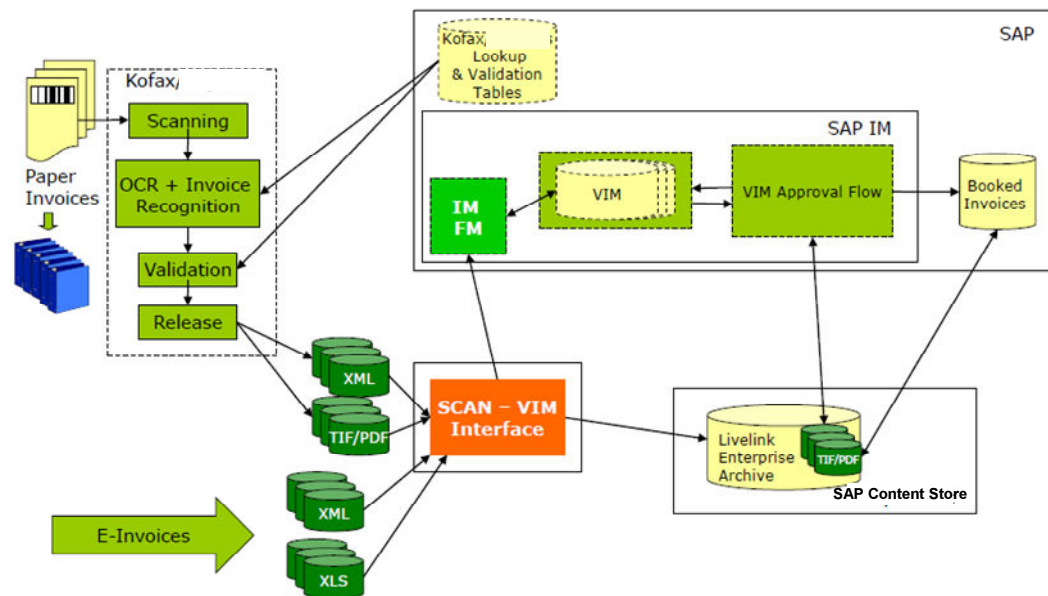
**5. Solutions Summaries**

**5.1. E-Invoicing**

The objective of the SAP E-Invoicing project is to reduce the effort required to enter invoice data into SAP, currently entered manually by the Shared Services team. The project will enable the upload of data into SAP from both electronic invoices received directly from suppliers and from paper invoices, using Optical Character Recognition (OCR) technology.

Currently invoices are received in paper copy and processed manually. This involves scanning the document into Civica and then viewing the scanned image on screen while manually inputting the data into SAP. Where an exception arises any officer assigned to resolve the exception has a copy of the image emailed to them as they do not have direct access to the image. This process requires considerable manual effort from the Council and its suppliers and is highly inefficient.

Five suppliers were invited to submit proposals evaluation against the Council's requirements captured in an RFP. Two suppliers were shortlisted and after extensive clarification questioning and investigation, SAP OpenText was selected as the solution for the e-invoicing solution.



The integrated SAP solution includes the following components:

- Enabling electronic invoices provided by suppliers to be automatically uploaded into SAP through a new Vendor Invoice Management (VIM) interface;
- Utilising the existing scanning operation to scan remaining paper invoices;

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- Implementing Kofax Optical Character Recognition (OCR) technology to interpret scanned images and both index the image and upload it directly into SAP via the VIM interface;
- Implementing SAP's Invoice Management (IM) developed by OpenText to process the electronic invoice data, removing the current manual processes in the Shared Services team;
- Storing the image in the SAP's Enterprise Content Management (ECM) already licensed by the Council;
- Providing suppliers with web access through SAP's Supplier Portal to view the progress of their invoice, reducing the need to contact Shared Services.

Whilst this solution utilises the SAP ECM solution that is already part of the Council's SAP licence, this is not integrated into the Council's corporate records management solution in Civica.

