



STATES OF GUERNSEY

Unbeatable services,
efficiently delivered

Fundamental Spending Review: Phase 2 - Annex

JULY 2009

Introduction

Phase 2 of the Fundamental Spending Review (FSR) saw the investigation of the 298 opportunities identified in Phase 1, with the outputs of these investigations being consolidated into 107 Summary Opportunity Reports (SORs). This annex to the report contains the 'executive summaries' of the 107 full Summary Opportunity Reports (SORs) and is intended to support the data presented in the Fundamental Spending review Report: Phase 2, July 2009.

Each of the individual executive summary opportunity reports (ESORs) summarises the key findings identified for each opportunity. They represent a synopsis of the more detailed cost benefit analysis carried out in the full summary opportunity reports (which capture the economic cost of pursuing a single discrete proposal). The ESORs, however, progress from solely considering the economic cost of pursuing a proposal to reflecting the effect on the financial bottom line of the States. They show how much more or less the States will actually spend if a particular course of action is undertaken. The ESORs, therefore, reflect the budgetary impact of pursuing a single discrete proposal.

The FSR recognises that implementing the SORs on a project by project basis is not a viable or sustainable option. It will not maximise the savings that can be achieved or realise the significant benefits identified by the FSR. For this reason, it has been recommended that the States of Guernsey establishes an integrated Transformation Programme, a fundamental part of which is a Financial Change Programme to deliver the recommendations included in the report. The Fundamental Spending review Report: Phase 2 therefore presents the consolidated budgetary impact of delivering the opportunities within the framework of an integrated transformation programme. The transformation programme will affect both the scale and timing of the costs incurred and benefits achieved.

The Fundamental Spending Review report and it's Annex (ESORs) present financial and budgetary information based on the same core data in two different and intentionally distinct ways. It should be noted therefore, that they are not intended to be arithmetically consistent.

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PSD015	PSD015	PSD	Review Maintenance Budget Planning	71
SAP_A	B&RC_001	Bailiff	System Rationalisation. There are a number of systems currently employed for the control of funds	72
SAP_A	CE006	C&E	Utilisation of SAP functionality: Opportunities may exist to more fully utilise SAP	72
SAP_A	CL010	C&L	Use of SAP – move all states departments to using SAP, where possible, to manage employee records, and financial activity	72
SAP_A	ED_07	Education	Subscribe to corporate SAP strategy for the adoption, utilisation and operation of SAP across all available modules	72
SAP_A	ENV010	Environment	Utilisation SAP functionality: Opportunities may exist to more fully utilise SAP	72
SAP_A	FINANCE_05	Finance	Produce and implement a States SAP strategy for the adoption, utilisation and operation of SAP across the States	72
SAP_A	FINANCE_20	Finance	Revise and cleanse accounting coding hierarchies and structures	72
SAP_A	FINANCE_21	Finance	Introduce system validation and authorisation controls to SAP	72
SAP_A	HOME_010	Home	Move to the SAP platform for ERP solutions wherever possible	72
SAP_A	HR_010	HR	Establish central record of all employees in SoG	72
SAP_A	HR_014	HR	Extend the use of SAP to cover HR activity and employee records	72
SAP_A	HSSD010	HSSD	Use of SAP – move all states departments to using SAP, where possible, to manage employee records, and financial activity	72
SAP_A	HSSD024	HSSD	There is no survey condition software	72

Phase 2 Ref	Phase 1 Ref	Department	Description	Page
SAP_A	HSSD027	HSSD	SAP is not used to control the supply of drugs as we are informed that it cannot link a drug to a patient	72
SAP_A	IT009	IT	Confirm SAP as the Corporate Finance system	72
SAP_A	IT010	IT	There is no overall governance of SAP from a strategic and operational perspective	72
SAP_A	LCO005	Law Officers	Deliver targeted training on SAP & Management Accountancy for staff	72
SAP_A	PROC009	Procurement	Ensure appropriate and standard use of SAP for managing the purchasing end of the procurement cycle	72
SAP_A	PSD020	PSD	Use of SAP – explore the opportunity for efficiencies through the increased use of SAP within the Department	72
SAP_A	SSD_17	SSD	Subscribe to corporate SAP strategy for the adoption, utilisation and operation of SAP across all available modules	72
SAP_A	TR011	T&R	20% of the purchases currently not completed on SAP could be transferred by meeting the skills or training gap	72
SAP_A	TR012	T&R	Produce and implement an SoG SAP strategy	72
SSD_A	SSD_03	SSD	Consolidate and rationalise payments.	72
SSD_D	SSD_04	SSD	Closer working with Income Tax for collections. Eliminate duplicate activities	73
SSD_D	TR018	T&R	Rationalise tax and contributions revenue receipting functions. Maximise synergies with SSD	73
SSD_F	SSD_11	SSD	Separately account for funds and the cost of administering the funds	73
SSD_G	SSD_07	SSD	Automate contributions assessment logic	74
TR_009	TR009	T&R	Introduce States wide Business continuity planning	74
TR_009	TR025	T&R	States wide disaster recovery and business continuity	74
TR_010	TR010	T&R	Maximise exploitation of possible Digi map/ Cadastre/ Land registry income streams.	75
TR_013	TR013	T&R	Introduce 'SAP business development' officers role	75
TR_016	TR016	T&R	SoG to self insure	76
TR_017	POLICYC_004	Policy Council	Introduce a corporate Risk Management Function	76
TR_017	TR017	T&R	Introduce a corporate Risk Management Function	76
TR_22	TR022	T&R	Automate tax logic for assessment purposes	77
VEH_A	HOME_015	Home	Review case for centralising vehicle servicing garages within individual services	77
VEH_A	PSD006	PSD	Establish single Fleet Management Function, including repair and maintenance, for whole of SOG	77
VFM_A	CE004	C&E	Further develop VFM and efficiency targets/ KPIs for Commerce and Employment's services and functions	78
VFM_A	ED_22	Education	Improve application of performance management tools and the introduction and monitoring of Vfm	78
VFM_A	ENV011	Environment	Establish VFM and efficiency targets/ KPIs for Environment services and functions	78
VFM_A	FINANCE_04	Finance	Introduce output/ outcome based Corporate Performance management process (KPIs and output metrics)	78
VFM_A	FINANCE_13	Finance	Establish internal and external benchmarking regime	78
VFM_A	FINANCE_24	Finance	Introduce a States wide VFM initiative	78
VFM_A	POLICYC_007	Policy Council	Establish Vfm baseline and develop and implement a States Wide VFM strategy	78
VFM_A	PROC003	Procurement	Establish VFM and efficiency as Targets for the Service to deliver on behalf of the States Departments.	78
VFM_A	PROP003	Property	Establish VFM and efficiency targets for property and asset management	78
VFM_A	PSD005	PSD	Establish VFM and efficiency targets for all Business units	78
VFM_A	SSD_18	SSD	Introduce output/ outcome based Corporate Performance management process (KPIs and output metrics)	78
VFM_A	TR005	T&R	Introduce Corporate Performance data review process to support delivery and promote VFM decision making	78

Executive Summary Opportunity Reports

Department/Theme: Alderney

Opportunity	To formalise feedback communications between the States of Guernsey Departments and the taxpayers of Alderney via a customer insight programme.	Ref no. ALDERNEY_A
Benefit	No discrete, stand alone benefits identified.	Priority Score N/A
Rationale	Recommendation not to pursue this as a discrete stand alone opportunity as all benefits will be derived via the implementation of the VFM_A SOR.	
Costs and savings		Risk Rating N/A
Approach		
Who		
When		

Department/Theme: Bailiff and Royal Court

Opportunity	Review the fee structure for all services provided by the Royal Court (including Office of the Bailiff, Greffe, Magistrates Court and HM Sergeant and Sheriff)	Ref no. B&RC_004
Benefit	The review will establish the true cost of providing each service allowing full cost recovery to be sought where appropriate. Exceptions and the reasons for them can be recorded. Transparency will be achieved, decision making aided and the heightened focus on costs should lead to their closer management and reduction.	Priority Score 193.5 / 280
Rationale	The key driver behind the proposal to review and revise the fee structure relating to Royal Court costs is to gain a better understanding of the cost base and a more thorough knowledge of where money is being spent. It seeks to ensure that the States of Guernsey is recovering costs to an agreed and appropriate level whilst affording access to justice for all. Fees should aim to cover the cost of providing the service where practicable whilst not being overly restrictive for less wealthy parties and the policy can be set out to allow this. Transparency will be achieved when true costs are visible and decision making will be facilitated.	
Costs and savings	A projection of costs and savings are incorporated in SOR FIN_S which identifies the opportunity to adopt a States wide charging policy and are therefore not duplicated here.	Risk Rating Medium
Approach	The approach to delivery of this SOR are; <ul style="list-style-type: none"> Analyse cost of provision of services Determine the % cost recovery target for each service and document criteria used for decision Establish a fee setting policy (including remissions and exemptions) Set fees for 2010 and communicate Consider any accounts receivable implications 	
Who	Led by accounting lead, T&R/Royal Court	
When	Implement immediately, in conjunction with a States wide charging policy. Completed within 6 months.	

