

Appendix 1



ESPO CHANGE PROGRAMME Programme Initiation Document

Status: Final Draft

Prepared by: Change Management Unit

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12.10.2011

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1.Document Control

1.1 Control Details

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V0.2	Comments from workstream leads	Ebru Oliver	12 Aug 11	
V0.3	Project Team meeting 16 th Aug	Cathy Loughead	17 Aug 11	
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V0.6	Comments from Chief Officers and Senior Management of Member Authorities	Ebru Oliver	30 Sep 11	
V0.7	Changes following meetings with members of LCC and ESPO senior management teams	Ebru Oliver	12 Oct 11	

1.3 Document Sign-off

Programme Manager:

Signature:

Printed Name:

Position:

Date:

Programme Sponsor:

Signature:

Printed Name:

Position:

Date:

2. Introduction

2.1 Purpose of this Document

The purpose of the Initiation Document is to define the project, to form the basis for its management and the assessment of overall success.

There are two primary uses of this document:

- To ensure that the programme has a sound basis before asking the Board to make any major commitment to the programme
- To act as a base document against which the Board and Programme Manager can assess progress, change management issues, and ongoing viability questions

2.2 Background

ESPO is a local authority purchasing consortium. Its objectives are to provide to its members and other client bodies a comprehensive, cost effective contracting and procurement service through a diverse range of commodities, products and services.

The Member Authorities have agreed to undertake a fundamental review of the role and purpose of ESPO. The aim of the review was to investigate the appropriateness of the current business strategy, reviewing the role and purpose of ESPO, its alignment with the members' requirements, the value of partnering with ESPO, and the options going forward.

This resulted in a revised vision and service model being proposed together with a number of recommendations to improve the operational efficiency and effectiveness of ESPO.

2.3 Programme Mandate

Following the completion of the Business Strategy Review and its subsequent recommendations, the Chief Officer Group (COG) and the Management Committee agreed to establish a change programme. This constituted the mandate for the Programme. An Outline Implementation Proposal was developed and approved by the Management Committee in June 2011. It was agreed that the COG would constitute the Programme Board to make key decisions and oversee the monitoring and review the progress made.

It should be noted that the day to day business of ESPO will continue at the same time as the Programme and therefore the impact of Programme on business as usual activity will need to be managed to ensure there is no reduction in service quality to members and customers at this time of change.

3. Programme definition

3.1 Introduction & Objectives

This programme seeks to deliver an improved procurement service to effectively and efficiently support the Member Authorities through the challenges of making continuing efficiency savings and meeting the changing needs of its customers.

The Programme will achieve this by addressing the recommendations from the Business Strategy Review. These include:

Priority 1 - Supporting Member Authorities to deliver their strategic objectives and priorities, particularly in relation to enabling the delivery of efficiency savings.

Priority 2 – Reducing Member Authorities’ exposure to risk and providing greater transparency and accountability for decision making.

Priority 3 – Demonstrating and improving confidence in the business efficiency of ESPO, measured by achieving the agreed percentage return on investment of resources employed, and demonstrating year on year efficiency improvements.

3.2 Vision

The changing landscape and future requirements placed upon procurement have formed the basis for defining a future role and vision for ESPO and through this vision a new strategic direction:

‘ESPO is recognised by its stakeholders as one of the leading centres of procurement solutions in meeting local community needs.’

‘ESPO will bring vibrant mix of commercialism, market insight, category expertise, and best practice sourcing. ESPO will work in partnership with Member Authorities, its customers, Pro5, and other partners, to engage markets and thereby achieve optimum outcomes for the benefit of its customers. ESPO will proactively challenge current practice, serving as a focal point for Member Authority collaboration, bringing leadership and articulating new commissioning and sourcing strategies’

The vision aims to ensure a single view of the future ESPO organisation and how it will deliver value to its members, tackling the issues identified in the baseline analysis and creating a flexible approach that reflects the different needs of the Consortium Members.

3.3 Deliverables & Scope

In scope

The scope of the Change Programme encompasses:

- **Constitution-** Revised legal structure to provide protection to Consortium Members so that the accountability and liability is clear and fair and that appropriate indemnities are provided.
- **Decision making (governance) and risk management-** A new governance model to improve the transparency of the decision making process and management of risk.
- **Business model-** A defined model of how ESPO creates delivers and captures value for its customers. The process of business model construction will be part of the business strategy. This will represent core aspects of the business including purpose,

revenue generation mechanism, strategies, infrastructure, trading practices and operational processes and policies.

- **Organisational structures and capabilities-** New ways of working considering the complex relationship between tasks, workflow, responsibility and accountability, and making sure these all support the objectives of the business.
- **Performance Management Framework-** An integrated framework (corporate, operational and individual) that brings together the strategies, plans, policies and performance measures to continuously drive performance improvements and to deliver ESPO vision.
- **Category Management Approach-** A common framework for implementing category management across all Member Authorities within the pilot category and providing a roadmap for rolling out the framework for other categories.

Out of Scope

The scope of the Programme excludes:

- the integrated service delivery model
- the transfer of ESPO HR function to LCC
- LCC ICT link
- implementation of Oracle self-service

3.4 Programme Benefits and Success Criteria

The following critical success factors for the future strategy were identified by the Chief Officer sub-group in the Deloitte stage 2 review report and are in stated in order of importance:

- Ensuring the strategy is achievable and addresses the need for change;
- Ensuring the ongoing strategic alignment of ESPO and the Consortium authorities;
- Enabling significant savings for the consortium;
- Managing ESPO's risk exposure transparently;
- Having a strong governance framework to facilitate a collaborative and transparent relationship;
- Achieving results rapidly;
- Having a cost neutral plan of investment;
- Raising the prominence of procurement within each member authority;
- Developing/recruiting sufficiently skilled resources across the Consortium;
- Providing an ongoing cost effective service; and
- Using leadership to deploy resources to share best practices.

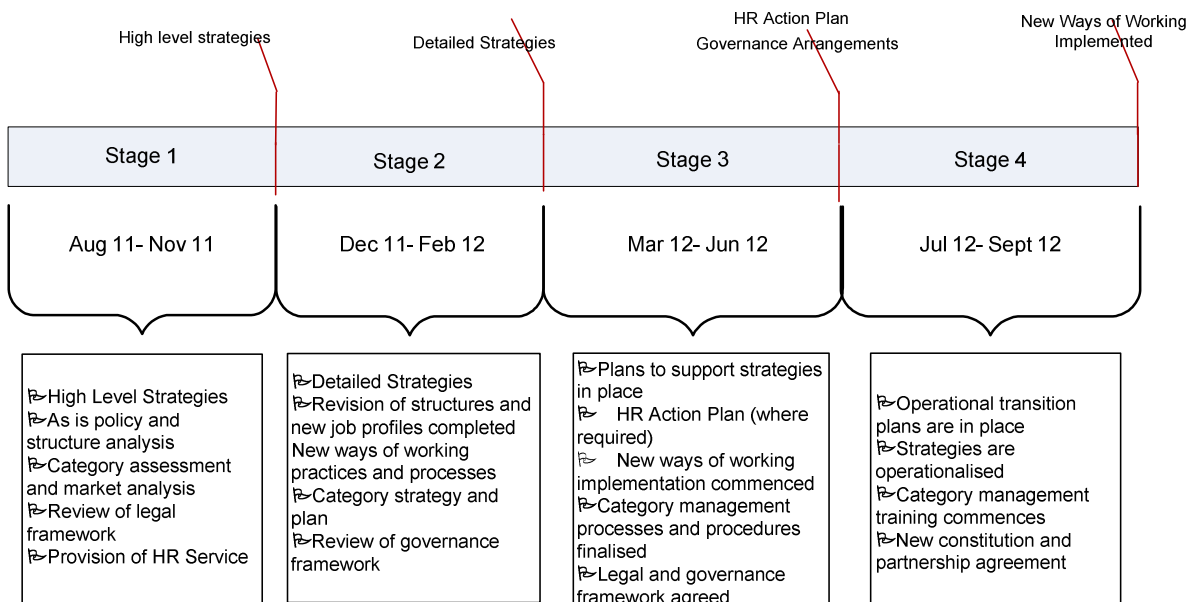
The above success criteria will be reviewed on an ongoing basis with the Chief Officer Group to provide assurance of the effectiveness of the Programme and of key deliverables.