In order to integrate SAP's IM solution with Civica to store the images, Civica will need to be accredited by SAP. Civica have agreed to apply for accreditation, and if they are successful prior to commencing the project, Civica will be used to store the images instead of using SAP ECM.

### **5.2. SIMS Interface**

The objective of the SIMS to SAP Payroll Interface is to remove the manual entering of payroll data from 66 Schools into SAP by the Shared Services team. Initially the team looked at purchasing the "off-the-shelf" personnel module from the Council's EMS software. However it required a significant investment in order to transfer data from SIMS to EMS, whilst its interface from EMS to SAP was not well developed.

In the process of developing the functional specifications it was identified that the more efficient solution is to take data from SIMS and upload it directly into SAP.

The proposed solution requires creating a new Management Information report in SIMS, something the existing SIMS team currently support. The data from this report will then be migrated using existing interfaces between SIMS to SAP via AVCO. AVCO is the existing secure server route the Council currently use to transfer data between SIMS and SAP.

The solution then uses the Council's existing middleware solution, JCAP, to collect the 66 separate reports from AVCO and consolidate them into a single report, before uploading it into SAP.

A new bespoke program will then be developed in SAP to accept the data and automate the processes that will save the Shared Services team's time.

The proposed solution involves the following:

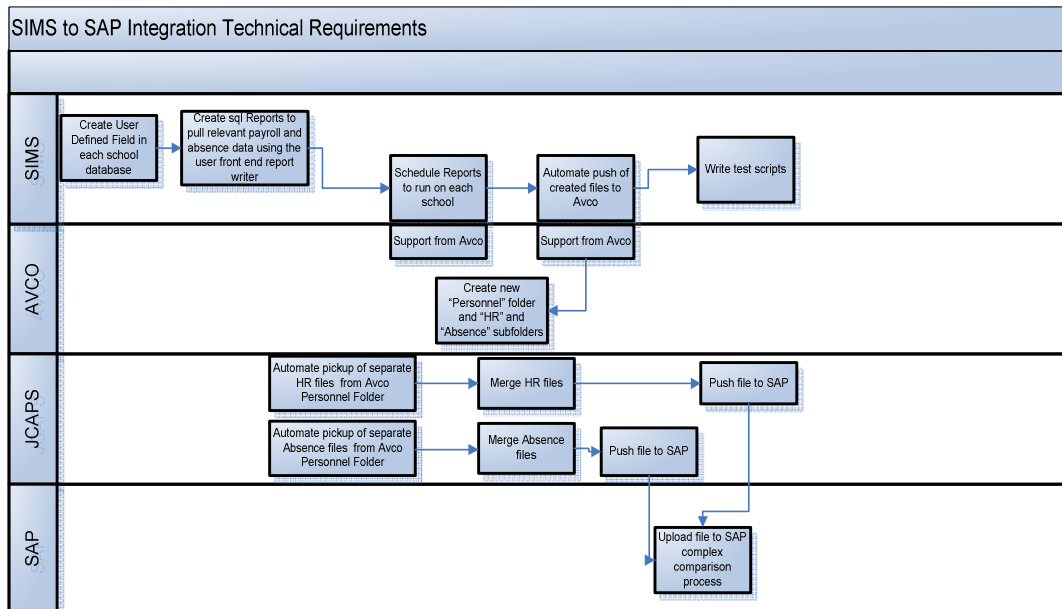
- Decommissioning 10 handwritten forms which are manually produced by schools, posted to the Council, scanned onto Civica and then manually entered into SAP;

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- Simplifying the payroll approval process in Schools;
- Creating additional user defined fields in SIMS and extracting payroll data out of SIMS using the existing Management Information reporting tool;
- Develop an AVCO script to load this report on to the secure AVCO server;
- Using the JCAPS solution to pull the 66 reports from the AVCO server and merge them into a single report, which is uploaded into SAP;
- Developing new SAP program to load the data into SAP HR/Payroll and automate SAP processes;
- Develop a message (email) from SAP to Civica to trigger the Civica processes without requiring the scanned image, and to remove the manual data entry steps from Civica workflow.