Department/Theme: Bailiff and Royal Court

Opportunity	The expansion of management accountancy skills within the section.	Ref no. B&RC_006
Benefit	Ensures that appropriate skills are available to aid the management and control of States assets and the monitoring of both financial and non financial performance.	Priority Score 204 / 280
Rationale	The key driver behind the proposal to expand the availability of management accounting skills in this department is to fill the skills gap that presently exists in order to access the related benefits that this will bring. The office incorporating the Office of the Bailiff, Greffe, HM Sheriff and Sergeant and the Royal Courts presently have no dedicated, qualified management accounting personnel.	
Costs and savings	The principle cost associated with this opportunity is that of employing a full time Management Accountant to undertake the work streams identified as beneficial. This will create a non cash saving on the time of the Director of Administration and also lead to savings associated with a more rigorous accounting process. Net revenue savings over 5 years = £50k, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	<ul style="list-style-type: none"> Agree additional budget/resource with Treasury Establish a job description Appoint and train post holder 	
Who	Led by the Royal Court, Director of Administration	
When	Implement immediately. Completed within 6 months	

Department/Theme: Bailiff and Royal Court

Opportunity	The restructuring of the presentation of the accounts and budgets relating to "legal services".	Ref no. B&RC_009
Benefit	To provide clarity and transparency and defend against allegation of compromised impartiality.	Priority Score 177 / 280
Rationale	The key driver behind the proposal to revise the presentation of the accounts relating to "legal services" is the necessity to ensure the impartiality of the services provided to defend against accusation of malpractice and conflict of interest. In particular there should exist a separate parliamentary budget both for transparency of reporting and clarity of perception. The government must be seen to be providing adequate funding to support the parliamentary process, which must be separately identifiable from funding for day to day government and court processes.	
Costs and savings	The principle cost associated with this opportunity is that of staff resources to undertake structural changes to the budgeting and reporting processes. There are no cash savings anticipated. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	T&R to determine most appropriate format for the accounts of the Office of the Bailiff, Royal Courts, Law Officers and H.E. Lt Governor <ul style="list-style-type: none"> Agree new format with sections effected by change, seeking legal advice where necessary Re-format SAP hierarchy to reflect agreed changes Reflect new format in published budgets and accounts 	
Who	Led by T&R	
When	Implement immediately. Completed within 3 months	

Department/Theme: Commerce & Employment

Opportunity	Dairy to continue to develop/implement activity based costing to allocate full costs and overheads to activities and units, this process has already commenced.	Ref no. C&E_A
Benefit	<p>The main benefit of the implementation of this opportunity will be the introduction of transparency as to the true cost to the States of the production and sale of the products produced by Guernsey Dairy.</p> <p>The States will be able to identify opportunities to remove costs that add no demonstrable value either to the process of producing dairy products or to the wider conservation and breed protection objectives of the States.</p>	Priority Score 118 / 280
Rationale	<p>We accept it is not within the scope of this FSR to comment on the States' involvement in the dairy industry. However, an opportunity exists for the Dairy to build on the work it has already undertaken, and continue to develop its activity based costing approach to its product process.</p> <p>As a commercial organisation it should continue to strive for further improvements in efficiency.</p> <p>There is a significant scale of financial liability associated with the current level of involvement by the States in all aspects of the island's dairy industry. A review will identify all options for reducing the current level of liability, assessing the extent to which each option would support the economic, environmental and social aims of the existing regime and identifying a preferred option which can demonstrate effective optimisation and balance between costs and benefit.</p>	
Costs and savings	<p>The primary costs associated with this opportunity relate to the human resources required to undertake the review and implement the recommendations detailed within this report, and is one that the States is already committed to.</p> <p>It is not possible to estimate the potential level of savings that could be derived from this opportunity as it will be independent on the outcomes of the review described.</p>	Risk Rating Medium
Approach	To be determined through the terms of reference for the required Policy Council report	
Who	To be determined through the terms of reference for the required Policy Council report	
When	<p>The Policy Council report is required by end of 2013. However, given the scale of the states financial commitment to the sector, we would recommend the review commence at the earliest practicable opportunity. We would expect a review with this level of complexity and sensitivity to have a time frame for completion of up to 18 months.</p>	

Department/Theme: Commerce & Employment

Opportunity	Undertake a design and delivery review of the activities currently provided by Client Services (excluding the Dairy). Such a review would identify the full range of delivery models available, assess the extent to which each is capable of providing an efficient and effective service solution and identify a preferred option for each activity.	Ref no. C&E_B
Benefit	This opportunity has the potential to improve the value for money of selected services by identifying more cost-effective delivery models. Benefits would be achieved by reducing the cost of service delivery, by increasing economies of scale and sharing overheads with partners.	Priority Score 144 / 280
Rationale	Scope for efficiencies may exist and value for money could be improved by considering the implementation of other forms of delivery, such as more formal partnerships with the public or private sector. The Commerce and Employment Department has expressed an interest in sharing services with Jersey where appropriate and Tribal supports this approach. Carrying out an options appraisal would enable the States of Guernsey to identify which delivery model provides optimum value for money for each Client Services function.	
Costs and savings	The primary cost associated with this opportunity relates to the staff resource required to develop this opportunity. There may also be additional implementation costs. Potential savings might come from a reduction in the numbers of operational and management staff required, as well as reducing accommodation and corporate recharge costs. There may also be a benefits accrued through increases in service capacity gained through implementation of the preferred delivery model. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Review and define in scope services and undertake options appraisal. Develop detailed business case for approval. Following approval, implement preferred delivery model and arrangements and monitor for effectiveness.	
Who	The opportunity should be undertaken by Commerce and Employment in conjunction with all relevant stakeholders.	
When	An implementation timeframe of 6 months is estimated for the development of options appraisals and business cases, followed by approximately 12 months for the establishment of the new delivery model.	

Department/Theme: Commerce & Employment

Opportunity	Develop a States wide communications plan/strategy, and explore the value of a centralised expert client function that supports Departments. Consider rationalising purchasing/tendering for media and support agencies across the whole of the States to realise economies of scale.	Ref no. C&E_C
Benefit	<p>The introduction of a centralised expert client has the potential to derive the following benefits:</p> <ul style="list-style-type: none"> • Market leading expertise which encourages a strategic approach with regards to communications • Provides professional advice on commissioning and management of relationships with third parties • Development of a States communication plan/strategy which will provide a co-ordinated and focused direction for the States of Guernsey to adhere to • Efficiencies through maximising, economies of scale, removing unnecessary duplication, improving task completion speed, and reducing expenditure on communication that has limited or no value • Provision of quality products in line with strategic and corporate objects • Ownership of overarching elements that are common to all departments 	Priority Score 183 / 280
Rationale	The introduction of a centralised expert client function, with appropriate governance arrangements, that thinks strategically and provides communications expertise, provides the States with the correct tools to deliver communications effectively.	
Costs and savings	<p>The primary cost associated with this opportunity relates to the staff resource required to develop this opportunity. Further costs would be accrued through establishing and operating a centralised expert client function.</p> <p>Efficiencies of 4.0% are achievable. Current indicative spend suggest as much as £5.5m per year. On this level of expenditure, even relatively small percentage savings, will have a substantial monetary value.</p> <p>Net revenue savings over 5 years = £590k, net capital expenditure over 5 years = £30k</p>	Risk Rating Medium
Approach	Review and define requirements and remit with respect to the initiation and role of a centralised expert client function. Develop detailed business case for approval. Following approval, implement opportunity and monitor for effectiveness.	
Who	The opportunity should be undertaken by Commerce and Employment in conjunction with all relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 6 months is estimated.	

Department/Theme: Commerce & Employment

Opportunity	Undertake a States wide strategic review of policies on air route links to Guernsey encompassing funding, charging and facilities provided at the airport, current subsidies on airport charges, route development support and the role of Aurigny.	Ref no. C&E_D
Benefit	The primary benefit is the ability to make informed decisions about the direction of States funds. This ensures returns are maximised and greatest contribution to the objectives and policy of the States is achieved.	Priority Score 205 / 280
Rationale	Air route links to Guernsey are vital to the economic wellbeing of the island. Passenger movement is a prime indirect source of government tax receipts. Therefore the underlying logic to investment in the development of air route links and increasing passenger flows is sound. However, this investment must be directed towards supporting activities that bring benefits that would not occur otherwise.	
Costs and savings	The primary costs relate to the people and resource time for a review of the landing concession charge. Savings relate to the implementation of policy changes with a possible reduction in overall spend in the long term. Net revenue savings over 5 years = £1,989k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Conduct a detailed review of air route links to the island and the feasibility of removing or reducing the landing charge concession fund – identifying the probable implications. Implement and monitor findings.	
Who	Commerce & Employment (Strategy) should lead the review with consultation with the Airlines. The Commerce & Employment board should be informed throughout.	
When	Immediately.	