3.5 Approach

3.5.1 Overall Approach

It is recognised that there is a significant amount of work required by ESPO and Member Authorities for which there are many dependencies and interdependencies between the work streams. Therefore the Programme will be broken down into four distinct stages as detailed in the section below.

The first stage focuses on critical areas of concern and establishes high level strategies and a legal framework to assist the following stages. The second phase will focus on the development of detailed strategies and a governance framework to achieve the agreed priorities and to support the People and Performance workstream. The third phase will focus on the development of new ways of working, finalisation of the legal and governance frameworks and completion of category management documentation. The final stage of the programme will be to implement the new structure and develop a transition plan outlining how outputs of the programme are embedded into business as usual.



The management of the efficiency projects will be overseen by ESPO's Senior Management Team (SMT) and will only be reported to the Programme Board on an exception basis and in terms of cashable and non-cashable savings achieved.

Impact analysis of the proposed changes on people, processes, systems, data and information will be completed as part of the development of relevant strategies.

External quality assurance has been built into the programme at both a programme and workstream level to provide assurance to the Programme Board and the Management Committee that the strategic objectives of the programme continue to be met and that key deliverables meet the required standards.

3.5.2 Stage 1 High Level Direction Setting (Aug 11- Nov 11)

The Business Strategy workstream will deliver high level operational strategies to provide immediate assurances to the Member Authorities that the building blocks of strategies are being put in place.

People and Performance workstream will complete as-is analysis for organisational structures, job profiles and HR policies. ESPO employee terms and conditions will be harmonised with the Leicestershire County Council's to create consistent contracts by completing the employee consultation period between October 2011 and January 2012.

The review of alternative legal structures for ESPO will be completed by the Governance workstream.

HR Category Management Pilot will complete an initial category assessment including the spend analysis. Four sub-categories will be established and full market analysis and stakeholder discussions will take place to identify efficiency opportunities for these sub-categories.

3.5.3 Stage 2 Detailed Development and Design (Dec 11- Feb 12)

In this stage, the operational strategies developed in the first stage will be expanded further to develop detailed strategies. Based on these agreed strategies and plans, the organisational design work will begin to determine the structure and the competencies required to operate in the new environment.

The development of operational plans to support the implementation of new strategies will be completed during this stage. A wider and detailed communications in relation to new strategies and plans will take place with staff, customers and suppliers.

Governance framework will be reviewed and agreed detailing the decision-making process, key roles and responsibilities, financial procedure rules, membership (joining and termination rules), and contract procedure rules.

An options appraisal and partnership agreement, in particular the liability, obligations, membership, indemnities, insurance and termination clauses will be produced.

The Category Strategy will be developed with Member Authorities to help Member Authorities achieve optimum value from the supply market for the chosen spend category. The Category action plan (identifying new initiatives/opportunities with timescales and benefits to deliver a rationalised set of contracts for ESPO members and others that provide increased leverage in the market and reduce duplication and effort for individual authorities) will be available for inclusion in Member Authorities' own procurement strategy and efficiency programmes.

Development of new ways of working for ESPO will be completed with an HR action plan that is aligned to new service offering, as required. A transition plan will be produced detailing how the new ways of working will embed into the organisation and how the new capabilities will be developed will be outlined in the learning and development plan. An employee performance management framework will be developed and aligned to Leicestershire's performance management framework. Proposals for consultation for Terms and Conditions will be submitted to the Management Committee.

3.5.4 Stage 3 Design & Implementation (Mar 12- June 12)

New ways of working will be communicated to staff and where required HR Action Plan will be produced for implementation. During this stage, the new Terms and Conditions will be implemented across ESPO.

A suite of documentation including processes and guidance will be developed by the Category Management workstream for ESPO and Member Authorities' use. A category management training plan setting out a programme of training will also be available at the end of this phase.

The partnership agreement and Constitution will be finalised during this stage and Member Authorities will review the final documents.

3.5.5 Stage 4 Transition (July 12- Sept 12)

This stage will oversee the commencement of the implementation and transition of new strategies, plans and the agreed ways of working.

The new governance and the partnership agreement will be in place.

3.6 Programme Dependencies & Interfaces

There are a range of dependencies and interfaces, which need to be managed as part of the Programme. These are:

Dependencies

- Development of alternative delivery models
- Development of a number of strategies are subject to completion of the Business Strategy (marketing strategy, ICT strategy, asset strategy etc)
- Development of operational plans are subject to approved strategies
- Development of new ways of working, organisational structures and learning and development activities are dependent on the completion of the operational strategies
- Recruitment of new Finance Director to finalise the detailed financial strategy
- Development of business and marketing strategy is subject to the availability of high quality market information and business intelligence

Interfaces

- Terms and Conditions consultation
- HR Category Pilot
- Transfer of HR function to LCC
- Implementation of Oracle self service and delivery of training for staff in utilising the system

3.7 Programme Budget

It was agreed that the implementation of the Review's recommendations would be provided through a combination of existing resources (financial and staff) of ESPO and Member Authorities supplemented with additional internal and external resources, as required. Work is ongoing to finalise these additional requirements.

The Management Committee has approved a budget of £750,000 in 2011/12 for this programme of change (£300,000 for general support, e.g. interim structural changes and £450,000 for the invest-to-save warehouse project), which will be managed by the Interim Director and reported to the Programme Board and Management Committee.

In addition, a further allocation of £400k was approved to support the implementation of the Review (see Joint Report of the Interim Director and Consortium Treasurer, 'Outturn 2010/11, ESPO Management Committee 24 June 2011). The detailed budget projections for the review implementation will be developed and will include programme management, staff backfill, consultancy and support and organisational change. This budget will be managed by the Programme Manager, who will provide updates to the Programme Board at regular intervals

4. Programme plan

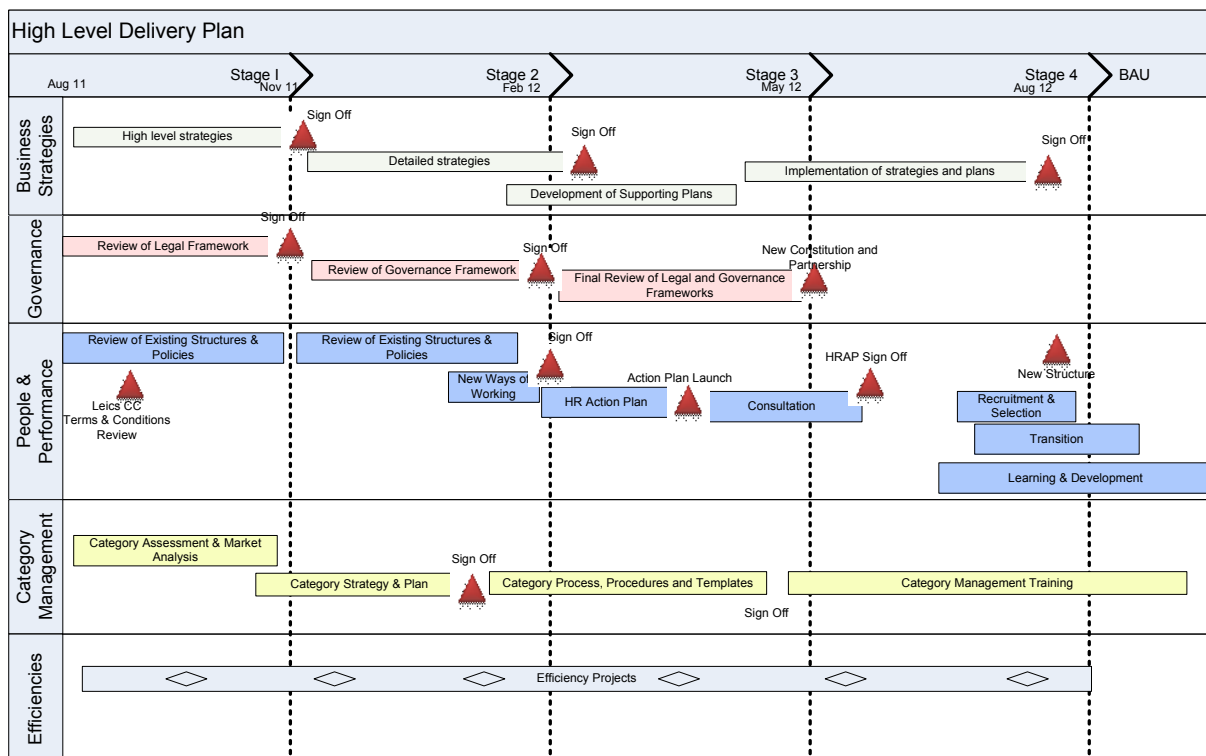
4.1 Overall Programme Plan

The aim of the high level plan is to identify and assess the key pieces of work, which will need to be actioned to ensure delivery of agreed priorities. The formulation of the plan has been based on the Programme scope as agreed by the Management Committee in June 2011 and the subsequent programme kick-off meeting in July 2011 where additional areas were identified and agreed.