A major benefit identified by this project is that the sickness recording processes the schools follow means they currently also capture their sickness records in SIMS. Using the same interface the project will be able to automate the schools sickness process without requiring the OCR technology previously being considered. This will eliminate the need for manual processes around scanning, entering and checking schools sickness forms into SAP.

The solution will be delivered by a close partnership between the SIMS team, AVCO supplier, JCAPS team, Shared Services team, Capita ITS, and Civica W2 team. Below is a schematic diagram of the components of the SIMS to SAP Interface:



The SIMS team have requested additional support to set up the new report and to help the schools to increase the accuracy of the input of their payroll information onto SIMS. The current use of the SIMS system is understood to be consistent and accurate across the schools, following the focus by the SIMS team to date in supporting schools.

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It is proposed that one of the FTE savings from the Shared Services team is seconded for nine months to the SIMS team to support this project before being released.

### **5.3. Purchase Cards**

The primary objective of this project is to make the Purchase Cards easier to use for card holders and their authorisers. This will be achieved by merging the individual transaction shopping carts to enable multiple transactions to be authorised at once. Two further objectives are to automate the split between VAT and non-VAT items as provided by the merchant for Shared Services and to ensure the Purchase Cards are HMRC accredited.

A number of potential solutions were evaluated and the Royal Bank of Scotland (RBS) Onecard system was selected as it provided the best value for money.

RBS provide a web-based interface for the review and authorisation of transactions. Once approved the transactions are posted directly to SAP. The project will be primarily implemented by RBS working directly with the Shared Services team. Capita will support the data migration and testing the RBS solution to ensure it has been set up correctly.

The card management solution utilised by RBS Onecard is Smart Data OnLine (SDOL). SDOL is an online reporting application that will give access to Onecard transactions securely over the Internet. It will help to speed up expense reporting by allowing the cardholder to review, cost allocate, split transactions, run reports & exports. For this the cardholder needs a user ID, password and access to the Internet. User access is driven by application permissions. The SDOL system will recognise the differences between credit notes and credit vouchers and therefore will not result in errors as the present system does.

SDOL is an integral part of the new solution and allows administrators and cardholders with the following capability:

- Access to management information 24/7;
- Creation of standard and bespoke reports;
- User friendly access to transactions online;
- Recoding of transactions by cardholder, supervisor or centralised function;
- Approval of multiple transactions by line manager;
- Automatic extract and upload of data into SAP;

The current RBS Visa cards which are used by around 250 cardholders within the Council will need to be replaced by RBS MasterCard.

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### **5.4. ESS / MSS Enhancements**

Following the initial pilot of the ESS/MSS module extensive user feedback was collected which led to a number of recommendations to make it more intuitive and improve its usability. Key changes were identified that would deliver the greatest impact for users. These were reviewed and prioritised by a senior user group to form the scope for this project.

A key component of this project is the simplification of the sickness recording process. The handling of sickness data from schools has been incorporated within the SIMS Interface project.

Following the initial analysis carried out during the blueprint phase, the ESS/MSS Enhancements project will deliver the items below:

- 1) **Auto logout after period of inactivity** - internal audit have raised a SAPGUI issue about logging out the user after period of inactivity which requires resolving;
- 2) **Text Changes for ESS/MSS Expense and Overtime screens** - there are 4 parts to this item. It has an additional requirement for the resolution of the 'radio button' issue;
- 3) **Simplify sickness recording** - custom i-View screen required in MSS to populate the SAP Absences screen;
- 4) **ESS Overtime, default Controlling Area** - requires further confirmation with the business and CATS configuration;
- 5) **ESS Overtime, default Home Cost Centre** - requires further confirmation with the business and CATS configuration;
- 6) **MSS Expenses, view Total Miles** - the requirement is to calculate and display the total miles for the Manager to approve;
- 7) **Payslip usability** – the requirement is to reduce the number of steps to view a payslip. The Home Page will be configured so that the user can view their payslip without unnecessary steps;
- 8) **Payslip error when “Overview” is selected** - requires debugging to identify root cause of the problem.

