Benefits Summary

Nov 22

One Council. One System.

Simpler, quicker, and better finance, HR and purchasing systems that help us make better-informed decisions, and deliver excellent outcomes for residents.

Sandwell's Strategic Priorities

Category	Sub-category
Best practice processes	Process efficiency / productivity
	Digital organisation (paper free)
Service effectiveness	'One-Sandwell' – consistency of processes
	Self-service, employee empowerment
	Corporate Services move from transactional to strategic / assurance
User experience	Engaged workforce / employer brand
	Reputation with supply chain
Informed decision-making	Informed decision-making / business intelligence
	One source of the truth
Continuous improvement	Platform for innovation
Social value	Social value
Financial effectiveness	Savings
	Potential for income generation

Benefits Focus Areas – financial savings

Type	Description	Baseline Value information (annual costs)	Potential Benefits (annual)	Potential Benefits (10 years)
People	More effective streamlined processes, a focus on self service for the organisation and a shift from transactional support to more specialised / strategic activity will result in savings opportunities in Corporate Services and wider business support activity across the organisation	Core functional teams total annual budget £10M	5% of budget £0.5M Note savings already made	5% of budget £5M
	The combined effort of the C.Co business support review and implementation of Oracle fusion controls will result in efficiencies across business support functions in the whole organisation C.Co discovery review being expanded to identify business support resources across the whole Council during Jan – April 2023 with a view to identifying an appropriate operating model for Business Support.	Socitm recommends a savings target of 10 – 30% for business support whole org efficiencies.		
Systems	Savings on system decommissions as a result of moving to Oracle Fusion. Note outstanding decisions to be made on recruitment and e-learning systems	System license costs and software support £900K Hardware cost annual saving £124K	£0.9M £0.1M	£8.9M £1.2M
3rd Party	An organisational wide project to review contract spend with partners and suppliers which is then supported by improved visibility of management information informing contract management controls Total budget excludes income but includes cap charges £177M	Annual spend with 3rd Parties is £555M which is x % of the annual council budget.	Savings percentage target to be agreed (need to remove grant funded contracts to understand addressable spend)	
Organisational costs	As a result of implementing automated and improved end to end processes across the council there will be a reduction in corporate spend for printing and mail. Note only corporate services however there would also be a wider benefit.	Printing costs £0.151M Mail costs £0.052M	TBA	

Benefits Focus Areas

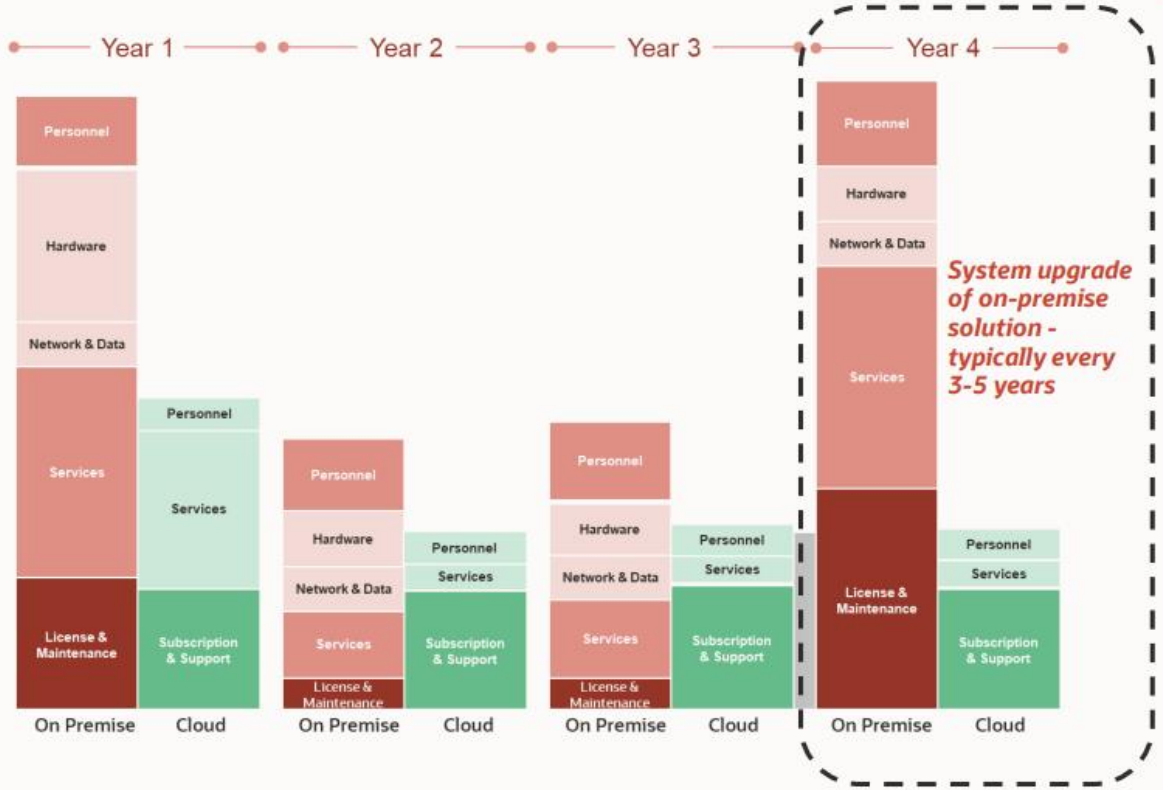
Improved policy, process, system controls and data will result in overall organisational benefits such as improved compliance, organisational risk reduction and less external audit criticism