The plan details the estimated time associated with key elements of the programme. In order to ensure that the decisions made on time are realistic and valid, the assumptions made have been checked against the corresponding elements in the Business Strategy Review reports and decisions made by the Chief Officer Group.

A contingency of four weeks has been added to activities on the critical path for stages one and two, ensuring that account is taken of any resource, time and cost variances which may occur, particular around the development of strategies. A one month buffer has been added at the end of the Programme to allow for additional slippage.

Stage boundaries have been included to act as checkpoints at which time the plan, scope and business case can be re-evaluated in light of more accurate information. For this reason a range of critical path dates between August 11 and August 12 are shown. However it is the intention that where possible and practical to do so the Programme will aim to deliver key products and/or efficiencies as early as reasonably possible.



4.2 Resource Plan

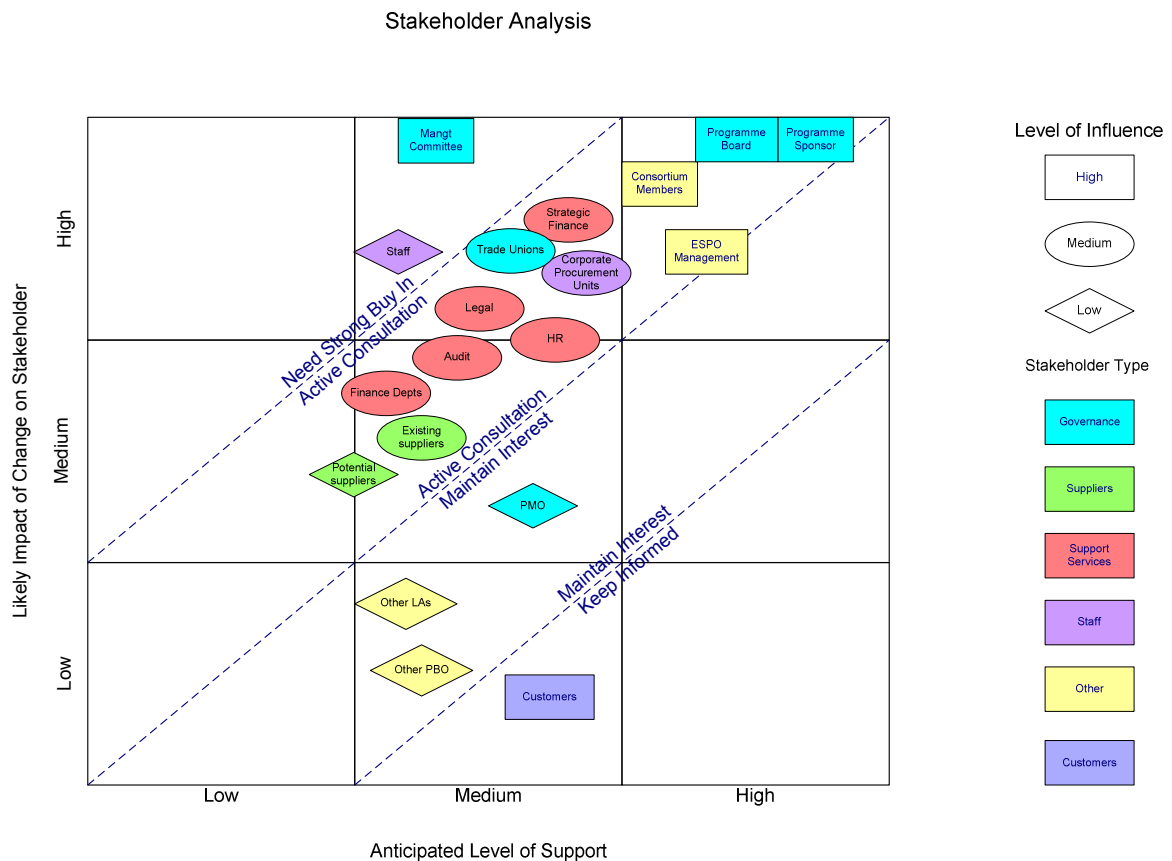
Workstream	Workstream Lead	Resource Requirement	Budgeted
Programme Management	Change Management Unit	Programme Manager	Yes
Governance/Legal (Warwickshire County Council)	Suzanne Burrell	Suzanne Burrell Andrew James David Johnson Ed Walsh David Colman Kim Sawyer Beena Adatia	Yes
Organisational Change (Leicestershire County Council)	Simon Nearney	Lucy Littlefair (Corporate HR Manager) Sue Witham (HR Business Partner) Liz Dunn (Learning & Development) Workstream Support (CMO) Legal support Finance support Dave Summersgill	TBD*
Business Strategy (ESPO)	Dave Summersgill	Dave Summersgill Margaret Geary Mike Kendal Kate Shaw Ed Walsh Mondy Holliday Kevin Willsher David Thomas David Kwiatek New Finance Director Marketing Consultant	TBD*
Efficiency (ESPO)	Dave Summersgill	BAU	Yes
Category Management (Lincolnshire County Council)	Sharon Cuff	Member Authority Category Manager X 4 HR Professional Advisors Kate Shaw Karley Allam	TBD*
External Quality Assurance	Brian Roberts (Programme Sponsor)	Deloitte consultancy :15 days of key deliverables reviews	Yes
External Quality Assurance	Suzanne Burrell	3 days of key legal document review	Yes
External Quality Assurance	Dave Summersgill	Cambridgeshire County Council review of business strategy	N/A

TBD* - Additional input may be required by these workstreams and budget requirement of these additional resources will be reported.

5. Stakeholder analysis

5.1 Stakeholders

Stakeholder analysis took place however; further input is required from subject matter experts.