### **5.5. CRB On-line**

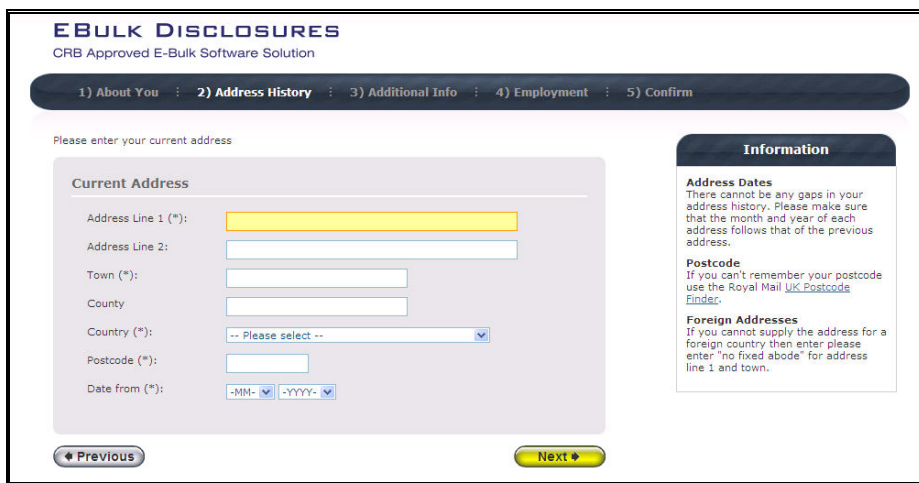
The CRB On-line project will remove the manual processes carried out by the Shared Services team supporting CRB disclosure applications. The Council's requirements were collected from the business and the "As Is" processes were analysed. The existing processes involve the Shared Services team undertaking many of the CRB checking and chasing activities which were required to ensure that the information collected on the paper application forms is correct.

The project team liaised with the Council lead on the Cross-London procurement exercise, to identify candidate providers.

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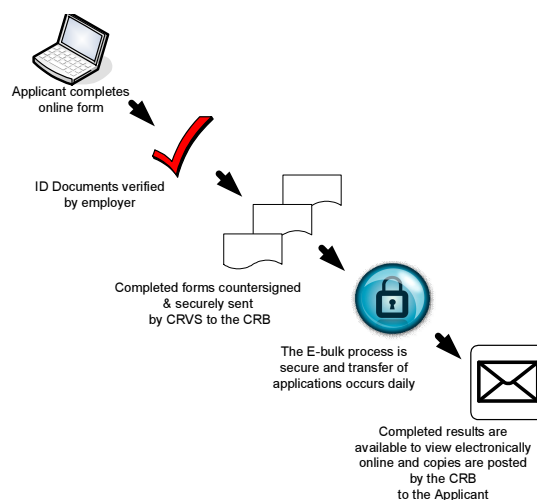
Two options were assessed, namely Harrow to continue to act as Counter Signatory or the provider takes on the Counter Signatory role. The comparison indicated that there was a lower set-up cost and greater savings if the provider takes on the Counter Signatory role.

The selected solution is the Capita Recruitment Vetting Services (CRVS) who will provide access to CRB’s e-Bulk On-line Application service to error proof applications as the data is entered by the applicant at source. This will remove the need for the chasing and checking activities carried out by the Shared Services team after the application has been completed.



This will enable Harrow Council to easily manage their CRB Disclosure responsibilities with minimal time and effort. The service will replicate the disclosure application lifecycle and control the workflow allowing users to easily see what work needs to be done and the current status of all applications within their respective domain.