Department/Theme: Commerce & Employment

Opportunity	A good understanding of the key drivers in the economy and the inter-dependencies between them will allow the economic implications of policy and decision-making to be better understood.	Ref no. C&E_E
Benefit	<ul style="list-style-type: none"> A clear picture of the principle drivers in the States economy and the relationship between them A method for understanding the economic implications of the States public policy making Improved decision-making that incorporates consideration of economic impact 	Priority Score 191 / 280
Rationale	We have not been able to identify any existing investigation into the key economic drivers in the Guernsey economy, and crucially into the relationship between them. The absence of this analysis makes it hard to know how a change in one area, for example in the labour market, is likely to impact on other areas of the economy.	
Costs and savings	The primary costs relate to conducting a comprehensive review of the key economic drivers. Such a review should be resourced over a reasonable timeframe to allow for all linkages and impacts to be modelled. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	<ul style="list-style-type: none"> Establish a project team to conduct a detailed review of the key economic drivers Communicate the findings of this review throughout the States departments Embed the findings in the business planning and policy development process Monitor and review implementation 	
Who	Commerce and Employment should lead the review with consultation with all departments.	
When	<ul style="list-style-type: none"> Immediately 3 month initial review with 2 years monitoring 	

Department/Theme: Commerce & Employment

Opportunity	Evaluate the efficacy of the funding and commitment to Guernsey Finance, assessing both the level of funding within the context of the relationship between the finance industry and the islands economy, and the benefits received from any investment.	Ref no. C&E_F
Benefit	The main benefit associated with this opportunity will be the ability to make an informed decision as to the appropriate level of investment by the States required to effectively promoting the long term reputation, stability and development of Guernsey as an international centre for financial services.	Priority Score 98 / 280
Rationale	The financial sector is vital to the social and economic wellbeing of Guernsey. In 2007 total government income tax receipts amounted to £296m. Of this, c34.3% of can be traced to employees from within the financial sector. The current revised 2009 spend on Guernsey Finance of c£1.15m, at just 1.14% of estimated income tax receipts from the financial sector would appear to represent good value. However, what is lacking is a clear understanding of the actual or intended impact of that investment.	
Costs and savings	Unlikely to be a significant reduction in cost to the States. There is a nominal additional cost relating to the set-up of a regime that monitors the impact of investments Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	C&E must agree, set-up and implement a set of economic indicators for the financial services sector. These must be implemented and monitored enabling better decisions to be made of funding for Guernsey Finance.	
Who	Commerce and Employment must implement this opportunity with support from Guernsey Finance and support from the financial services sector.	
When	<ul style="list-style-type: none"> Immediately Monitoring over a minimum 2 year timeframe 	

Department/Theme: Culture & Leisure

Opportunity	Review membership/admission prices and operation at Beau Sejour and confirm its status in the public sector.	Ref no. CL_A
Benefit	Culture and Leisure currently provides an annual subsidy of approximately £750,000 per annum to Beau Sejour Leisure Centre. The primary benefit of this opportunity is the potential to reduce this level of subsidy.	Priority Score 176 / 280
Rationale	<p>Whilst a detailed review of current operations has the potential to release operational efficiencies, we do not expect these to be of a scale sufficient to enable a step change reduction or removal of the deficit.</p> <p>As a result, the States should consider undertaking a strategic review of the role of Beau Sejour Leisure Centre, the facilities it provides, the times they are available and the operating model for their delivery. Such a review should be undertaken within the context of the socio-economic well being of the island, and against the background of increasing competition for available funding. It should identify all the options available to achieve a step change reduction in the subsidy, including if necessary the cessation of certain services currently provided. It should also recommend a preferred option which can demonstrate an optimisation of the balance between the costs incurred by the States of Guernsey and the benefits received by the island and its communities.</p>	
Costs and savings	<p>Possible future costs relate to people and resource costs for the initial review and ongoing implementation.</p> <p>Potential savings will accrue as the operating model becomes more efficient and the leisure centre becomes less dependent on States funding.</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Conduct a detailed review of the current operating model Use findings to redesign the model to become more efficient 	
Who	The review should be commissioned by Culture and Leisure with input from the leisure centre and relevant stakeholders.	
When	The review should take place as soon as is practicably possible with implementation monitored over a 2 year period.	

Department/Theme: Education

Opportunity	Transfer management and provision of temporary teachers' accommodation to SPS	Ref no. ED_03
Benefit	Small savings in staff time and increased buying power can be made by transferring the management and provision of teachers' temporary accommodation to Housing or SPS. However, the main benefit of this opportunity is about good practice, i.e. allowing housing to be managed centrally and enabling Education to concentrate on its core business.	Priority Score 80.5 / 280
Rationale	The management and provision of teachers' temporary accommodation should be controlled by a central body that has the necessary expertise and has a States-wide property and facilities management remit. This would result in small economies of scale due to some savings in staff time and additional procurement power e.g. maintenance contracts. This SOR is an example of good practice and enables Education to focus on its core business.	
Costs and savings	There would be no costs involved, but if responsibility is transferred this should be accompanied by a transfer of budget, or an internal recharge to Education (with an SLA in place in either case) The main benefit of this SOR is about good practice rather than significant cashable savings Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	Identify whether to transfer responsibility to Housing or SPS and arrange transfer of management duties alongside budget	
Who	Education Department	
When	Within the next financial year	

Department/Theme: Education

Opportunity	Align schools capacity to island demographic	Ref no. ED_08
Benefit	SoG no longer incurs cost of unused places in schools	Priority Score 142.5 / 280
Rationale	There are currently more than 400 unused places in the primary sector. Demographic trends in Guernsey suggest an ageing population. Secondary schools are currently full to capacity but decline is expected in next two to three years. Efficiencies can be achieved by aligning school places to need.	
Costs and savings	The costs below are drawn from the EDP2 proposal for the rationalisation of the state-run primary schools. In this scenario, both St Andrew's Primary School and St Sampson's Infant School are closed at the end of the current academic year, with pupils absorbed by alternative schools. Four teachers are transferred to the receiving schools, with other staff redeployed elsewhere or lost to natural wastage (expiry of housing licences, retirement etc). The books and equipment budget follows the pupils. Net revenue savings over 5 years = £4,560k, net capital expenditure over 5 years = Nil	Risk Rating High
Approach	EDP2 involves rationalising the primary sector and therefore provides an opportunity to actively address the schools' capacity issue and identify where places can be saved.	
Who	Education Department	
When	Immediate	

Department/Theme: Education

Opportunity	Reduce/cease subsidy paid to private schools	Ref no. ED_09
Benefit	Significant saving when cost of college fees transferred to parents	Priority Score 109.5 / 280
Rationale	SoG expenditure on general grants to the colleges was £2.4m for the 2008/09 academic year. There is no clear rationale for subsidising the colleges. SoG expenditure on state-run schools ensures that there is adequate provision for pupils in the state sector.	
Costs and savings	Costs: Project management, independent review and costs incurred in accommodating pupils in state schools Savings: Removal of general grant funding for fee-paying pupils Net revenue savings over 5 years = £489k, net capital expenditure over 5 years = Nil	Risk Rating High
Approach	Use forthcoming review of grant formula to conduct an independent review of special place holder funding in colleges. Current grant formula does not expire until 2012 so no changes can be made before then.	
Who	Education Department	
When	January 2010	

Department/Theme: Education

Opportunity	Review strategy for off-island recruitment (relocation packages, licences, pay)	Ref no. ED_10
Benefit	Reduced staff turnover and associated recruitment and relocation costs, plus improved recruitment and retention of teachers	Priority Score 138 / 280
Rationale	The duration of housing licences is a major barrier in recruiting teachers. Half of the teachers recruited off-island are placed on a 5 year limit resulting in high turnover and hence high recruitment and relocation costs	
Costs and savings	Costs: project management Savings: reduced recruitment and relocation costs Net revenue savings over 5 years = £459k, net capital expenditure over 5 years = Nil	Risk Rating High
Approach	The Housing Department controls the issue of licences, so Education should work with the Housing Department to review the current policy and identify a more satisfactory alternative	
Who	Education and Housing Departments	
When	By January 2010	

Department/Theme: Education

Opportunity	Explore the potential to maximise income generating opportunities (evening classes, community space)	Ref no. ED_11
Benefit	Benefits are negligible but there may be the opportunity for some increase in income	Priority Score 76.5 / 280
Rationale	Income is currently generated through charges for the community use of school facilities, further and adult education course fees and Schools' Music Service fees, and there may be an opportunity to increase this income	
Costs and savings	Costs: project management and staff time Savings: increased income Net revenue savings over 5 years = £228k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Conduct a review to identify whether it would be beneficial to increase income generating activity	
Who	Education Department	
When	January 2010	

Department/Theme: Education

Opportunity	Ensure budgetary risk of moving some staff costs from capital to revenue for EDP1 is effectively managed	Ref no. ED_12
Benefit	Improvement in financial management through greater transparency of costs and increased budgetary control.	Priority Score 120.5 / 280
Rationale	Good practice to pay staff costs from revenue rather than capital budget. There is a degree of risk involved that will need to be managed	
Costs and savings	There are no costs or cashable benefits involved in this SOR; rather the main benefit of this SOR is improved financial management Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Already planned for 2010	
Who	Education Department	
When	Already planned for 2010	

Department/Theme: Education

Opportunity	Ensure best value funding options for EDP building programme	Ref no. ED_13
Benefit	EDP1 will need to be funded from a new capital allocation for two reasons: <ul style="list-style-type: none"> There are insufficient funds available within the remaining EDP1 budget allocation to meet the cost of the anticipated works The Department is not able to generate sufficient fee income to fund capital projects 	Priority Score N/A
Rationale	As the funding for EDP1 has already gone to the States of Deliberation to be debated as part of the Capital Prioritisation Programme, it is not appropriate to investigate this opportunity any further	
Costs and savings	Not applicable as no recommendation is being made Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Education

Opportunity	Review size and scale of grants to libraries, including scope for private sponsorships	Ref no. ED_17
Benefit	Ensure grant provides value for money	Priority Score 93.5 / 280
Rationale	Good practice to embed yearly value for money review of grant level	
Costs and savings	<p>Possible efficiencies could be identified by conducting a value for money review into the grants provided for the public library service and Schools' Library Service. These efficiencies could allow the libraries to improve services whilst maintaining current spending levels, or continue to provide the same level of service for less. The value for money review would incur some project management costs in terms of staff time to conduct the initial review, but would thereafter be incorporated into the cyclical spending review process.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Conduct value for money review	
Who	Education Department	
When	Ahead of 2010 budget, and then on a yearly basis	