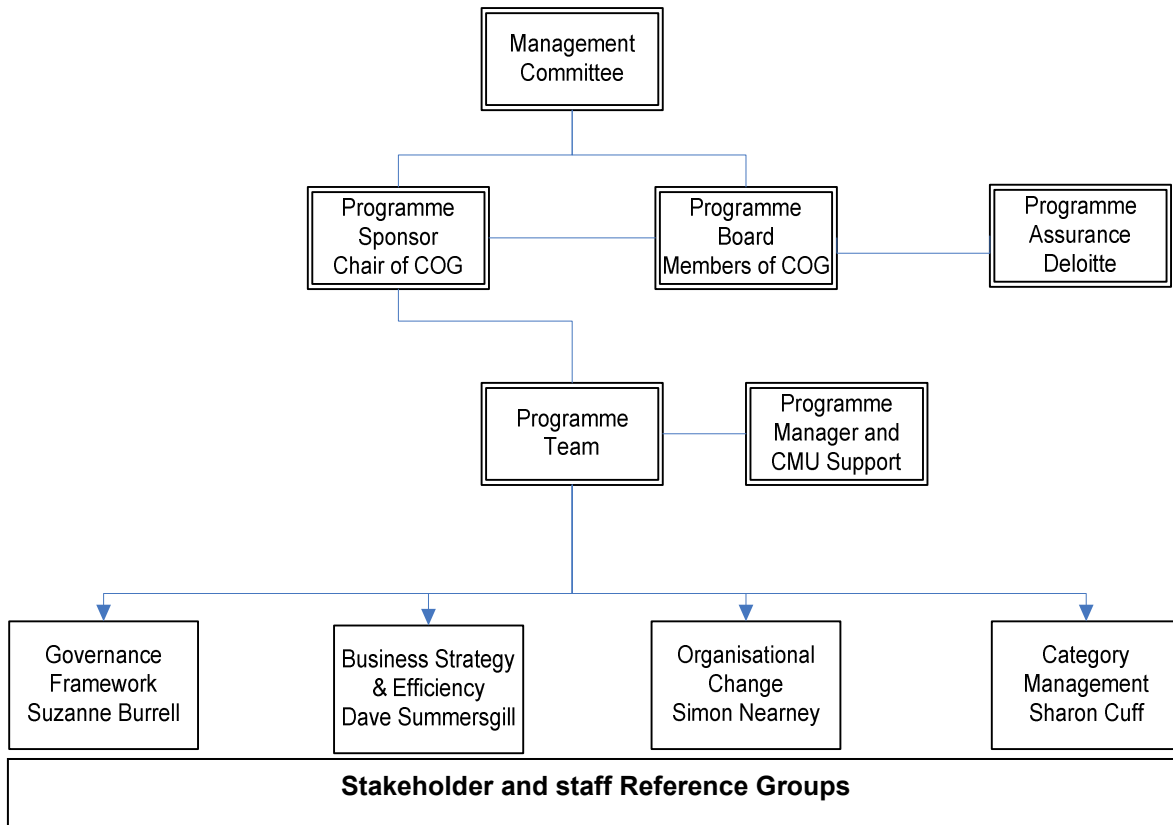


5.2 Communications and Engagement plan

Following the input from subject matter experts in finalising the stakeholder analysis, a detailed communication plan will be developed shortly and will be circulated to the Programme Board.

6. Organisation structure, roles & responsibilities

6.1 Overall structure



6.2 Management Committee

The ESPO Management Committee will have oversight of the delivery of the Implementation Programme. Members of the Management Committee will receive regular updates through monthly highlight reports. The Management Committee will be supported by an operational Programme Board.

6.3 Programme Board

The Board will act as the key decision making body for the Programme by:

- **Establish** the basis for programme governance, approval and measurement including defining roles and accountabilities, policies and standards and associated processes
- **Enable**, through resourcing of programme with staff and consultants (as appropriate), harnessing and managing of business support and the provision of the governance resources
- **Define** the 'desired outcomes' (end states), benefits and value — the business measures of success and overall value proposition
- **Control** the scope, contingency funds, overall programme value and so on
- **Monitor** the programme's progress, stakeholder's commitment, results achieved and the leading indicators of failure
- **Measure** the outputs, outcomes, benefits and value — against both the plan and measurable expectations

- **Act** to 'steer' the programme into the organisation, remove obstacles, manage the critical success factors
- **Manage** dependencies between the Programme and also interdependencies with other indicatives that have direct impact on the success of the Programme

6.3.1 Sponsor

The Board is tasked with providing a rounded view of all stakeholders associated with the Programme. However, the Board is primarily a decision making unit headed by the Sponsor. In situations of differing opinion among the Board, it is the responsibility of the Sponsor to prescribe a decision on which action will be taken. The Sponsor is ultimately accountable for the success of the Programme and the decisions that are made. Responsibilities include:

The Sponsor is ultimately responsible for the success of the programme. Responsibilities include:

- Owning the overall vision and strategy for the programme;
- Acting as the programme 'champion' providing clear leadership and direction for the duration of the programme;
- Securing investment required to set up and run the programme;
- Accountability for the governance arrangements of the programme;
- Owning and ultimately delivering key information such as the programme objectives and business case;
- Managing strategic risks;
- Managing the interface with key senior stakeholders;
- Ensuring the programme remains aligned with the agreed strategic direction of ESPO
- Commissioning and ownership of reviews to establish the programme's continued alignment to objectives, capability to deliver and realisation of benefits

6.4 Programme Assurance

The assurance function provides the check that the programme continues to meet its specification and the required standards.

This role is to be fulfilled by Deloitte through Leicestershire's framework agreement to:

- Ensure the development of the deliverables are in line with the recommendations of the review
- Provide assurances to the Programme Board and Management Committee that the strategic objectives would be met by the deliverables
- Provide external challenge
- Provide benchmarking and comparisons information to assist in the solution development

6.5 Programme Manager

The Programme Manager is responsible, on behalf of the Programme Sponsor, for successfully managing the programme. The Programme Manager is responsible for the overall integrity and coherence of the programme and the support of component workstreams. Responsibilities include:

- Planning, designing and monitoring progress of the programme, resolving issues and implementing corrective action as required;
- Defining governance arrangements;

- Managing the programme's budget;
- Monitoring the delivery of the programme against the key priorities;
- Manage the allocation and usage of resources across the programme;
- Managing programme communications and delivering the communications plan; and
- Reporting progress to the Programme Sponsor and Programme Board
- Secure resources for the Programme as required to meet the overall timeline and scope of the Programme;
- Ensure change control procedure followed and communicate changes in Programme scope to the Programme board;
- Determine contingencies for key workstream components;
- Maintain issues & risks logs;
- Facilitate the review and resolution of key issues and risks;
- Sign off Programme deliverables; and
- Assist workstream leads to plan and arrange team training requirements.

6.6 Programme Support

Programme Manager will provide workstream support as required. Leicestershire County Council Change Management Unit will provide programme support as required.

6.7 Workstream Leads

Workstream leads are responsible for the delivery of the outcomes and objectives of the programme. They are responsible for ensuring issues are resolved and interfaces and dependencies between work streams are effectively communicated and managed.

Their responsibilities also include:

- Project manage workstream – including:
 - Planning
 - Ensuring timescales are met
 - Ensuring quality of products
 - Ensuring products meet product description specification
 - Product sign off
 - Liaising with staff within project to ensure consistency of approach etc across work streams
 - Contribution to risks, issues and lessons learnt, owning risks/issues and updating logs
 - Effective management of resources within workstream, including staff, budget, equipment as appropriate
 - Supporting and advising staff who are assigned to their workstream team, providing clear guidance on their role, the objectives and outputs expected, and addressing any development needs in line with their role on the project.
 - Following relevant guidance and standards as relevant to the project
 - Ensuring project management documentation and project products are filed appropriately within the project file plan

- Ensure the successful execution of the workstreams as defined in this document;
- Assign responsibilities to each team member;
- Contribution to programme documentation, reports and planning
- Contribution to communication and stakeholder engagement with all areas of the business
- Liaison with business as appropriate and in conjunction with other workstream leads.
- Working with areas of the business to help ensure that the change process is effectively managed
- Report on progress to programme manager – ensuring significant risks or threats to timescale, quality etc are highlighted as necessary

6.8 Stakeholder and Staff Reference Group

Two reference groups will be established: a staff group and the ESPO Senior Officer Group. These groups will have opportunities to be involved in the Programme through supporting workstreams and terms of reference setting out their roles will be developed.

7. Risk assessment

7.1 Risk Assessment

A risk assessment log for each workstream has been developed and will be monitored regularly. The Programme Board will receive risk assessment update as part of the monthly board reporting.