Type	Description	Baseline Value information (annual costs)	Potential Benefits (annual)	Potential Benefits (10 years)
Compliance and Overpayments	As a result of automated processes and improved control for the starters, movers and leavers process there will be improved compliance and reduced overspend, as well as productivity benefits for corporate services. *The baseline value shows a total of £52K paid to employees that left the organisation, this was reduced by the finance team to £10K, which took approx. 223 hours in officer time* Potential further opportunity within leave / sickness absence process to be reviewed in design phase	£52K of overspend reduced to £10K outstanding 37 overpayments 223 hours of lost productivity 16 devices not returned (SCT)	£0 overspend Full compliance Productivity hours	
3rd Party compliance & risk reduction	Improved policy, process, controls and accountability around supplier payments and introduction of a no PO no pay process, supported by an automated, joined up system to improve compliance.	21% late payments 1085 invoices paid without a PO (2%)	Full compliance and avoidance of late penalty payments	

IT Savings

Oracle Cloud provides IT benefits such as infrastructure savings, predictable costs and reduced complexity of multiple upgrades

On-Premise vs Cloud Cost over time



IT Benefits of Oracle Single Platform Cloud

- No network data center costs
- No hardware capacity to plan/build
- No operating system/platform to maintain
- Fewer staff needed to administer
- Reduction in integration efforts between different systems
- No future costs to upgrade systems – single platform eliminates complexity of multiple upgrades and maintenance
- Subscription costs stays constant and predictable

Non-Financial Savings

True value of an Integrated solution is delivered through more agile business processes that take an enterprise wide view

Finance and Procurement

↓ # of days & FTEs to close books
↓ Planning Cycle Duration
↓ FTE working on reporting
↓ AP processing cost & time
↓ AR cycle, ensuring healthy cash flow
↓ Maverick/off-contract spend

HR & Payroll

↓ Cost & time to hire
↓ FTE in benefit administration
↓ Payroll processing time & errors
↓ # of manually generated reports
↓ Attrition rate
↑ Engagement (%)
↓ Time spent on performance mgmt

Increase in the Business Processes Efficiency through automation, accessibility and collaboration

Non-Financial Savings

the single integrated Platform and data model enables employee effectiveness to focus on value add work and drive user adoption

1. One Platform
2. One User Experience
3. One Data Model
4. Universal Reporting & Analytics
5. One Provider

More Insightful

Better information for making and driving decisions

- ✓ Integrated Business Planning across functions
- ✓ Single version of the truth and no offline working
- ✓ Scenario planning and predictive analytics – for medium to long term planning
- ✓ Self-service reporting / dashboards
- ✓ Proactively identifying and managing organisational risks

Collaborative Process Excellence

Improved cross functional collaboration across teams

- ✓ End to end automation to drive efficiency & control
- ✓ Adopting not adapting best in class standard processes
- ✓ Embedding and monitoring a robust controls framework – for role based access
- ✓ Enabled through a single platform and data model

More Engaging & Omni channel

Meaningful interactions Enable better user experience

- ✓ Better staff, customer and supplier experience (e.g. self service portals, UI, Digital Assistants)
- ✓ Accessibility of technologies (e.g. mobile)
- ✓ Higher Adoption through in-application Guided Learning
- ✓ Greater consistency for users across functions and teams