The e-Bulk service provides an application form that contains strict validation rules, allowing the required data to be captured quickly and easily. Applicants will complete an electronic disclosure application form through a simple internet connection. All user data will be encrypted and the data will be validated to ensure accuracy of the application prior to submission. A dashboard within e-Bulk will show which stage applications are at in the lifecycle, enabling organisations to easily manage their responsibilities.



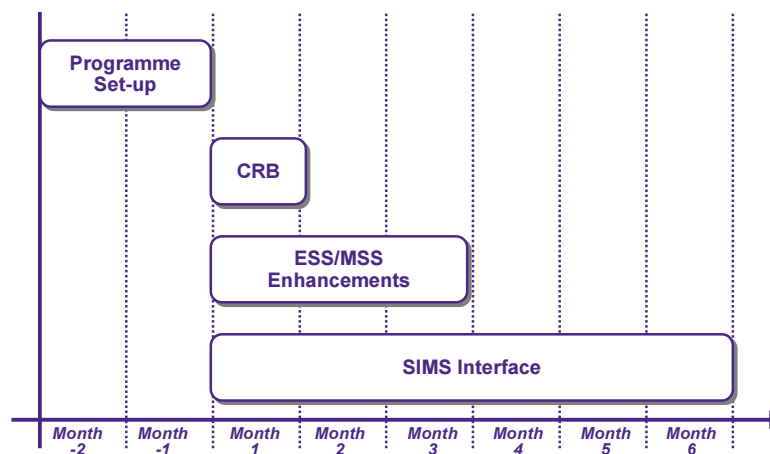
A list of evidence checkers for the Council will need to be compiled at the start of the implementation, to be uploaded into the e-Bulk solution. This defines who is authorised to validate applicants’ IDs.



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**6. Implementation Approach**

The diagram below outlines the timelines for delivering the five projects in scope. A more detailed programme plan is provided in the appendix. For each project, a detailed implementation plan has been developed. This can be found in the individual Blueprints document for each project.



**6.1. Implementation Plan**

The Corporate Services Programme Phase 1 consists of three individual projects including CRB, ESS/MSS Enhancements and SIMS to SAP Interface. The implementation plan will consist of specific stages for each project. Please refer to the section “Corporate Services Programme Plan” for the proposed timeline.

There will be a project initiation phase which covers the programme planning, selection of the team, the preparation of contract schedules and production of the PID.

The detailed blueprint document for each project describes the implementation plan in further detail. The final step after post implementation review will be the close of the programme.

The key components of the implementation plan for each project include the following steps:

- Setup, configuration and technical development
- Unit and system testing
- Integration and user acceptance testing
- Training & documentation
- Cutover
- Post implementation review



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It is anticipated that the Corporate Services Programme will be implemented in approximately 6 months from the project kick-off with a phased go-live. This excludes the time required for the programme setup.

The following are dependencies that will influence this timeline:

- Identification of a suitable project manager with appropriate SAP experience
- SAP development programme freezes

### **6.2. Change Management Approach**

A robust communication plan will be developed as part of the PID. This will ensure staff understand what the change is and why it is required. This will help the change becoming far less of an issue. It is critical to develop carefully structured communications plans and mechanisms to inform staff about the change programme and how it will affect them.

Training will be delivered where appropriate to ensure that users have the skills required to perform their role effectively as the changes are being implemented. The projects with specific training requirements have been defined in the detailed project blueprint documents.

### **6.3. Testing Approach**

The Capita test team will provide a test governance and co-ordination role between the technical team and the business testers. Capita will be responsible to capture test scenarios and defects. They will ensure that test execution is completed and defects are resolved.

Testing will be a collaborative effort (test scenarios development and test execution) between the Capita test team and Harrow business testers. Harrow business testers will need to be available during the stated test periods and will be required to support the test scenario development and execute test scenarios with the support of the Capita test team.

The three types of testing are:

- Unit Testing (UT) - unit testing to be undertaken by Capita within the development environment;
- System Integration Testing (SIT) - testing will be carried out jointly by the Capita and Council teams to ensure that the complete end to end process with data flow between different applications is tested in a single instance;
- UAT - will also be carried out by the Council to focus on business testing, ensuring that business processes can be completed end-to-end.

