SHADOW EXECUTIVE	
2 September 2008	

SUBJECT	**Implementation Plan Monitoring Report**
	To report on overall progress following the adoption of the Implementation Plan by Shadow Executive on 10 June 2008.
REPORT OF	**Officer Programme Board**
Contact Officer: Simon Redmore (01462 611255)	

IMPLICATIONS

SUSTAINABILITY	None arising from this report
FINANCIAL	As at 8 August £1.85m has been committed against the transitional budget of £18.2m.
LEGAL	The Shadow Authority is required by the Implementation Order to prepare, keep under review, and revise as necessary, an Implementation Plan.
PERSONNEL/EQUAL OPPORTUNITIES	None arising from this report
COMMUNITY DEVELOPMENT/SAFETY	None arising from this report
TRADES UNIONS	None arising from this report
HUMAN RIGHTS	None arising from this report
KEY ISSUE	No
BUDGET/POLICY FRAMEWORK	No

OTHER DOCUMENTS RELEVANT TO REPORT
"Implementation Plan and Risk Analysis", Item L2, Shadow Executive, 10 June 2008

RECOMMENDATION:
That officers work urgently with County Council officers to ensure that the resource implications of Bedford's decision, if confirmed, are thoroughly understood and appropriate assistance and expertise is available to meet Central Bedfordshire's requirements.
Reason for Recommendation: *So that preparations to create the new authority remain on schedule.*

Background

1. This is the third progress report to Shadow Executive since the Implementation Plan was agreed at the meeting on 10 June. The report follows the previously used format.

2.   The Implementation Plan has continued to be used at the monthly meeting with DCLG officials to report on progress and updates have been considered by the meetings of the Central Bedfordshire Implementation Team which includes key partners.

3.   The Shadow Scrutiny Committee is due to meet on 4 September in order to review progress. Officers have submitted a report to that meeting setting out a summary of work carried out since April. Portfolio holders have been requested to attend the meeting in order to set out their views on progress and to answer questions. Any additional issues arising from this meeting of Shadow Executive will be reported orally to the Shadow Scrutiny meeting.

4.   As Members will recall the Implementation Plan focuses on key milestones. Beneath this level of planning is a much more detailed Gantt chart itemising all the tasks for each workstream within the programme. The Gantt chart requires close attention to detail to ensure that dependencies are identified and that progress within individual workstreams is on track. The Gantt chart is progressing well and continued focus is being given to dependencies between workstreams.

Overall Progress and Variances

5.   A copy of the latest Implementation Plan is copied at Appendix "A" and shows which targets are completed, on track, at risk, or delayed.

6.   The current position regarding exceptions shown on the plan is as follows:

Milestone	Proposed Action
Line 24 – first draft of services business plans	Twenty-seven draft plans have been prepared. Plans are outstanding for Business Transformation and Internal Audit. Work is in hand and the drafts should be prepared by the end of August.
Line 25 – agree shared services hosting arrangements for Central Beds and Bedford Borough	Substantial progress has been made but a number of issues remain outstanding. Some relate to the Borough's awaited decision on SAP / Agresso. At the time of writing the Borough's Implementation Executive is due to reach a decision on 20 August and an oral update will be given at the meeting.
Line 30 – Customer engagement (contact centre) shared services	Discussions are continuing about the management of a shared contact centre. An oral update will be given at the meeting.

Update on Enterprise Resource Planning (ERP) Software

7. The meeting of Shadow Executive on 5 August requested that a report be made to this meeting quantifying the implications of a different approach between the emerging unitary authorities regarding enterprise resource planning.

8. At the time of writing this report, having previously deferred the decision, Bedford Borough's Implementation Executive was due to meet again on 20 August to reach a decision on ERP. The report to the Borough Council's Implementation Executive recommends that the Borough should not join in with Central Bedfordshire in sharing the County Council's existing Enterprise Resource Planning Software system provided by SAP. In summary the ERP system comprises integrated ICT solutions for financial management, human resources and procurement functions and includes interfaces with most of the County's significant customer facing systems.   Instead Borough officers propose they the Borough will develop their existing financial management system (AGRESSO) and purchase additional software systems to replicate the overall functionality of SAP and build relevant interfaces as required. If the recommendation is agreed by the Implementation Executive, this decision will have the following consequences for Central Bedfordshire:

    a)   **Downsizing penalties**. There is potential for incurring downsizing penalties as Central Bedfordshire's contracts are likely to be smaller in extent than existing county contracts. Actual costs are, at this stage, not precisely quantifiable and will be subject to existing contract terms and individual negotiation with the two main contractors. An initial estimate by County officers is a one-off sum of £350,000. This could be viewed as a cost that should be met entirely by Bedford Borough but the Borough has already intimated that they would expect both unitary councils to share this cost.

    b)   **Loss of economies of scale**. Additional ongoing costs through loss of economies of scale will be incurred by not sharing the system's overheads with the Borough. These are estimated to be £355,000 each year and would all fall to be met by Central Bedfordshire.

    c)   **Constraint on existing resources**. There is a real concern that existing County resources will not be sufficient to meet the demands of two different implementations. The Central Bedfordshire option, being an extension of the existing system, whilst not without some risks, will be an easier option than trying to disaggregate many County level systems and databases to populate new or changed Bedford Borough solutions. This pressure is bound to create some increased risk that Central Bedfordshire will not be able to meet service requirements on day one. There must also be some doubt that all the disaggregation that Bedford Borough desires by vesting day is actually possible.

d) **Loss of potential for future efficiencies**. By not sharing the ERP system there may be a delay in further developing the SAP County implementation, as originally expected, to realise future efficiencies and cost savings. Returns on the significant past investment in SAP may not be maximised. Two separate payroll systems will, for example, lead to unnecessary competition between the two authorities that will divert effort from achieving lower costs for both authorities.

9. Central Bedfordshire implementation officers will now work urgently with County colleagues to ensure that the resource implications of Bedford's decision, if confirmed, are thoroughly understood and appropriate assistance and expertise is available to meet Central Bedfordshire's requirements. Officer Service Group leads will need to take account of any staffing implications in drawing up their final business plans.

Expenditure on Creating Central Bedfordshire

10 All expenditure on the transition to Central Bedfordshire is managed centrally. The table below shows the transitional budget breakdown included in the December 2007 submission and commitments to date against that budget.

Budget Monitoring to 8 August 2008
(Against Transitional Budget)

Budget £m	Element	Spend (£s inc. Commitments to 31/03/09)	Remaining (£s)
0.50	Accommodation	19,570	480,430
0.90	Change management	806,476	93,524
0.10	Miscellaneous	49,452	50,548
0.70	Contract novation	0	700,000
4.80	I.T.	654,354	4,145,646
0.50	Training	0	500,000
0.20	Communications / branding	35,000	165,000
0.70	Elections / democracy	39,070	660,930
0.30	Recruitment	250,000	50,000
0.60	Relocation	0	600,000
5.20	Early retirement	0	5,200,000
2.20	Redundancy	0	2,200,000
1.50	Closedown	0	1,500,000
18.20		**1,853,922**	**16,346,078**