An initial analysis of the high risks faced by the programme is shown below:

ID	Risk	Score	Mitigation	Residual Score
001	Inability to agree Category Mngt specs/service models	A2	SOG commitment and engagement with stakeholders and standardise documents or agree standards	C2
002	Difference in direction for implementing Category Management approach	C2	SOG to ensure that members are kept updated on the progress of the group and its plans	C2
005	Lack of availability of MI for Category Management HR Pilot	A1	Focus on specific areas rather than all in one. Sense check by commissioners and SOG commitment to invest time in providing what is available	B2
014	Lack of commitment from consortium members for the development of new legal model	A2	Get 'buy in' from an early stage	A3
016	Non-agreement of key issues between the partners	B2	Agree a dispute resolution procedure on the outset	B3
021	The programme and associated change will have a negative impact on staff morale	B2	Early engagement with staff about drivers and benefits of review, the establishment of staff reference group, development of comms plan	C2
024	The Business strategy not being supported by Member Authorities	A2	Iterative process of challenge and agreement built into the process with all keys stakeholders	A3
026	Ownership of strategy implementation	A2	Regular reporting mechanism to Management Committee, Chief Officer Group, Member Authority and ESPO staff	A3
030	Lack of understanding of the context, significance and importance of the Business Strategy	A1	Process starting to be imbedded into the organisation through PDRs, SMT, reporting mechanisms	B3
031	Resilience of the work required and that key staff tasked with the delivery of the documents may leave	A2	Interim Director committed to the process; key staff 'see' opportunity for advancement	D3
032	There is insufficient resources within the programme team to completed key deliverables which leads to delay	B2	Early development of resource plan aligned to key deliverables and milestones	C3
033	The programme and associated change will have a negative impact on business as usual activity within ESPO	B2	Early development of resource plan aligned to key deliverables and milestones.	C3
034	Lack of commitment to ESPO	A1	Ensure business strategy and	B1

ID	Risk	Score	Mitigation	Residual Score
	from Member Authorities		activities of ESPO are aligned to Member Authorities' priorities. Ensure relationship management is in place to support Member Authorities.	

Score Key:**Likelihood:**

- 1- Very Likely
- 2- Quite Likely
- 3- Not Very Likely
- 4- Very Unlikely

Impact:

- A- Severe
- B- Significant
- C- Moderate
- D- Minor

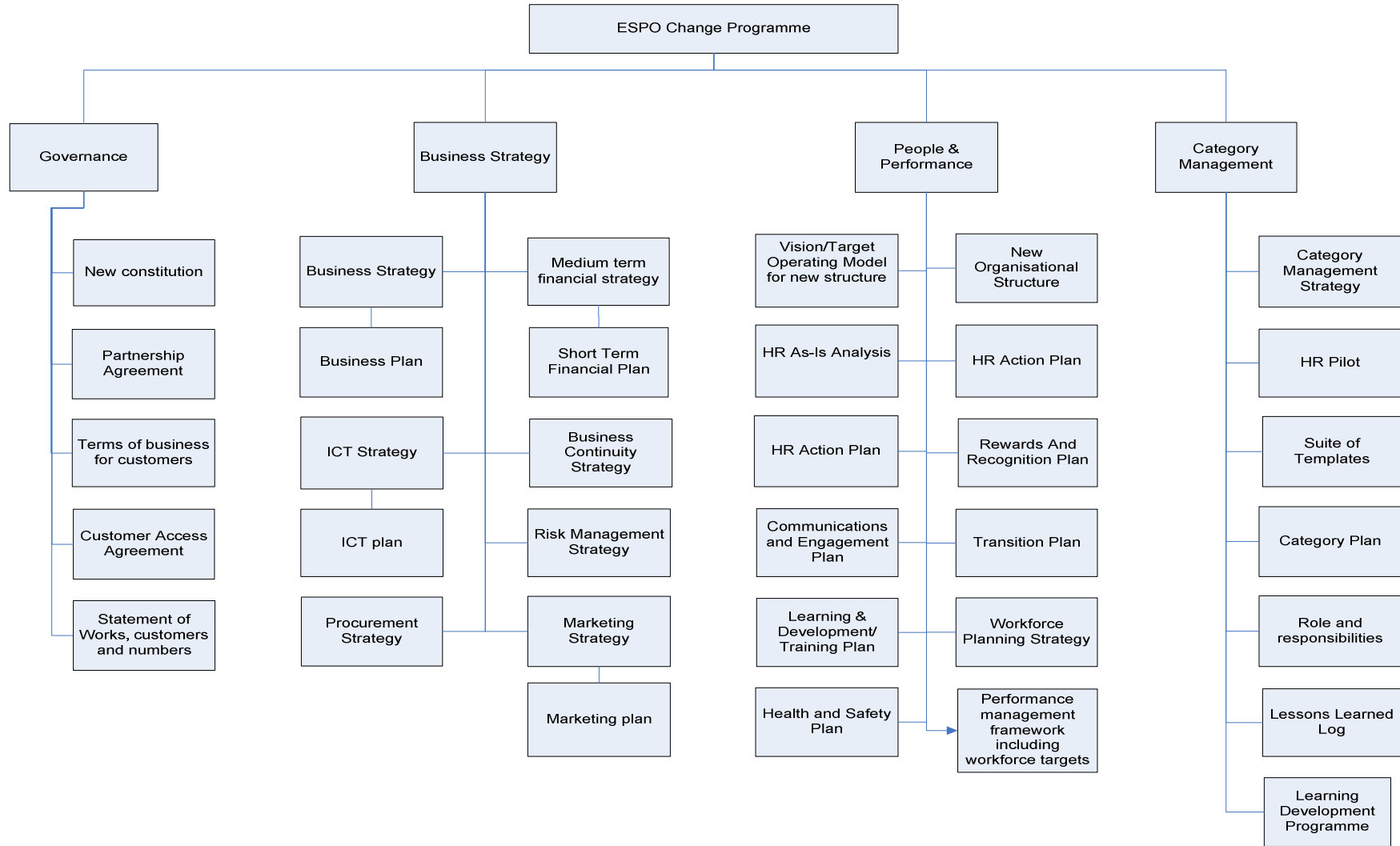
8. Assumptions

The following represent the key assumptions that have been made in the preparation of the PID and planning to date:

- Joint Committee is the approved legal model
- Limited resources will be made available in Member Authorities for helping to support this transformational change
- Resources identified for the Programme will be available for the duration of the Programme.
- Finance staff and other stakeholders will be available to provide input into the design and review of partnership agreement in relation to the funding model.
- Internal capabilities and capacity exist in ESPO to complete a number of strategies and plans simultaneously
- New Assistant Director of Finance will commence his/her post by December 2011 to complete detailed financial strategy and related plans by end of February 2012
- The decision to procure and implement solutions required to achieve efficiencies are made by ESPO senior management teams
- Costs related to changes introduced by the HR Action Plan and review of pay and remuneration scheme will be met by the agreed budget.
- Costs of delivering efficiency initiatives e.g. stores picking system etc will be met by the agreed programme budget.
- No charge will be made by Member Authorities for their contribution to the programme

9. Product descriptions

9.1 Product Breakdown Structure



9.2 Product Descriptions

9.2.1 New Constitution

Purpose	A new constitution setting out clear responsibilities for key decision making within the Consortium detailing remit and powers of the decision makers	
Key Activities	<ul style="list-style-type: none"> • Develop clear scheme of delegation for decision making and risk escalation. • Develop a framework for transparent decision making • Set out the powers of the Joint Committee • Clarify the powers of the Servicing Authority • Develop Contract and Financial Procedure Rules. 	
Format	Word document	
Primary Resource	Suzanne Burrell and other legal and governance workstream members	
Quality assurance	"Sense Check" by external law firm	
Sign off	Management Committee	Programme Board

9.2.2 Partnership Agreement

Purpose	An agreement which underpins the fundamental principles of the Consortium and clearly sets out the position in relation to liability, responsibilities etc. of each Consortium Members.	
Key Activities	<ul style="list-style-type: none"> • Defined roles and responsibilities • Agreed accountability for liabilities • Agree rules of joining or exiting the Consortium • Exit strategy for termination of the Consortium • Agreed funding model 	
Format	Word Document	
Primary Resource	Suzanne Burrell and other legal and governance workstream members	
Quality assurance	"Sense Check" by external law firm	
Sign off	Management Committee	Programme Board