Department/Theme: Education

Opportunity	Consider scope to introduce more NQTs (Newly Qualified Teachers) into the delivery mix to lower costs of teachers/training assistants	Ref no. ED_18
Benefit	No benefits identified	Priority Score N/A
Rationale	Recommendation <u>not</u> to pursue this opportunity	
Costs and savings	N/A	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Education

Opportunity	Review pupil teacher ratios	Ref no. ED_19
Benefit	No benefits identified	Priority Score N/A
Rationale	Recommendation <u>not</u> to pursue this opportunity	
Costs and savings	N/A	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Education

Opportunity	Exploit synergies of professional 'support' services e.g. psychology with HSSD	Ref no. ED_20
Benefit	No benefits identified	Priority Score N/A
Rationale	Recommendation <u>not</u> to pursue this opportunity	
Costs and savings	N/A	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Education

Opportunity	Reduce number of special places (scholarships) at the private schools	Ref no. ED_23
Benefit	Reduction in number of special places leads to substantial savings in special place holding funding currently granted to colleges.	Priority Score 109.5 / 280
Rationale	SoG expenditure on special place holders was £2.2m for the 2008/09 academic year. There is no clear rationale for subsidising college education. SoG expenditure on state-run schools ensures that there is adequate provision for pupils in the state sector.	
Costs and savings	Costs: Project management, independent review and costs incurred in accommodating pupils in state schools Savings: Reduction in special place holder funding Net revenue savings over 5 years = £558k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Use forthcoming review of grant formula to conduct an independent review of special place holder funding in colleges. Current grant formula does not expire until 2012 so no changes can be made before then.	
Who	Education Department	
When	January 2010	

Department/Theme: Education

Opportunity	Review supply teacher policy and consider the maximum length a post is able to be occupied by a supply teacher	Ref no. ED_24
Benefit	Reduced supply teacher staff costs	Priority Score 88 / 280
Rationale	The expenditure on supply teachers in Guernsey schools appears high. There is potential to reduce this spend by reviewing levels of pay, the duration of placements and the use of existing staff for cover.	
Costs and savings	No costs involved. Savings in staff time and increased buying power. Net revenue savings over 5 years = £407k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Conduct review alongside current negotiations around teachers' conditions of service	
Who	Education Department	
When	As part of current conditions of service review	

Department/Theme: Environment

Opportunity	Review the current bus contract. The current partnership arrangement for the Guernsey Bus company is due for renewal in less than 3 years. Review existing contractual and operating arrangements in order to establish the extent to which this represents value for money.	Ref no. ENV_003
Benefit	Implementation of this opportunity will enable the Environment Department to conduct a thorough appraisal of the extent to which this current operating model can deliver value for money, with a view to identifying ways of reducing or removing the annual subsidy.	Priority Score 185 / 280
Rationale	<p>The States spend a substantial sum per annum subsidising the bus service provided by Island Coachways. This currently stands at £2.25m. Our findings suggest that there is significant scope to reduce the costs of operating this service and increase the income generated. Load rate is poor at 20 unique passengers per route on average and a blended income per passenger of £0.41 is also poor.</p> <p>A thorough review is required to establish the feasibility of reducing the subsidy required.</p>	
Costs and savings	<p>The primary costs and benefits relate to initial expenditure supporting an overall reduction in the size of the subsidy.</p> <p>The initial costs will be a comprehensive review identifying the full range of operating models and contractual arrangements and assessing the commercial viability of each. The aim of the review should be to identify a target operating model for the island's bus service that can operate at, or as near to, a break even position as possible.</p> <p>Net revenue savings over 5 years = £3,623k, net capital expenditure over 5 years = Nil</p>	Risk Rating High
Approach	<ul style="list-style-type: none"> Carry out a thorough review of the bus service provision and define the States requirements Re-tender upon expiration of the current contract given this definition 	
Who	The review should be overseen by Environment Department with consultation with Island Coachways and the Service users.	
When	Review should be commenced immediately to exploit possible quick wins from increased income when the contract is re-tendered.	

Department/Theme: Finance

Opportunity	Establish the States wide centralisation of transactional Financial Processes encompassing Accounts Payable (AP), Accounts Receivable (AR), Payroll and Debt Management.	Ref no. FIN_A
Benefit	<ul style="list-style-type: none"> Cost Reduction Elimination of duplicate activities Increased financial governance and control 	Priority Score 193 / 280
Rationale	<ul style="list-style-type: none"> Exemplify the optimal use of the States money for transaction driven processes Be in line with best practice guidelines Have no adverse impact on service delivery Be a key building block for a Financial Change Programme 	
Costs and savings	<p>The primary costs and benefits associated with this opportunity relate to the recognition and movement of transactional activity, currently in over ten Departments, to one dedicated centre.</p> <p>Net revenue savings over 5 years = £567k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Validate and refine the current transactional processes Implement the organisational structures, systems and providers to facilitate centralisation and a location for the "shared service" Move processes from departments to the "shared service" 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	Implementation timeframe of 9 months	

Department/Theme: Finance

Opportunity	Establish and implement a States wide policy for internal charging. This applies to all goods and services that departments provide to each other.	Ref no. FIN_B
Benefit	<ul style="list-style-type: none"> Better understanding of the cost base of service provision Increased transparency of where money is being spent Standardised calculation of costs Standardised mechanisms for recovering costs (in most efficient and suitable manner) 	Priority Score 193 / 280
Rationale	Recognising that internal service delivery is like a stand-alone competitive business, leads to best practices and standardised processes designed to control costs, improve quality and ensure customer satisfaction. Transactional costs will also be reduced as a result of the introduction of agreed standardised processes and systems.	
Costs and savings	The cost associated with reviewing internal charging within States' Departments is staff time, required at various levels to collate, understand and evaluate the charges and then realign these to reflect the cost recovery target and both departmental and States wide priorities and policies. Indirect savings can come from internal charges increasing incentives to control costs by service providers.	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Identify the internal services charged for Calculate the true cost of providing the service Identify the most appropriate cost recovery mechanism (soft or hard charging) Adjust the charge to match the cost of provision 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	Implementation should occur immediately	

Department/Theme: Finance

Opportunity	Design and implement a States wide Business Process Re-engineering (BPR) review.	Ref no. FIN_C
Benefit	<ul style="list-style-type: none"> Efficiency savings through a reduction in FTE time on processes Improved customer service delivery through process redesign Increased managerial awareness of, and responsibility for, the process cost base and its efficiency 	Priority Score 208 / 280
Rationale	At present, awareness of the volumes, time taken and actions involved in processes is limited in most departments. Knowledge on how the cost effectiveness of processes compares with public sector comparators is unknown.	
Costs and savings	The costs required to carry out the review are staff time. This is required to map current processes, redesign processes and implement the processes. The reconfiguration of processes is likely to need expert input in the form of professional services. The benefits come from increased efficiency and improved process performance. Net revenue savings over 5 years = £2,795k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Identify processes to be analysed; Collect and analyse "as is" processes; 'Market test' ;Redesign or fine tune the current processes not performing well against "Best in Class" and Key Performance Indicator's ;Test the new proposed "to be" processes; Deliver BPR initiatives	
Who	BPR Lead, Senior Management Team and Unit Managers	
When	A timeframe of 7 months is envisaged for the review.	

Department/Theme: Finance

Opportunity	The move to multi year budgeting for both resource and capital allocations with a rolling five year planning horizon.	Ref no. FIN_D
Benefit	The move to a five year planning horizon will provide strategic benefits and minimise the sub-optimal behaviours that are encouraged by an annual planning cycle.	Priority Score 187 / 280
Rationale	A longer term planning horizon enhances the effectiveness of planning both at the Centre and within Departments. With this effectiveness comes greater clarity and operational control and an improved ability to effectively manage risk. These factors are highly important given the uncertainty that accompanies the current economic and fiscal environment and the ever increasing need to maintain a firm grip on current and future expenditure plans.	
Costs and savings	<p>The costs reflect the staff resource associated with the development and introduction of multi budgets to support a 5 year planning horizon.</p> <p>There are no direct savings associated with this opportunity. However, restructuring the budgets will aid planning, improve control, reduce risk and create transparency within the accounts of the States of Guernsey.</p> <p>Net revenue costs over 5 years = £16k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Define and agree budget cycle and planning horizon • Agree a format for the structure of the new budget and define a policy for operation • Procure, implement and test new reporting functionality in SAP • Communicate and train 	
Who	T&R Project Lead, Senior Management Team and Unit Managers	
When	This opportunity should begin immediately, with an estimated implementation timeframe of 3 - 6 months.	

Department/Theme: Finance

Opportunity	Business planning process to be developed, at both governmental and operational levels to ensure that plans are fully costed and time-bound with identified outputs that link to strategic priorities. Business planning and budget allocation to become a single joined-up process.	Ref no. FIN_E
Benefit	A well developed business planning process is fundamental to any business and certainly represents best practice in government. An appropriately constructed business plan represents an agreed set of objectives, outlines the reasons they are to be pursued, details how they will be achieved and summarises the costs associated with achieving them. It is the link between strategy and operations.	Priority Score 200 / 280
Rationale	The resources available to the States are becoming increasingly scarce. To ensure that these scarce resources are best aligned to deliver essential services, a move to evidence based decision making is required. Evidence based decision making allows informed decisions to be made about what outputs (and consequently outcomes) are to be delivered for the expenditure being incurred and equally importantly, what will not be delivered.	
Costs and savings	<p>The primary costs for this opportunity relate to staff resources associated with the development and introduction of a revised business planning process.</p> <p>There are no direct savings as the opportunity assumes funds will be redistributed in an appropriately considered and prioritised manner.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Clarify and define roles and responsibilities in T&R, Policy Council and within Departments Define structure, content, process and timings for the production of business plans Identify and meet training requirements Ensure SAP hierarchies are in place to support new reporting requirements Process launched Performance measured by reference to agreed deliverables and linked to management appraisal 	
Who	Policy Council Lead, Senior Management Team and Unit Managers	
When	Introduced in time to support the 2011 budgets allocations. An implementation timeframe of 4 months is estimated.	