### **6.4. Governance Model**

The Corporate Services programme will follow the BTP governance model and will feed into the ERP Board, Programme Board, Change Board [if required] and the Design Board. Any changes to the implementation model [time, cost, scope] will

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follow the existing change management process. It is envisaged that any change requests would be reviewed in parallel to the implementation project which would not be stopped pending the outcome of any proposed changes by the Change Board.

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### **7. Benefits model**

Whilst modelling the benefits is not a blueprint deliverable, Capita have supported the Council's benefits tracking. The table on the following page outlines the changes to the Corporate Services benefits case over the course of the blueprint phase. Since the blueprint started there have been a number of changes to the scope of the next phase.

Four of the twelve projects are being taken forward through alternative routes to the next stage of the Corporate Services programme:

- The Libraries and Adults Brokerage e-invoicing savings will be delivered through service specific projects delivering wider changes to the way book acquisition and domiciliary care commissioning are carried out;
- The Pensions Interface savings fall outside of the General Fund and will be delivered through existing resources;
- The BPC project has been separated from Corporate Services so that it can be considered in line with the strategic review of the Finance department.

Following further investigation two of the projects did not warrant the investment required to deliver the savings:

- The invoicing interface required for Minor Work's system, Anite, is very complex and would be prohibitively expensive;
- The savings identified against the schools and depot overtime and expenses projects were dependent on being able to reuse the OCR solution being procured in the e-Invoicing project. Although the Kofax OCR solution can be reused for future projects, it cannot read hand writing to a high enough level of accuracy for the overtime project to be viable.

The original average salary used across all of the PwC business cases has proved to be high and during this phase of all the programmes the actual salary savings have been re-calculated. This means that the annual saving across the Corporate Services programme now stands at £248,000.

On consideration of the Blueprint the Council has decided to proceed with three projects in Phase 1 of the programme. E-Invoicing will now be re-profiled and considered for a Phase 2 of the programme, this reduces the Phase 1 benefit by a further 3FTE down to 6.5FTE.

With careful service planning by the Shared Service managers it is not anticipated that there will be any redundancy costs across the 6.5FTE in scope. Three of the posts have been held vacant for several months, four members of the team have accepted VSS and the intention is to transfer the remaining 2.5 FTE to vacancies in other teams.

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Project	Original FTE	Corp Service	Other	Reduced FTE	Original (av £35k)	Revised (av £35k)	Salaries (£k)	Revised CS (£k)
E-invoicing (OCR)	3	3			105	105		0
Libraries invoicing activity	2		2		70	0		0
CM2000 invoicing activity	1		1		35	0		0
Minor Works invoicing activity	0.5			0.5	17.5	0		0
SIMS interface with schools	3	3			105	105	28	84
CRB checking on-line	2	2			70	70	28	56
Pensions through SAP	2		2		70	0		0
Purchase Cards	0				0	0	0	0
ESS / MSS - Schools sickness	1.5	1.5			52.5	52.5	24	36
ESS / MSS - Schools & Depot Overtime	1.5			1.5	52.5	0	24	0
ESS / MSS - Improvements	0				0	0		0
BPC Implementation	2		2		70	0		0
<b>Totals</b>	<b>18.5</b>	<b>9.5</b>	<b>7</b>	<b>2</b>	<b>£648</b>	<b>£333</b>		<b>£176</b>
			18.5					

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### **8. Feasibility Reviews**

As part of the blueprint for Corporate Services Capita were asked to conduct reviews of advance supplier payments and introducing automatic approvals of invoices less than a nominated value [based on Lambeth Case Study, auto approval of invoices less than £500 to establish if cases for change exist.

Below the findings of these reviews are outlined below. The reviews are described in more detail in the technical blueprints document supporting this summary.