9.2.3 Statement of works, customers and numbers

Purpose	To ensure any services provided by ESPO has a legal agreement attached to clearly setting out key principles of the specific arrangement	
Key Activities	<ul style="list-style-type: none"> • Contract for projects commissioned by Member Authority or non-members • Agree assumptions regarding the work in terms of scope, responsibilities of ESPO and responsibilities of the customers; • Framework for timescales to undertake the project; • Framework for the basis of closing the project in terms of outputs, deliverables or outcomes; • Price framework of ESPO's services to the customer for the project; • The basis of payment • Terms and Conditions 	
Format	Word Document	
Primary Resource	Suzanne Burrell and other legal and governance workstream members	
Quality assurance	Legal & Governance Workstream & ESPO SMEs	

Sign off	Legal & Governance Workstream	ESPO SMT
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9.2.4 Terms of Business for Suppliers

Purpose	To have a set of terms which binds ESPO suppliers.	
Key Activities	<ul style="list-style-type: none"> • Standard form of contract • Terms and conditions document • Performance monitoring mechanism • Service level agreement • Liabilities and termination 	
Format	Word Document	
Primary Resource	Legal and Governance Workstream	
Quality assurance	ESPO SMEs	
Sign off	Legal & Governance Workstream	ESPO SMT

9.2.5 Customer Access Agreement (Terms of Business)

Purpose	To have a set of terms and conditions which protects ESPO's position and binds anyone that conducts business with ESPO	
Key Activities	<ul style="list-style-type: none"> • Terms and conditions document • Defined payment terms • Service level agreement template • Variation to contracts • Sub-contracting framework • Termination 	
Format	Word Document	
Primary Resource	Suzanne Burrell and other legal and governance workstream members	
Quality assurance	ESPO SMEs	
Sign off	Legal & Governance Workstream	ESPO SMT

9.2.6 Business Strategy

Purpose	<p>A formal, written statement about the overriding purpose of ESPO (its mission), the aspiration of the organisation (Vision or strategic intent), a general aim of the organisation (goal), a set of business objectives (quantifying as much as possible the goal), the financial background and nature of the business, and the strategies for reaching those goals.</p> <p>The document will be agreed and signed off by key stakeholders, with the intention of shaping the direction of the organisation for the next four plus one years.</p>	
Key Activities	<ul style="list-style-type: none"> • Prepare initial outline and agree format with key stakeholders (SMT, SOG, COG, Management Committee, staff groups) • Prepare draft strategy with business objectives and agree with key stakeholders This will enable resource implications (financial, human), Marketing Strategy, and the Financial Strategy to be formulated • Finalise the Business Strategy and agree with key stakeholders 	
Format	Word Document	
Primary Resource	Dave Summersgill	

Quality assurance	Deloitte		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.7 Business Plan

Purpose	<p>The purpose of the Plan is to provide the detailed route map that will quantify the action ESPO will take to deliver the agreed Business Strategy.</p> <p>In addition the business plan will be developed in conjunction with a mechanism for measuring its outcomes operationally using non-financial measures as well as financial ones. This will allow the success of the Plan to be measured on an ongoing basis.</p> <p>The intention is that a Business Plan will be produced annually, but with each annual Plan covering an eighteen month time span.</p>		
Key Activities	<ul style="list-style-type: none"> Objectives from the Business Strategy to be quantified into deliverable targets Performance Management Framework to be developed Link targets and objectives to be employee performance as part of the PDR process 		
Format	Word Document		
Primary Resource	Dave Summersgill		
Quality assurance	Deloitte		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.8 ICT Strategy

Purpose	To set out the technical and capacity requirements of the organisation to match the needs of the Business Strategy. To map out the potential and likely implications of external ICT development (e.g. cloud computing).		
Key Activities	<ul style="list-style-type: none"> Review current system architecture Map out potential development options that support the Business Strategy Outline long term capital and software implications 		
Format	Word Document		
Primary Resource	Margaret Geary, New Finance AD		
Quality assurance	LCC Strategic Information & Technology Service		
Sign off	ESPO SMT	Programme Board	

9.2.9 IT Plan

Purpose	To ensure the right ICT infrastructure is in place to support the Business Plan Oct 2011 – April 2013. To be updated annually in line with the Business Strategy and ICT Strategy.		
Key Activities	<ul style="list-style-type: none"> Outline short term hardware renewal programme (linked to Asset Plan) Outline system constraints and their implications Map out revenue spend on an ongoing basis Current approved business cases 		
Format	Word Document		
Primary Resource	Margaret Geary Mike Kendall		

Quality assurance	LCC Strategic Information & Technology Service	
Sign off	ESPO SMT	Programme Board

9.2.10 Medium Term Financial Strategy

Purpose	A key document that is integral to the Business and Marketing Strategies, mapping out the Business Strategy in financial terms. Will also take into account the ICT Strategy and Asset Plan.	
Key Activities	<ul style="list-style-type: none"> Revise financial operating model Asset Plan - sets out the replacement programme of all capital assets and any assumptions contained within the Business Strategy Maps out financial implications from the Business Strategy 	
Format	Word Document	
Primary Resource	Mike Kendall/new Finance AD Dave Summersgill	
Quality assurance	Consortium Treasurer & LCC Audit	
Sign off	ESPO SMT	Programme Board

9.2.11 Short Term Financial Plan

Purpose	Rolling two year Budget to support the Financial Strategy	
Key Activities	<ul style="list-style-type: none"> Roll out delegated budgets Rebate budget Cash flow management and cash investment Finance staffing plan Develop link to capture income predictions from business case process. 	
Format	Word Document	
Primary Resource	Mike Kendall	
Quality assurance	Consortium Treasurer, New Finance AD and Dave Summersgill	
Sign off	ESPO SMT	Programme Board

9.2.12 Procurement Strategy

Purpose	To improve the efficiency of procurement processes, introducing where appropriate standard elements of documentation, procedures and processes, to maximise the benefits of multiple procurement projects.	
Key Activities	<ul style="list-style-type: none"> Standard Operating Procedures and Business Case methodology Category strategy link to Category Plan Potential E-tendering solution in place – January 2012 Far East sourcing Joint sourcing Benchmarking best practice Core expertise/competencies Knowledge/intelligence management Staff utilisation Programme/practice management 	
Format	Word Document	
Primary Resource	Kevin Willsher supported by Kate Shaw and David Kwiath	

Quality assurance	Deloitte	
Sign off	ESPO SMT	Programme Board

9.2.13 Risk Management Strategy

Purpose	<p>To ensure that the day to day business operation is not vulnerable to challenge from a range of different (and competing) stakeholders by (for example) failing to:</p> <ul style="list-style-type: none"> • meet governance requirements, • perform to performance management targets; • comply with contract procedure rules, financial management instructions, financial regulations, codes of conduct, committee procedures etc.; • meet the required customer standards either of performance or for product liability issues; • successfully defend challenges to award decisions under the Enforcement Directive; • meet or achieve policy expectations and outcomes. 	
Key Activities	<ul style="list-style-type: none"> • Procurement Risk <ul style="list-style-type: none"> • Standard documentation developed (GRIPS) • Production of training material • Initial staff training session • Risk Assessment Tool finalised • Business Case templates developed • Additional legal support recruited • Commence introduction of PP Panel and PT Panel • New processes embedded • 2nd stage will be a review of Finance compliance issues (in consultation with the new AD Finance) • Business Risk is being documented under Business Continuity 	
Format	Word Document	
Primary Resource	Mondy Holliday, Ed Walsh	
Quality assurance	LCC Audit	
Sign off	ESPO SMT	Programme Board

9.2.14 Business Continuity Strategy

Purpose	To put in place a formal Risk and Business Continuity Programme aligned to good practice and British Standards 31000 and 25999 respectively.	
Key Activities	<ul style="list-style-type: none"> • Guidance Policy and Strategy • Recovery Facilities • Supplier & Partnership Review, assessments, Training and Workshops • Delivery Plans • Local Resilience Forum/Community Involvement • Annual Review Process development • Response methodology • Guidelines and standards to apply to the supply chain • Development of assessment and measure criteria • Testing Plan • Disaster recovery plan 	
Format	Word Document	
Primary Resource	Mondy Holliday (Risk and Business Continuity Consultant, LCC), Louise Gallagher & Dave Summersgill (ESPO)	