Department/Theme: Finance

Opportunity	Improve the management of Departmental unspent balances, to include the removal of Departments' automatic right of retention.	Ref no. FIN_F
Benefit	<ul style="list-style-type: none"> • An estimated sum of £23m (Budget Report 2008) could be returned to the General Reserve immediately • Removes the (unsustainable) reliance on these balances to fund future spending • Improves performance management as under/overspends will be identified and interrogated • Improves delivery as more stringent planning will take place within Departments to ensure plans can be delivered within the budget period • Improves clarity and transparency around budgets and expenditure improving decision making • Creates greater Departmental financial accountability • Greater control over the resources of the States 	Priority Score 218 / 280
Rationale	Unspent balances are generated on an annual basis by most Departments across the States. These balances are retained and used to deliver Departmental priorities. The current practice encourages the inefficient use of States resources, as unspent balances are retained by the Department in which they are created. No assessment is made of whether these balances could be better reallocated to other higher priority activities outside of the Departmental boundary. This means that a 'nice to have' activity in one area may presently be funded at the expense of an essential service in another. This is not best practise.	
Costs and savings	There are few direct costs and savings related to this opportunity, only a small internal staff resource requirement for undertaking the implementation. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Define policy for operation and agree definition of 'unspent balances' • States approval and communicate new policy • Define, establish and maintain linkages to associated workstreams (e.g. multi criteria analysis and business planning) • Implement and monitor operation of new policy 	
Who	T&R Lead	
When	This opportunity should be implemented immediately with a timeframe of 3 - 6 months.	

Department/Theme: Finance

Opportunity	All expenditure proposals are to be supported by a suitably robust business case before funds are authorised for expenditure.	Ref no. FIN_G
Benefit	<p>A defined process for the completion and appraisal of standardised business cases provides a sound framework for effective options appraisal, thus allowing potential investments to be considered objectively, systematically and consistently across the States. A robust business case will demonstrate if a proposal is:</p> <ul style="list-style-type: none"> • Strategically aligned • Economically sound • Financially viable • Commercially viable • Achievable 	Priority Score 219 / 280
Rationale	A robust business case process provides a systematic mechanism to assess the validity of proposals, allowing optimal solutions to be identified and is recognised as best practice for the objective appraisal of options. Business cases are key building blocks to the move to evidence based decision making for the allocation of resources.	
Costs and savings	<p>The primary costs and benefits associated with this opportunity relate to the people resource required to establish and operate a States wide business case process.</p> <p>The savings relate to capital savings through not progressing with poor proposals.</p> <p>Net revenue cost over 5 years = Nil, net capital savings over 5 years = £875k</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Define financial management framework within which business case process will operate • Define when a business case is required, i.e. expenditure criteria • Define business case format to be submitted (in line with Green book) • Define the review and assessment procedure. • Communicate process and schedule with Departments • Deliver training within Departments 	
Who	T&R project lead, key input from departmental FDs.	
When	This should be introduced immediately with an implementation timeframe of 8 weeks.	

Department/Theme: Finance

Opportunity	The introduction of a systematic decision support tool that assesses projects and proposals against a number of predetermined and agreed criteria. These are to be both qualitative and quantitative and have a predefined scale of assessment.	Ref no. FIN_H
Benefit	<ul style="list-style-type: none"> • A systematic and agreed structure for evaluating investment and allocation decisions across all States Departments • Removal of subjective assessment • Expedite decision making and reduce non-value added debate • Making best use of resources through a clear and transparent way of prioritising investment requests and budget allocations against a set of priorities • Clearer linkages between States documented strategic and operational priorities and how resources are allocated • Avoiding financial penalties and sub-optimal performance through considering a range of relevant and balanced criteria 	Priority Score 218.5 / 280
Rationale	Currently there is no mechanism in the States to assess and prioritise competing requests for resources in an objective and balanced way. Historically subjective decisions have been made concerning allocations and investment, with little transparency over how and why individual requests are prioritised over others. The decision making process has therefore been hampered and inefficient. Effective decision support offered by multi criteria analysis will address this.	
Costs and savings	The primary costs associated with this activity are the internal staff resource. Technical costs are captured by SOR SAP_A; these have been excluded here to avoid duplication. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Appoint a project manager to manage and deliver the work • Develop draft criteria for evaluating resource requests, engaging with Departmental finance leads • Consult on draft criteria with senior officers • Sign off criteria for use in evaluating States resource allocations 	
Who	T&R appointed project manager, key input from departmental COs and FDs.	
When	Complete as soon as possible. An implementation timeframe of 4 months is estimated.	

Department/Theme: Finance

Opportunity	Define financial governance framework and reporting hierarchy for the States.	Ref no. FIN_I
Benefit	<ul style="list-style-type: none"> A firm understanding of what is being reported, to whom, and the controls and responsibilities that are in place to underpin financial monitoring Established clear lines of financial accountability and responsibility Clear procedures and processes and expectations for how public accounting and budget management will be run in the States Improved clarity of the States financial position at any point in time Improved performance management around budgets and outturn, and increased visibility and accountability for managers over their budgets Improved service delivery as challenge of budgetary exceptions will be linked to operational delivery 	Priority Score 224.5 / 280
Rationale	<p>The States currently lacks a firm and wide understanding of the roles, responsibilities and processes that surround financial management. This is characterised by the lack of regular (i.e. monthly or quarterly) central monitoring and challenge of actual spend against budgets. Furthermore, there is limited challenge or review of budget estimates and forecasts to ensure they are realistic, nor an end of year review of spend to interrogate outturn areas of overspend.</p> <p>There is therefore an opportunity for the States to introduce a more rigorous financial governance framework.</p>	
Costs and savings	<p>Main costs associated with this SOR are the project team and board time to oversee the work and sign off the new financial governance framework.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil.</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Appoint a project manager to deliver the work. Draft a financial governance framework for the States using input from Chief Officers and finance functions across Departments. Consult on the draft framework more widely to ensure Departments accept it and agree to be bound by it. Finalise and sign off the governance framework to be used by the States 	
Who	Led by T&R project manager, key input from departmental COs and FDs	
When	Should be started immediately. An implementation timeframe of 6 months is estimated.	

Department/Theme: Finance

Opportunity	Finance function moves to 'business partnering' relationship with Departments.	Ref no. FIN_J
Benefit	<ul style="list-style-type: none"> Building in best value from the onset of providing services, through moving towards more of a commissioning arrangement for what should be delivered to residents, how and by whom Early engagement in the development of policy and services in Guernsey to meet the needs of the community and anticipate risk factors such as demand and required investment Involving the right people, with right knowledge and expertise, in the right way, and at the right time to define and deliver services that are efficient, innovative and effective 	Priority Score 160 / 280
Rationale	The States are currently working towards a vision for the future whereby services and processes will be efficient and provide value for money for Guernsey citizens. Once this has been realised, Departments will be ideally placed to look more objectively at the portfolio of services they provide and consider the wider question of 'what should we be providing to people, and what is the best way to do it?'	
Costs and savings	Primary costs relate to; project management, Board time and strategic input from departmental senior managers. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil.	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Appoint a business partnering manager to develop the programme with input from Departments Draft a business partnering framework for the States, containing standards, processes and procedures for taking a collaborative approach to planning for, developing and delivering States services Approve the framework between Chief Officers and Ministers Implement the framework to inform the future development of policy and strategic business direction of Departments 	
Who	T&R Business partnering manager, and T&R Board	
When	This SOR should be undertaken after the States has met its aims around achieving operational and transactional efficiency, as there is a requirement to 'get the house in order' before considering the wider strategy of service development. SOR commencement in late 2010, with 12 months to set up the business partnering programme.	

Department/Theme: Finance

Opportunity	Produce and implement States wide accounting policies, rather than guidelines in line with existing T&R plans.	Ref no. FIN_L
Benefit	The introduction of accrual accounting, particularly when accompanied by related reform initiatives to improve public sector performance, can promote a general improvement in the management of assets, as well as a heightened awareness of the cost of holding and deploying assets. The requirement to identify, measure and report liabilities, and the resulting enhanced transparency, can foster better financial planning to ensure that the States is able to meet its liabilities as they fall due.	Priority Score N/A
Rationale	<p>At present the States uses a set of Accounting and Administrative Guidelines. These are not only outdated but not fit for purpose. The external auditors have not been in a position to issue a 'True & Fair' opinion on the States financial accounts due to the absence of proper accrual accounting, as well as accounting for fixed assets. A large number of States Departments do not have any meaningful register of the fixed assets in their care. To combat this, a States accounting policy needs to be formulated and all departments must adhere to this.</p> <p>Treasury and Resources has previously recognised this as a possible opportunity and commissioned a review on the potential for an IFRS conversion. This review has been conducted in far more detail than the FSR can provide, and having had the opportunity to review its findings we believe it should supersede this summary opportunity report.</p>	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	We would however emphasise the importance of ensuring that any further steps towards the development of a States wide accounting policy and the move towards accrual accounting are supported by a full business case incorporating a detailed cost and benefit analysis and a full appreciation of the short and long term implications for the Treasury and Resources and the States as a whole.	
Who	N/A	
When	N/A	