Operating Model Value

Value can be achieved by Operating Model change supported by Oracle Cloud

Administration

- **Administrative Function:** Enable staff to have greater focus on strategic activities with access to single version of truth
- **Budgeting:** Reduce budget iterations and the cycle time while increasing accuracy
- **Procurement:** Reduce inefficiencies on AP and AR transaction processing, supplier registration and contract monitoring
- **Core Accounting & Financial Close:** Improve the speed and accuracy of the financial close
- **IT:** Centralised IT spend and control

People

- **People Function:** Enable staff to have greater focus on strategic activities
- **Recruitment:** Recruitment process automation reduces time to hire and recruitment cost
- **Employee records and Payroll:** Staff spends less time on routine activities through self service
- **Workforce Management:** Enhance employee engagement through effective performance management, aligning employee goals with strategy

Prioritisation of Strategic Headers

Functional Area	£	The most important strategic header	Strategic header description	Lower level-benefits selected against the strategic header
Finance	✓	Informed decision-making / business intelligence	More strategic financial support role as dictated by the CIPFA review	• Budget Managers drawing on in-system forecasting reporting • Budget Manager perceived usefulness of budget dashboard information • Improved quality of forecasting outturn • (Improved data quality such as accuracy of financial forecasting)
HR & Payroll	✓	One Source of the truth	Information into HR is from one source only, meaning less systems to maintain.	• System used as a core source of organisational data and insight
IT		Platform for innovation	To maximise the benefits of Oracle SaaS.	• Taking advantage of new developments in the solution e.g. quarterly releases
Procurement	✓	One Source of the truth	Finance & procurement can view the actual spend analytics and supplier performances for Procurement & Payments	• System used as a core source of organisational data and insight
Reporting	✓	One Source of the truth	One source to obtain information rather than pulling data from multiple sources and combining, eliminates the risk of errors and inaccurate information.	• Budget managers using in-system budget management reports (not creating separate spreadsheets)

Sandwell's Benefits identified by Function Leads

Corporate Services move from transactional to strategic / assurance
"Reduction in Finance support in clarifying dashboard content"
Reduction in no. of requests to update employee personal data into support team

Engaged workforce / employer brand
All employees are able to access all necessary ERP functionality from offices, home or remotely e.g. timesheets, payslips, expense claims remotely
Supporting flexible working and a disparate workforce with tools that allow seamless interaction and collaboration.

One source of the truth
Budget managers using in-system budget management reports (not creating separate spreadsheets)
System used as a core source of organisational data and insight

Potential for income generation
Excellent user experience of the system

Informed decision-making / business intelligence
Budget Managers drawing on in-system forecasting reporting
Budget Manager perceived usefulness of budget dashboard information
People Manager perceived usefulness of people management information
Improved councillor access to dashboard information
Improved quality of forecasting outturn (Improved data quality such as accuracy of financial forecasting)
Improved ability to understand organisation capability/ skills gaps, including the ability to forecast future skills requirements

Process compliance
No. of centralised purchasing categories & budgets in place with allocated approval routes e.g. IT

Reputation with supply chain
Suppliers paid on time

Process efficiency / productivity
AR - Time taken to build reports on outstanding revenue
A cost effective Finance Service
A cost effective Payroll service
A cost effective HR service
Reduced Payroll Processing Time and reduction in payroll errors
Requisitioned process made more efficient by the right information provided at the right time
Reduction in paper / off-system forms and documents
Improved quality and accuracy of reports
Immediate access to key data and ability to execute reports directly from one source of truth
Improved automation with standardized delivery of information using Reporting Tools
Complete reporting tasks and make any adjustments quickly and easily
Automation of Unpaid Leave

Social value
Amount of spend with local suppliers

Savings
Savings from decommissioning replaced systems
Reduction in printing costs (in finance, HR, exchequer, payroll but also across the organisation)

Self-service, employee empowerment
Employees use self service learning content
Employee Self Service Claims

Platform for innovation
Taking advantage of new developments in the solution e.g. quarterly releases

3rd Party Spend review summary

07.10.22

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Partners and Suppliers Programme

This programme was identified as part of a review of the Councils budget, to identify efficiency opportunities for the largest areas of spend

- Approximately 80% of the Council's expenditure was through arrangements with partners and supplier
- A programme was established to undertake a detailed review of third party expenditure, with an objective of identifying £25M of recurrent savings in 6 months.
- The Partners and Suppliers programme supported directorates to identify and develop 44 3rd party savings benefit profiles with the potential to deliver at least £24.3m of savings (with the potential to achieve up to £28.5m).
- Benefit profiles were developed, in line with the Council's agreed benefit realisation approach, and were published (at a summary level) as part of the Council's Draft Business Plan, Budget and Medium Term Financial Plan.
- Delivery plans were also developed for each opportunity and were signed off by the identified Lead Service Directors for each directorate.