Quality assurance	LCC Audit and Local Resilience Forum		
Sign off	ESPO SMT	Programme Board	

9.2.15 Marketing Strategy

Purpose	A Strategy setting of actions that will support ESPO's Four Year Business Strategy.		
Key Activities	<p>Develop a twin approach through maximising existing customer relationships and outlining how relationships with new customers can be developed.</p> <p><u>Retention through Improving existing relationships</u></p> <ul style="list-style-type: none"> • Establish a customer relationship management (CRM) strategy for managing all interactions with customers, involving the use of technology to organise, automate, and synchronise business processes to enable ESPO to better: <ul style="list-style-type: none"> ○ Understand the customer ○ Retain customers through better customer experience ○ Attract new customers ○ Delivers improved value in customer management • Establish a supply management process • Establish a sector/industry intelligence gathering process • Outlines how new developments can be researched and shapes innovation • Define and manage the ESPO brand • Differentiate and target defined customer groups/segments <p><u>Growing through:</u></p> <ul style="list-style-type: none"> ○ Doing more of the same through market expansion ○ Mapping out PRO5's potential service extension ○ Mapping out areas of growth in new areas <ul style="list-style-type: none"> • Understanding and mapping customer requirements in terms of choice and delivery that enables volume delivery to be maximised without cutting the quality of the offering 		
Format	Word Document		
Primary Resource	Kevin Willsher (ESPO), external consultancy support		
Quality assurance	Deloitte		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.16 Marketing Plan

Purpose	To support the Marketing Strategy through a short term action plan		
Key Activities	<ul style="list-style-type: none"> • Market research on whether ESPO can provide an offering to PCTs and Doctor Surgeries • Developing of a procurement 'Health Check' for schools • Increase penetration into Wales and SW Midlands • London initiative • Developing marketing data such as pupil spend per school to highlight areas of potential growth • Catalogue programme for 2012 • Develop customer feedback framework aligned to the wider performance management framework 		
Format	Word Document		

Primary Resource	Kevin Willsher & David Thomas	
Quality assurance	Dave Summersgill	
Sign off	ESPO SMT	Programme Board

9.2.17 Category Management

Purpose	To strengthen the existing approach to category management between ESPO and the Member Authorities in order to deliver maximum benefits through key spend areas. The approach to this project will be through the HR pilot.	
Key Activities	<ul style="list-style-type: none"> Secure active participation from Member Authorities Secure ownership of the proposed approach to improved category management Form a project team and agree the project scope Deliver the HR Category Management Pilot Support and embed the new approach to category management in ESPO and Member Authorities 	
Format	Word Document	
Primary Resource	Sharon Cuff & Kate Shaw	
Quality assurance	Senior Officers Group	
Sign off	Programme Board	

9.2.18 HR Category Management Pilot

Purpose	The purpose of HR Category Management pilot is to develop a common framework for implementing a category management approach across all Member Authorities and where appropriate other public sector bodies/authorities, which can be transferred to business as usual and rolled out to other categories;	
Key Activities	<ul style="list-style-type: none"> Establish the parameters of the pilot and the key deliverables and benefits to be achieved. Ensure on-going engagement of key stakeholders throughout each stage of the pilot. Ensure alignment between ESPO's planned activity and Member Authorities' objectives. Provide a common framework to inform and support the delivery of category management in appropriate key spend areas between ESPO and Member Authorities. 	
Format	Word Document	
Primary Resource	Sharon Cuff & Kate Shaw	
Quality assurance	Senior Officers Group and HR Advisors, as appropriate	
Sign off	Programme Board	

9.2.19 Template documentation to support category management

Purpose	To produce a suite of template documentation that will be available to Member Authorities to support them in undertaking category management and to support stronger category management between ESPO and Member Authorities.	
Key Activities	<ul style="list-style-type: none"> • Map out suite of template documents • Undertake best practice assessment of current documents used in ESPO and Member Authorities • Produce suite of template documentation, associated processes and guidance to support category management • Undertake user acceptance testing 	
Format	Word Document	
Primary Resource	Kate Shaw & Karley Allam	
Quality assurance	Member Authority Category Managers	
Sign off	Programme Board	

9.2.20 Roles and Responsibilities

Purpose	To agree the key roles and responsibilities that are required to support effective category management between ESPO and the Member Authorities	
Key Activities	<ul style="list-style-type: none"> • Determine the roles and responsibilities that are required to support effective category management • Document/confirm key roles and responsibilities • Review and refine roles and responsibilities at key points during the category pilot 	
Format	Word Document	
Primary Resource	Sharon Cuff & Kate Shaw	
Quality assurance	Senior Officer Group	
Sign off	Programme Board	

9.2.21 Category Strategy

Purpose	To help Member Authorities achieve optimum value from the supply market for the chosen spend category.	
Key Activities	<ul style="list-style-type: none"> • Define category management concept • High level category assessment including review and validation of information supplied to ESPO • Early assessment of potential opportunities and savings to inform commitment of further resources • Identification of sub-categories and key considerations within the sub-categories • Stakeholder map • High level category strategy 	
Format	Word Document	
Primary Resource	Sharon Cuff, Kate Shaw & project team	
Quality assurance	Senior Officer Group	
Sign off	Programme Board	

9.2.22 Category Plan

Purpose	To identify the opportunities within each of the four sub-categories and how these will be delivered. The category action plan will be available for inclusion in Member Authorities' own procurement strategy and efficiency programme(s).	
Key Activities	<ul style="list-style-type: none"> Identify for each sub-category new initiatives/opportunities with timescales for delivery and benefits Identify the appropriate sourcing process -establish the appropriate level for collaboration for different goods/services in the sub-category and identify any new opportunities for collaboration with other public sector bodies/consortia. Establish any new opportunities for improving procurement processes, including the use of technology; Establish any opportunities for improving the compliance of procurement in the category, both with internal and external rules/legislation, and with existing contracts; Establish opportunities within the sub-category for improving the Councils' performance against their sustainable performance; Establish opportunities for improving service quality and improved contract management without increased cost; 	
Format	Word Document	
Primary Resource	Sub-category leads; Kate Shaw	
Quality assurance	Category Managers	
Sign off	Programme Board	

9.2.23 Lessons Learned Log

Purpose	To capture customer feedback through the pilot to inform the ESPO Customer Feedback product and to drive closer working and collaboration between ESPO and Member Authorities.	
Key Activities	<ul style="list-style-type: none"> To capture customer feedback at key stages throughout the pilot To produce lessons learned log, with an emphasis on customer engagement and outcomes, to inform other work streams within the ESPO Programme. 	
Format	Word Document	
Primary Resource	Sharon Cuff & Kate Shaw	
Quality assurance	Programme Manager	
Sign off	Programme Board	

9.2.24 Training/Skills Development Programme for Category Management

Purpose	To identify and deliver training and skills that will support category management and demonstrate the value that ESPO can add to its Member Authorities' existing category management activity.	
Key Activities	<ul style="list-style-type: none"> To identify the key skills required to support category management To develop a training/skills development programme To deliver and/or commission training to support category management To raise awareness of the benefits that category management can deliver and to enhance the relationship between ESPO and Member Authorities 	

Format	Word Document		
Primary Resource	Kate Shaw & Karley Allam		
Quality assurance	Senior Officer Group		
Sign off	Programme Board		

9.2.25 Vision/Target Operating Model for new structure

Purpose	A new organisational model that outlines the service delivery functions based on the business model and strategies		
Key Activities	<ul style="list-style-type: none"> Define functions Define interactions Ensure TOM aligns with the Programme success criteria and ESPO service offer 		
Format	Word document		
Primary Resource	Dave Summersgill and Simon Nearney		
Quality assurance	Deloitte		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.26 HR As-Is Analysis

Purpose	To summarise the current position with regard to HR. It will include a detailed analysis of current job descriptions, pay grades, team structures and organisational structures, terms and conditions, other forms of rewards, with conclusions on similarities, patterns and gaps.		
Key Activities	<ul style="list-style-type: none"> Existing T&C Review of existing structures List of Posts in scope Staff and process activities Budget information 		
Format	Word document		
Primary Resource	Sue Whitham, Sandra Sewell		
Quality assurance	Dave Summersgill & Simon Nearney		
Sign off	ESPO SMT		