Department/Theme: Finance

Opportunity	Ensure the timely and effective delivery of States Internal Audit services within an appropriate governance structure.	Ref no. FIN_M
Benefit	<ul style="list-style-type: none"> Provides objective assurance to management on the adequacy and effectiveness of the organisation's risk management framework Assists management to improve the processes by which risks are identified and managed Assists the Board with its responsibilities to strengthen and improve the risk management and control framework Independent view of what constitutes good practice Facilitates and encourages communications between finance officers and the governing groups such as Policy Council and CMT Defined and strategically aligned audit programme, identifying areas of focus and the overall audit scope Identification and enforcement of financial accountabilities 	Priority Score 137 / 280
Rationale	The audit committee should be an integral element of public accountability and governance, its absence therefore indicates a key weakness in this area. It should play a key role with respect to the integrity of the States financial information, its system of internal controls, and the legal and ethical conduct of employees. As such its principal function is the provision of assurance to management and, ultimately to the taxpayers.	
Costs and savings	<p>The primary costs associated with this opportunity relate to the people resource required to establish and run the internal audit function.</p> <p>Net revenue costs over 5 years = £156k, net capital expenditure over 5 years = Nil.</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Complete full business case. Define Audit Committee terms of reference Define person specification to be drafted onto the committee. Recruitment 	
Who	T&R Lead, T&R SMT.	
When	This opportunity should be implemented with immediate effect in light of the risk associated with a lack of key controls and corporate governance. An implementation timeframe of 6 months is estimated.	

Department/Theme: Finance

Opportunity	Ensure Audit Management Letters are expedited.	Ref no. FIN_N
Benefit	<p>Audit Management Letters contain recommendations from the external auditor and highlight any significant accounting and control issues that may need to be followed up. The benefit of following up the Audit Management Letters are:</p> <ul style="list-style-type: none"> • Implementation of identified improvements in the financial and budgetary risk and control environment • Contributes to the appropriate accountability and stewardship of public money • Recommendations often centre on effective, efficient and economical use of resources • The systematic embedding of identified improvements 	Priority Score 156 / 280
Rationale	The Audit Management Letter is a key tool in the communication of the Auditor's findings. The Letter provides a wealth of detail about the financial wellbeing of the States and the efficacy of financial and operational processes. However, receipt of the Audit Management Letter currently has little impact on the way the States operates and has become a tick box routine, rather than a source of continual improvement.	
Costs and savings	There are no savings or costs attributed to this opportunity. The actioning of Audit Management Letters can fall in to the day to day remit of T&R once they receive the letter. Once implemented efficiencies will be drawn from the activities that T&R invest time in. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	As required	
Who	T&R Lead, as required	
When	Ongoing implementation	

Department/Theme: Finance

Opportunity	To introduce a financial skills development programme to ensure that future financial competence and capability is matched to the organisational requirements.	Ref no. FIN_O
Benefit	<ul style="list-style-type: none"> • Staff undertaking finance roles will be adequately equipped to perform their duties to a high standard • Policies and procedures will be unified across Departments • Knowledge and financial skills will be consistent across Departments • Training needs will be identified early on • Recruitment and progression planning requirements will be identified • Recruitment of trainees will be aided due to the clearly defined structure of the training programme making it easier to compare to alternative opportunities • Lengthy finance role vacancies should be eliminated. • An increased number of "home grown" financially skilled staff will counter the effect of low unemployment and high demand in the finance field 	Priority Score 169.5 / 280
Rationale	The States presently has no training programme for employees undertaking financial roles nor does it have a programme which informs the expected progression and reward structure for trainees who are sponsored by the States to achieve a financial qualification.	
Costs and savings	The primary costs relating to the implementation of this opportunity are those for staff resources to establish training programmes for trainees and finance staff as well as delivery of training. Net revenue costs over 5 years = £11k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Define desired outcome • Design development programmes for both employees and trainees to attain desired outcome • Undertake identified recruitment • Implement identified training • Monitor and review needs at least annually 	
Who	Led by Chief Accountant	
When	This opportunity is not dependent upon any other and can therefore be commenced immediately. An implementation timeframe of 3 months is estimated initially, with training ongoing indefinitely.	

Department/Theme: Finance

Opportunity	Establish a Finance Director role at CO level. This role relates to the operation of financial management across the States, and does not suggest any changes to the autonomy and accountability of budget holders.	Ref no. FIN_P
Benefit	<ul style="list-style-type: none"> Establishes the importance of financial management at an appropriately senior level Establishes a professional voice amongst the key decision making groups Clearly delineates the Head of Profession (HoP), giving it clear accountability for the operation of the finance function across all States departments Ability to provide effective leadership in a time of change Frees up Chief Officers from the responsibility of managing a support service, allowing increased focus on front line delivery 	Priority Score 169.5 / 280
Rationale	<p>Effective financial management is the primary tool available to organisations to protect and sustain the resources it has at its disposal. A Finance Director at Chief Officer level would demonstrate the importance that an economically minded organisation place on financial stewardship and senior level financial influence in strategic decision making.</p> <p>A Chief Officer level Finance Director gives effective financial management.</p>	
Costs and savings	The primary costs associated with this opportunity relate to the people resource required to place an individual in post (estimated at £10k) and define the reporting lines of staff within the finance function across the States.	Risk Rating Medium
Approach	Approval to recruit a Finance Director given, then ensure adequate authority is provided to enable change to take place.	
Who	This should be led by the T&R board	
When	This opportunity should be implemented as soon as possible with an implementation timeframe of 6 months	

Department/Theme: Finance

Opportunity	Establish a solid reporting line to T&R (Chief Accountant / Finance Director) for all departmental Finance Directors.	Ref no. FIN_Q
Benefit	<ul style="list-style-type: none"> Consistency of roles, responsibilities and structures (also facilitating training and progression) Ability to directly influence the quality and skill sets of finance staff across the States Consistency of performances targets and financial vision for the States The ability to direct the finance functions across the States as one, at a time of significant change (IFRS, SAP changes etc) Potential for increased flexibility through the pool of financial resource and expertise, leading to a more robust finance offering across the States Ensure T&R perspectives are reflected in financially significant decisions Ease in rolling out procedures, processes, policies and training 	Priority Score 145 / 280
Rationale	At present the States individual Departments operate in a non standard and non uniform way with regard to financial management. This has resulted in Departments all having a finance function and Finance Director, with unique job descriptions and skill sets, operating different systems and processes.	
Costs and savings	The primary cost associated with this activity is the staff time involved in defining roles and hierarchies and implementing them.	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Finance Director at CO level to work in conjunction with HR to map a new reporting line with job specifications and accountabilities Reporting lines agreed Communications exercise to inform all individuals that will be involved in the new structure. Move to the new structure 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	Implementation period of 3 months.	

Department/Theme: Finance

Opportunity	Establish and implement a States wide policy for external charging. This applies to all goods and services that States Departments provide to non States organisations or to the general public.	Ref no. FIN_S
Benefit	A centrally coordinated and administered external charging policy will facilitate consistent, coherent, transparent and predictable charging for the goods and services delivered externally by the States.	Priority Score 193 / 280
Rationale	The assessment and setting of external fees and charges is currently fragmented and inconsistent across the States. Broad guidelines exist with regard to the approach to fee setting but a clear and coherent policy steer on what services to charge for and how to decide on the level of charges is missing. This lack of clarity creates inefficiency of both process and income generation. A move to a standard set of transparent principles will facilitate both the progression of strategic policies and an increase in fee income.	
Costs and savings	The primary costs associated with this opportunity relate to the staff time involved in defining the external charging policy and its operation and reviewing existing charges. The benefits will come from increased income generation possibilities through the realignment of external charges. Net revenue savings over 5 years = £3,215k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Assign a fees and charges co-ordinator within T&R (from existing resource) Define charging policy and operation, including key charging principles Establish a baseline of the services currently provided, existing fees and cost recovery rates Review Departmental and States-wide strategic headlines Review charges in line with new costing rules and calculate the true cost of providing the service Define cost recovery target of the charges to match; priorities, policy considerations and cost of provision of the service 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	Implementation should occur immediately	

Department/Theme: Finance

Opportunity	Continue to strengthen project/contract planning, management and administration processes and procedures.	Ref no. FIN_T
Benefit	The primary benefit of this opportunity will be the continued development of corporate standards for project and contract management, which reflects industry best practice, and that are consistently applied across all States Departments.	Priority Score 205 / 280
Rationale	In order to achieve high standards in project management, the States need to ensure that the frameworks provided by the Codes of Practice in general and Code of Practice 3 in particular is adopted as a corporate standard, and appropriately applied in all departments.	
Costs and savings	We see no need for the States to incur any further significant costs in addition to those already identified. There is well documented evidence from both the public and the private sector of effective project management significantly reducing the overall costs of projects. Net revenue savings over 5 years = Nil, net capital savings over 5 years = £1,780k.	Risk Rating Medium
Approach	As defined in Code of Practice 3.	
Who	As defined in Code of Practice 3.	
When	As this opportunity relates to the embedding of emerging best practice, it has a minimum implementation timeframe of 2 years, and should be commenced immediately.	