#### **8.1. Early supplier settlement**

This review identified that if a 0.25% discount is negotiated with the Council's top 20 suppliers up to £340k annual saving could be delivered.

Paying suppliers six weeks earlier would mean that the Council would lose 6 weeks of interest on the cash it holds against the LIBOR interest rates. In the current economic climate these rates are currently very low.

The Council will make savings while the LIBOR interest rates remain below 4% on the monies paid 6 weeks earlier.

In order for the Council to be in a position to pay suppliers earlier a tighter invoicing process for speedier payments is required. This is being enabled by the e-Invoicing OCR and supplier portal solution.

The recommendation is to incorporate this into the top 20 supplier negotiations that the Procurement service is about to undertake.

#### **8.2. Automated approval of invoices**

This review identified that 37% of all invoices are below £100, with a total value that equates to 0.1% of Council spend. Likewise 59% of all invoices are below £500, with a total value that equates to 2.4% of Council spend.

It is estimated that for the number of receipts received by the Council and the amount of time spent on each one, it takes the equivalent of 4 FTE to process all invoices below £500. This effort is spread across the whole Council.

In order for the Council to be in a position to start automatically receipt good requisitioning, PO raising needs to be standardised across the Council. E-invoicing is also required to standardise the invoicing processes and an estimate of £10k of configuration to SAP is required to enable the automatic process.

The Council has indicated that it would consider enabling invoices under £100 to be automatically Goods Received in the first instance as a pilot.

The recommendation to release the potential saving spread across the Council is to incorporate this initiative into the General Admin business case. The General Admin project is both standardising business support processes, and releasing savings in this area of the Council through a major change programme.

## BTP: Corporate Services Programme

### 9. Appendices

#### 9.1. Corporate Services Phase 1 Programme Plan

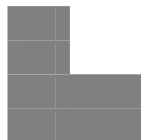
The programme plan below lists the key activities and timescales for delivering the three projects under consideration for Phase 1 of the programme.

##### CORPORATE SERVICES PROGRAMME PLAN

Months		Jan					
-2	-1	1	2	3	4	5	6

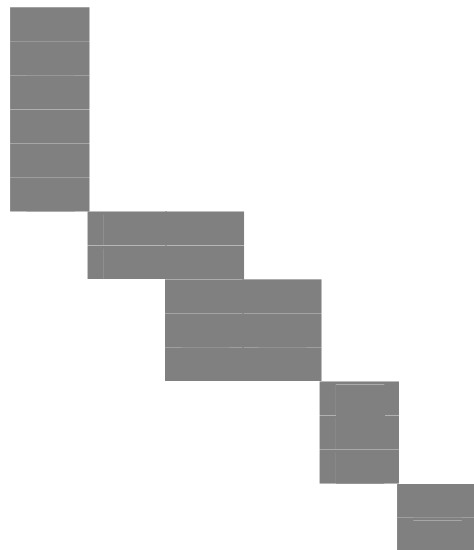
##### PRE-REQUISITES

- Project Plan Validated
- Project Team identified
- Contract Schedules
- Order Hardware / Software



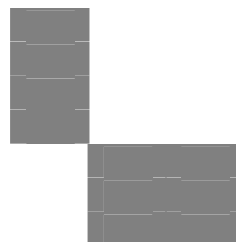
##### SIMS Interface

- Project kick-off
- Infrastructure Setup
- Confirm Blueprint
- Confirm Functional Specs
- Technical Specs
- SIMS MI Report
- Configuration/ Development Reports
- Unit Testing
- Super User Training
- Develop Test Scenarios
- UAT
- Documentation
- End User Training
- Parallel Run
- Go-Live



##### ESS/MSS Enhancements

- Project kick-off
- Infrastructure Setup
- Confirm Blueprint
- Confirm Functional Specs
- Technical Specs
- Configuration/ Development
- New & Existing Interface



## BTP: Corporate Services Programme

### CORPORATE SERVICES PROGRAMME PLAN