9.2.27 New Ways of Working

Purpose	To provide an overview of the appropriate structure that takes consideration of the newly defined operational model and strategies		
Key Activities	<ul style="list-style-type: none"> Restructuring (where required) Identifying capacity required Identifying capabilities required Costing the new model Determining management levels required (where required) 		
Format	Word document		
Primary Resource	Dave Summersgill, Sue Whitham and ESPO Senior Management		
Quality assurance	Brian Roberts and Simon Nearney		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.28 HR Action Plan

Purpose	To set out the proposed changes to the structure (where required) and inform staff of the proposals.		
Key Activities	<ul style="list-style-type: none"> • posts in scope of the review, • current team structures within which these posts sit • revised structure • new posts • any ring-fencing arrangements • any posts which have been deleted • HR policies, including redundancy, redeployment, etc. • the recruitment process • new job descriptions (where required) • details of consultation timescale including closing date • mechanism for feedback and comment • Equalities Impact Assessment 		
Format	Word document		
Primary Resource	Dave Summersgill and Sue Whitham		
Quality assurance	Simon Nearney		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.29 Transition Plan

Purpose	To outline the transition from current way of working to new ways of work. This will include detail about which ongoing or new work is allocated to which team, plus a plan to finish off work that is to be discontinued. It will also highlight the high level learning and development of teams to implement new ways of working.		
Key Activities	<ul style="list-style-type: none"> • Analyse and review current work • Determine new work allocation to teams • Identify gaps in resources • Propose way forward for any gaps in moving to new way of operating • Areas for learning and development of teams 		
Format	Word document		
Primary Resource	Ebru Oliver and Dave Summersgill		
Quality assurance	LCC Change Management Unit & Programme Team		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.30 Communications and Engagement Plan

Purpose	A plan that will detail how staff communication and engagement will take place in the new organisation.		
Key Activities	<ul style="list-style-type: none"> • Audit of Existing Communications and Engagement Channels • Stakeholder Analysis • Stakeholder Mapping • Identify methods used in communication • Determine new communication methods and channels 		
Format	Word document		
Primary Resource	Ebru Oliver, Toni Boudraa and Dave Summersgill		

Quality assurance	ESPO SMT	
Sign off	Programme Board	Management Committee

9.2.31 Learning & Development/Training Plan

Purpose	<p>A plan that incorporates the learning and development needs of all staff, including managers. It will build on any gaps identified in the audits of staff and managers and produce a schedule so that all staff undertakes the mandatory training. It will provide an overview of any learning and development required by managers, including the Leicestershire Manager, management competences, managers' self service and Oracle, managers and HR policies, performance management, etc.</p> <p>It will also identify any specific professional or vocational learning and development that may be required by particular members of staff.</p>	
Key Activities	<ul style="list-style-type: none"> • Audit of Staff Training Needs (e.g. equalities, FoI, DPA, H&S) • Audit of Management Training Needs • New competencies required 	
Format	Word document	
Primary Resource	Dave Pearson and Liz Dunn	
Quality assurance	ESPO SMT	
Sign off	Programme Board	Management Committee

9.2.32 Health and Safety Plan

Purpose	To provide a plan for improvement if gaps are identified in the Health and Safety Audit.	
Key Activities	<ul style="list-style-type: none"> • Audit of existing ESPO Health and Safety practices • Audit of key training and certification that require renewal and any updates as required • New processes and policies 	
Format	Word document	
Primary Resource	Lucy Littlefair, Sue Whitham, Colin Jones, Dave Pearson and Dave Summersgill	
Quality assurance	LCC Audit	
Sign off	ESPO SMT	Programme Board Management Committee

9.2.33 Reward and Recognition Implementation Plan

Purpose	Plan setting out the employee benefits	
Key Activities	<ul style="list-style-type: none"> • Determining which employee benefits are available • Determining communications and events 	
Format	Word document	
Primary Resource	Sue Whitham	
Quality assurance	Simon Nearney and Dave Summersgill	
Sign off	ESPO SMT	Programme Board Management Committee

9.2.34 Workforce Planning Strategy

Purpose	A robust workforce strategy and corresponding action plans to enable ESPO to deliver its key priorities		
Key Activities	<ul style="list-style-type: none"> • Business drivers • Future direction of the organisations • Skills and capability required for the workforce • Recruitment and retention strategy • Management approach inc. performance • Communication and engagement • Equality of Opportunity • Employee wellbeing 		
Format	Word document		
Primary Resource	Sue Whitham and Dave Summersgill		
Quality assurance	Simon Nearney and Dave Summersgill		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.35 Performance management framework including workforce targets

Purpose	A framework that sets out how employee performance and workforce targets will be met		
Key Activities	<ul style="list-style-type: none"> • Framework • PDR processes and guidance • Attendance management policy • Workforce targets 		
Format	Word document		
Primary Resource	Sue Whitham and Liz Dunn		
Quality assurance	Dave Summersgill and Simon Nearney		
Sign off	ESPO SMT	Programme Board	Management Committee

9.2.36 Programme Management Documentation

Purpose	To produce a suite of documents and programme control process to ensure that the programme is managed and delivered consistent with best practice e.g. Managing Successful Programmes (MSP)		
Key Activities	<ul style="list-style-type: none"> • PID • Quality Plan • Benefits Plan and Success Criteria • Risk and Issues Log • Stage Reports • Closure Reports 		
Format	Word and Excel		
Primary Resource	Ebru Oliver		
Quality assurance	LCC Change Management Unit		
Sign off	ESPO SMT	Programme Board	Management Committee

10. Programme Controls

10.1 Progress Reporting

Meeting/Report	Frequency	Audience/Purpose
Programme Highlight Report	Initially Monthly	Sent Programme Board and Management Committee The Programme manager will also have regular update meetings with the Programme Sponsor.
Programme Board Meeting	Initially bi-monthly	Programme manager reports formally to Programme board on progress, and also directly to the Programme Sponsor. Programme board meetings are set up initially on a monthly basis for ease of calendars, although in the longer term may be arranged only when a key decision is required.
Programme Team Meeting	Monthly	The Programme team includes Programme manager, workstream leads, and representatives from the business, if appropriate. Programme team meetings give all parties the opportunity to share intelligence and discuss progress, risks and issues etc in the content of the Programme as a whole.
Workstream Meetings	As required	Workstream Leads will hold regular meetings with workstream colleagues to ensure they are fully up to date on Programme priorities and progress.
Workstream Highlight reports	Monthly	Sent to the Programme Manager to report progress

10.2 Programme Tolerances

The Programme Manager will administer the budget related to the review £400k on behalf of the Programme Board. If variations to the Programmes move outside of the following tolerances, approval will be sought immediately from the Programme Board.

Variation type	Tolerance
Budget	5% of the programme budget (The programme will be managed on the basis of a budget of £360K plus £40 contingency)
Timescale	Slippage of more than four weeks with respect to the key milestones will be reported to the Board for approval with the exception of critical path related milestones which will be reported after two weeks.
Resource demand	If the requirement for additional staff resources cannot be negotiated and resolved by the programme manager and the individual/Member Authority involved, the issues will be escalated to the Programme Board.
Scope	<ul style="list-style-type: none"> All variations in scope will be reported to the Board.
Benefits	<ul style="list-style-type: none"> All variation in estimated benefits will be reported to the Programme Board

10.3 Exception Management

Where threats to key milestone dates of at least a week or threats to the quality of deliverables emerge these must be reported to the Programme Manager immediately along with options on how the specific issues can be resolved. If appropriate, a change request may need to be raised that will describe any additional work that may be required as well as the costs associated with performing the work and any impact on Programme timescales.

Where change control results in a change outside of the tolerances detail above authorisation by the Programme sponsor and Board will be required.

Exception reports should be produced for over tolerance changes to the overall Programme plan, budget or savings. These should be approved by the programme board.

10.4 Programme Quality Plan

This will be developed after the success criteria for the Programme are agreed.