Department/Theme: Home

Opportunity	Improved co-ordination and prioritisation across sub departments and review of departmental governance structures to promote joined up working.	Ref no. HOME_001
Benefit	<p>The introduction of this opportunity has the potential to derive the following benefits:</p> <ul style="list-style-type: none"> • Reduction of unnecessary duplication • Efficiencies through improved communications and co-ordination mechanisms; • Improved skills and knowledge transfer • Departmental cohesion, recognising and affirming that all services are on the same team with common goals and a single mission • Clarification of protocols, rules, roles and responsibilities across functions and administrative levels to support standardised approaches and actions • Helps to ensure effective leadership and collaboration • Formalises linkages among services, specifying prioritisation protocols for dept. service delivery 	Priority Score 161 / 280
Rationale	The introduction of revised governance arrangements with appropriate co-ordination and prioritisation of its services provides the regulation of diverse elements into an integrated and harmonious operation. It promotes the proficient management of assets and resources, enhancing strategic management of the Departments services, whilst instilling a culture whereby costs are reduced as a result of proficient planning and execution.	
Costs and savings	<p>The primary cost associated with this opportunity relates to the staff resource required to develop this opportunity.</p> <p>Although difficult at this stage to accurately quantify, there will be savings associated with this prospect, which relate to the effective governance of the Department's resources and avoidance of expenditure due to lack of co-ordination or prioritisation.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Review current governance arrangements and proposals, and then develop detailed business case for approval. Following approval, implement preferred option and monitor for effectiveness.	
Who	The opportunity should be undertaken by Home in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 12 months is estimated.	

Department/Theme: Home

Opportunity	Undertake a review by the States of Guernsey to assess the need for the Tactical Firearms Unit, Underwater Search Team (Diving) and Chemical Biological Radiological Nuclear (C.B.R.N.) specialist response teams.	Ref no. HOME_004
Benefit	<p>This opportunity has the potential to derive the following benefits:</p> <ul style="list-style-type: none"> • Efficiencies through provision of risk aware services/functions, with resources directed where required • Value for Money justification through benchmarking • Further improvements in strategic planning of assets and resources • Establish if savings and benefits are achievable through utilisation of specialist response service delivery model • Potential to release specialist team resources to undertake other duties within Home Department 	Priority Score 128 / 280
Rationale	<p>This opportunity is primarily about the balance of risks and costs and being able to demonstrate that the right balance has been achieved. As resources become scarce it is financially prudent to endeavour to minimise waste and to seek to secure the best ratio of inputs to outputs. The review of these teams will allow optimal solutions to be identified, i.e. the greatest ratio of benefits to costs, and thus scarce resources to be allocated more effectively to achieve the maximum benefit for the States.</p>	
Costs and savings	<p>Further assessment is recommended to accurately determine the potential savings to be achieved. The potential move to a more focused approach to expenditure associated with risk has the potential to generate savings and ensure that expenditure is commensurate and proportional to the risk.</p> <p>The primary cost associated with this opportunity relates to the staff resource required to develop this opportunity.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Review current specialist response team arrangements, collating all relevant information and undertaking an activity based costing activity, then report findings and recommendations.	
Who	The opportunity should be undertaken by Home in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 6 months is estimated.	

Department/Theme: Home

Opportunity	To work in partnership with other departments, where their policy decisions have an impact on services provided or funded by the Home Department.	Ref no. HOME_011
Benefit	<ul style="list-style-type: none"> Improved partnership arrangements build synergies and dependencies between States departments, allowing for decisions to be taken more strategically Limits the costs of one department's decision on another's Efficiencies through improved; collaboration, communications and co-ordination mechanisms Improved skills and knowledge transfer, with the potential to pool resources Departmental cohesion, recognising and affirming that all services are on the same team with common goals and a single mission Formalises linkages among services, specifying prioritisation protocols for departmental service delivery 	Priority Score 164 / 280
Rationale	<p>The introduction of partnership arrangements between Home and the other States Departments promotes the regulation of diverse elements into an integrated and harmonious operation when possible.</p> <p>As resources become scarce it is financially prudent to endeavour to minimise waste and to seek to secure the most effective and efficient service delivery. Effective partnership arrangements are likely to play an important role in ensuring scarce resources are allocated more effectively and achieve the maximum benefit for the States.</p>	
Costs and savings	<p>The primary cost associated with this opportunity relates to the staff resource required to develop this opportunity.</p> <p>The opportunity by itself will not release cashable savings, as it is a key business enabler for Home and potentially other States Departments. However, there will be indirect savings associated with this opportunity which arise through effective partnerships, communication and co-ordination across the departments.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Review and develop partnership protocols and arrangements, in line with Departmental requirements, then report findings, recommendations for approval. Following approval, implement preferred option and monitor for effectiveness and compatibility.	
Who	The opportunity should be undertaken by Home in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 6 months is estimated.	

Department/Theme: Home

Opportunity	Introduce an asset management system for plant/equipment, to promote strategic management of assets including planned maintenance and a replacement programme.	Ref no. HOME_016
Benefit	<ul style="list-style-type: none"> • Deliver effective planning and replacement programmes • Generate efficiency gains, capital receipts, or income streams • Maximise service potential of assets by ensuring they are appropriately used and maintained • Reduce the demand for new assets and save money through demand management techniques and non-asset service delivery options • Achieve greater Value for Money through economic evaluation of options that take into account life cycle and full costs, value management techniques and private sector involvement • Reduce unnecessary acquisition of assets by making agencies aware of, and requiring them to pay for, the full costs of holding and using assets • Introduce new working practices and trigger cultural organisational changes 	Priority Score 146 / 280
Rationale	The introduction of an effective asset management system will derive efficiencies through the proficient management of assets, promoting strategic management of the Department's assets and instil a culture whereby reactive maintenance costs are reduced as a result of efficient planned maintenance and replacement programmes.	
Costs and savings	<p>The primary costs associated with this opportunity relate to the procurement and introduction of the system and the human resource required from within the Department to; establish, collate and operate the asset management system.</p> <p>Net revenue savings over 5 years = £213k, net capital expenditure over 5 years = £32k</p>	Risk Rating Medium
Approach	Review current asset management information and processes and develop detailed business case for approval. Following approval, implement preferred option and monitor for effectiveness.	
Who	The opportunity should be undertaken by Home in conjunction with affected parties and relevant stakeholders.	
When	This opportunity will be dependent on the SAP opportunities produced as part of Phase 2. It will certainly have links and be complimentary with the work the States has previously commissioned. Commence at the earliest opportunity. An implementation timeframe of 6 months is estimated.	

Department/Theme: Home

Opportunity	To establish an emergency contingency budget and associated governance arrangements, for use in response to the occurrence of any of the risks identified in the States of Guernsey Community Risk Register.	Ref no. HOME_020
Benefit	Avoidance of unnecessary or inappropriate expenditure associated with responding to the occurrence of any of the risks described in the Community Risk Register.	Priority Score 140 / 280
Rationale	<p>The Emergency Powers Advisory Group has published and maintains a Community Risk Register for the States of Guernsey that assesses potential risks to the island and identifies contingency plans. There is a significant gap around the financial implications should these risks occur. In the current situation, should an emergency situation arise, the Chief Officer would get approval and resource from the Board to rectify the situation as it occurs. This is likely to be more costly than using a pre planned budget and procedures to obtain the resources required to rectify the situation.</p> <p>There is also considerable scope to produce a detailed financial emergency protocol. In the event of a financial emergency there should be comprehensive plans outlining how the States can turn to a pre-determined strategy should an unexpected incident with important financial consequences occur.</p>	
Costs and savings	<p>The main costs associated with the project are internal staff time in the first year to assess the financial implications of the risks and establish procedures for using the contingency budget during an emergency.</p> <p>The main financial savings associated with the project are difficult to quantify as the risks on the Community Risk Register are, by their very nature, rare events, making estimates of spend largely theoretical. Even a small percentage saving could save significant sums of money.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Review and develop emergency protocols and criteria, including mitigating actions. Assess the indicative costs and size of contingency budget required and then develop governance arrangements and procedures for accessing, using and accounting for the budget should an emergency occur. Finally develop consultation and testing processes and roll out communications and training to appropriate stakeholders.	
Who	The opportunity should be undertaken by Home in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity, ideally with contingency funds set aside in the 2010 budget and procedures.	

Department/Theme: Housing

Opportunity	Transfer the rent rebate function to SSD	Ref no. HOUSING_021
Benefit	<ul style="list-style-type: none"> • Reduced number of steps involved in issuing rent rebates • Use less total FTE resource to process the rebate • Exploitation of the expert benefit delivery skills base that already exists within SSD • Maximisation of the synergies with SSD in the delivery of benefits leading to further potential efficiencies and/ or service improvements • Maximising the knowledge and skills base from delivering benefits within SSD (centralised rather than diffused knowledge base) 	Priority Score 116 / 280
Rationale	This opportunity further stresses that moving the rent rebate function to SSD would enable “like” activities to be amalgamated within one department, reducing the need for extensive cross referencing within the two departments maximising the skills set of SSD.	
Costs and savings	No costs or savings have been identified in this SOR as there are interdependencies between this Opportunity Report and other Opportunity Reports, most notably Business Process Re-engineering (SOR FIN_C).	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Formulate the parameters of the new supplementary benefit • Negotiate the terms of transfer with SSD • Wind down the rebate scheme in Housing • Transfer the scheme to SSD • Post transfer monitoring of service to ensure required standards are achieved 	
Who	Housing and SSD	
When	An implementation timeframe of 9 months	

Department/Theme: Housing

Opportunity	Move the four funds run by the Housing Department within the boundaries of the General Revenue 'cash limit' regime.	Ref no. HOUSING_A
Benefit	<ul style="list-style-type: none"> • Greater transparency of States-wide resources • Improved control environment • Improved understanding of complex funding arrangements will facilitate a better comprehension of key issues for decision makers • Better reporting. Consistent treatment will make standardised financial reporting easier • Improved ability to realign resources across the States to support key strategic objectives 	Priority Score 122/ 280
Rationale	<p>Scope should exist to move resources, both within and across departments, to pursue the solutions that provide the optimal delivery of the States objectives and the optimal usage of resources.</p> <p>The current ring-fenced operation of the Housing Department's funds was introduced to provide a stable planning and operational environment for large scale multi year capital programmes. Many of the reasons given for its retention will no longer exist if a financial change programme is effectively pursued.</p>	
Costs and savings	This opportunity considers the budgetary control environment and is primarily dependant upon decisions being made around the operation of the financial governance of the States and its departments. As such no project costs or savings have been attached.	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Include the opportunity in the financial management and governance agenda • Consider the dependencies with other elements of the change programme and ensure supporting financial management framework is in place. • Confirm the decision to move to the General Revenue • Review budgetary structures and coding hierarchies on SAP and realign as necessary • Transition to new budgetary regime 	
Who	Led by T&R Financial Governance project lead key input from Housing CO and Housing FD	
When	An implementation timeframe of 3 months is estimated. The stated dependencies in this SOR, means it should only be implemented when the necessary criteria have been met. We recommend that these criteria are assessed bi-annually.	