Key steps

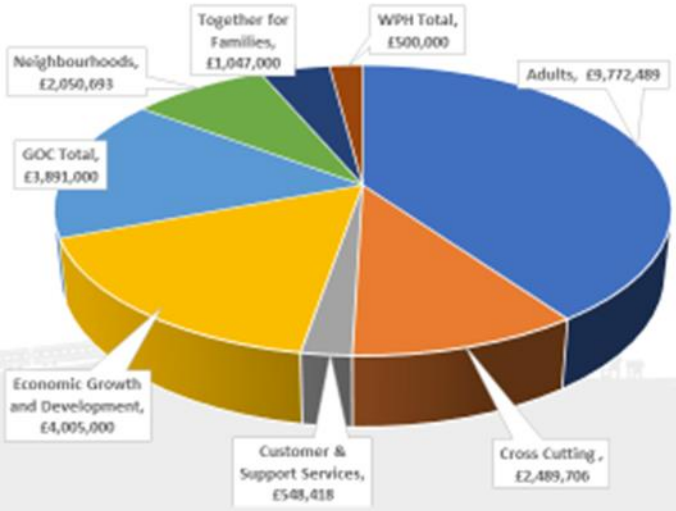
- Total Council budget Assessment
- 3rd party spend identified
- Addressable spend vs grant income established
- Target % reduction applied
- Directorate Leads / Service teams established
- Savings targets shared / contract and reduction opportunities identified
- Baselines established / targets agreed
- Benefit profiles and delivery plans identified
- Benefit leads report progress against plan to programme
- Board reviews dashboard and escalations

Example benefits dashboard

Our Partners and Suppliers programme position

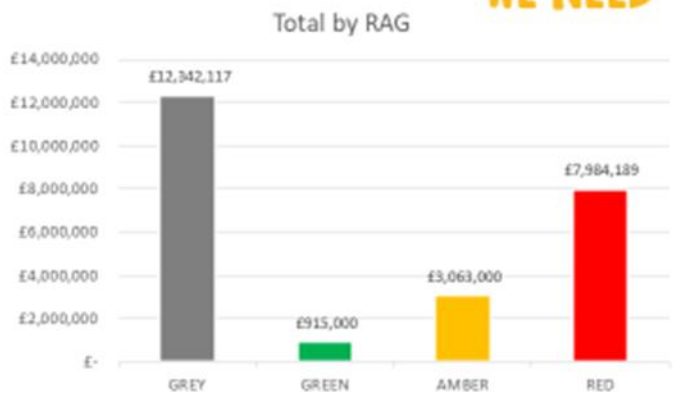
In month changes:
All services cross cutting savings confirmed as delivered
EGD6 - reduction of highways maintenance savings complete.
EGD9 – bus network sustainability savings complete
TFF17 - savings complete
TFF6 - Optimising supporting families grant complete
NBH2 – Environmental Services Prog benefit profile complete
NBH3 - Waste Collection complete
CSS12 – Optimisation of software license management complete

	All Savings	Recurring	One Off
Programme Target Saving	£24,304	£21,004	£3,300
Delivered to date	£12,842	£9,542	£3,300
To be delivered	£11,462	£11,462	£0



Last update:	07/04	Overall status:	Amber

COUNCIL WE NEED



Directorate	DELIVERED	GREEN	AMBER	RED	Grand Total
Adults	£ 3,600,000	£ 765,000	£ 1,863,000	£ 3,544,489	£ 9,772,489
CC	£ 2,489,706				£ 2,489,706
C&SS	£ 398,418	£ 150,000			£ 548,418
EG&D	£ 3,305,000		£ 700,000		£ 4,005,000
GOC				£ 3,891,000	£ 3,891,000
NBH	£ 2,050,693				£ 2,050,693
TFF	£ 498,300			£ 548,700	£ 1,047,000
WPH	£ 500,000				£ 500,000
(blank)					
Grand Total	**£ 12,842,117**	**£ 915,000**	**£ 2,563,000**	**£ 7,984,189**	**£ 24,304,306**

Benefit status was tracked through a programme dashboard.

Benefit Leads were identified for each service area and provided fortnightly progress updates.

Dashboard at project closedown 07/04/22 showing outstanding savings still to be delivered with the associated RAG status at the time of closing the project.