Department/Theme: Housing

Opportunity	Maximise Income Streams	Ref no. HOUSING_C
Benefit	<ul style="list-style-type: none"> • Releases cash to invest in enhanced service delivery levels or other Housing initiatives • Deters organisations/ individuals from making frivolous applications • Deters organisations/ individuals from losing documentation • Makes customers aware of the true cost of delivering services • Further encourages the Department to achieve higher service delivery standards 	Priority Score 158.5 / 280
Rationale	<p>A detailed analysis of the fees proposed compared to the cost of supplying licenses and applications shows that if volumes are predicted correctly then the Department will recover its costs.</p> <p>However, this year is the first year of operating fees. This will mean that a period analysis needs to be taken to ensure that the fees do, in reality, cover costs. When this further analysis is carried out, the Department also needs to work on areas where it can reduce its cost base by improving processing time.</p>	
Costs and savings	Costs and savings associated with this SOR are contained within the external charging SOR FIN_S.	Risk Rating Medium
Approach	The approach for this SOR will be the same as stated for the external charging SOR	
Who	Housing	
When	As defined in SOR FIN_S	

Department/Theme: Housing

Opportunity	Adoption of a new Homebuyers Scheme	Ref no. HOUSING_E
Benefit	<ul style="list-style-type: none"> Provides assistance to more people in need in the intermediate housing market Delivers a streamlined service at a reduced cost Performs a regulatory role of the scheme but avoid spending resources on the administration element of the scheme Administrative risk (in some part) transferred to a Public/ Private partnership Administrative effort involved in who gets the loans and who does not is transferred Reduced queries and information handling 	Priority Score 115.5 / 280
Rationale	The Housing Department expects to grant a maximum of 30 Homebuyers loans at an average value of £100,000 per annum. The primary driver behind adopting a new Homebuyers Scheme is to focus assistance on those in the intermediate housing market, to enable them to purchase a home. Primarily this would be first-time buyers.	
Costs and savings	The primary costs associated with this opportunity are the set up costs involved in introducing the scheme, selecting a contractor and the annual outsourcing contract price. Resources would be required to carry out a regulatory role overseeing the scheme. Net revenue savings over 5 years = £5k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Test the market appetite for taking up the contract Develop and submit a specification to those parties who are potentially interested Acceptance of a tender The transfer of the scheme to the provider Redeployment of resources working on in house management of the scheme 	
Who	Housing	
When	An implementation timeframe of 12 months is anticipated	

Department/Theme: Housing

Opportunity	Cessation/Outsource of the States Home Loans Scheme and Successor Scheme. This opportunity considers both of these options.	Ref no. HOUSING_F
Benefit	<p>By ceasing the administration of the scheme, the Housing Department can release savings from the in house management and delivery of the scheme. We recognise that there will be a continuing resource requirement to maintain and manage the existing Home Loans portfolio.</p> <p>By outsourcing the scheme the Department could;</p> <ul style="list-style-type: none"> • Deliver a service at a reduced cost than present • Perform a regulatory role of the scheme but cease the administration element of the scheme • Forgo costs such as the promotion of the scheme and query handling 	Priority Score 112.5
Rationale	<p>Due to the diminishing number of borrowers in the scheme over recent years the Department has identified that administration of the scheme is not cost effective nor in line with the Department's priorities. The cessation of the scheme will, in the long-term, stop all associated costs. The outsourcing of the scheme may lower the current internal costs in running the scheme and achieve greater Value for Money.</p>	
Costs and savings	<p>Cessation: Net revenue savings over 5 years = £149k, net capital expenditure over 5 years = Nil</p> <p>Outsource: Net revenue savings over 5 years = £80k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<p><u>Cease the Scheme</u></p> <ul style="list-style-type: none"> • Formal communications to all current stakeholders and scheme holders of the cessation of the scheme • Completion of the documentation to close the scheme • Planned phasing of the current scheme holders <p><u>Outsource the current Home Loans Scheme</u></p> <ul style="list-style-type: none"> • Selection of provider • Transfer of scheme • Continued regulatory role over the scheme 	
Who	Housing	
When	Following approval, an implementation timeframe of 6 months is anticipated.	

Department/Theme: HR

Opportunity	<p>To establish the role of a central HR function and its relationship with HR Service Departments that will enable a strategically aligned HR provision in the States business plan.</p> <p>A systematic review of HR (Central and Service Departments) will provide the opportunity to review all processes and procedures to identify how they can be improved. Predominately this is through the introduction of computer based systems leading to a reduction in the duplication of processes and paper based systems.</p>	Ref no. HR_A
Benefit	The establishment of a professional HR function, supported by appropriate staff structures and policies and procedures, will provide a platform to improve staff performance, staff management and staff capability.	Priority Score 176 / 280
Rationale	<p>The role of HR is to make a strategic contribution to the business through the delivery of an efficient and effective customer focused service on all day-to-day HR issues, complemented by the development of high level policy and strategy. Our review at Phase 1 identified critical weaknesses in the HR operation and a need to undertake a fundamental review of the role of HR with a need to particularly focus on:</p> <ul style="list-style-type: none"> Centralised HR function, operating through a Shared Service environment or a small centralised HR function responsible for strategic planning and policy development. HR operational support service would be located within Service Departments Standardised employment policies and procedures across all departments and staff groups Pay reviews linked to affordability and the budgeting process Performance management tools to address performance capability and sickness management 	
Costs and savings	<p>The opportunity for cost savings are driven by improved efficiencies through developing and improving on current systems and working practices. The development of the existing computer based system, and if necessary its replacement, will require less HR staff and streamlining process i.e. automation of travel claims.</p> <p>Net revenue savings over 5 years = £1,321k, net capital expenditure over 5 years = £35k</p>	Risk Rating Medium
Approach	The recommended approach is to undertake a 3 stage action plan over a 2 year period.	
Who	PCHRU to lead	
When	Implement immediately, completed within 2 years.	

Department/Theme: HR

Opportunity	Review the impact of the Housing License regime on the recruitment and retention of staff across the States and the associated costs pressure this creates.	Ref no. HR_B
Benefit	<p>A systematic review and appraisal of the causes and factors that adversely affect staff turnover and recruitment across the States (including Housing Licenses) will produce a number of benefits. These include;</p> <ul style="list-style-type: none"> • Improved clarity over factors that influence recruitment and retention rates • The ability to develop a targeted strategy to address the issues that impact on recruitment and retention rates • Recognition of barriers to recruitment that may be caused by Housing Licenses • Lower staff turnover rates • Improved interdepartmental relationships • Better long term planning 	Priority Score 181.5 / 280
Rationale	<p>As resources become increasingly scarce, efficiency should be improved by avoiding non value added costs where ever possible.</p> <p>A complete and extensive review of all recruitment and retention issues will seek to desegregate the cost drivers and identify the contributory factors. It should also include areas that may not have been considered previously, such as; the extent to which potential candidates may decide to opt out of the applications process without registering an interest due to prior knowledge of Housing Licenses.</p>	
Costs and savings	<p>The primary costs associated with this opportunity relate to the two reviews that are being recommended. The review of the factors that adversely impact recruitment and retention across the States is best conducted by an independent HR professional. The review of Housing Departments processes will utilise internal staff time.</p> <p>The principal savings that will be generated following a successful review relate to a reduction in the costs associated with staff turnover.</p> <p>Net revenue savings over 5 years = £327k. Net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	The recommended approach is to undertake a 4 stage action plan over a 2 year period.	
Who	PCHRU to lead	
When	Implement immediately, completed within 3 months.	

Department/Theme: HR

Opportunity	Establish effective management of performance of staff, including sickness management.	Ref no. HR_C
Benefit	<ul style="list-style-type: none"> Effective performance management will help ensure that staff are delivering to their full job description and has the potential to increase efficiency and output. Subsequent effects are on job satisfaction and a potential increase in the feeling of achievement and of being valued staff. Effective sickness management will achieve similar benefits to performance management in terms of demonstrating support and value of staff, improving job satisfaction and loyalty. A robust policy and an integrated HR computer system will enable accurate recording, analysis and reporting of sickness absence. The true cost of sickness absence can then be determined and trends identified and managed effectively. 	Priority Score 173 / 280
Rationale	<p>To maximise productivity and efficiency of staff without damaging existing morale. Effective performance management will help enable the recommendations of the Fundamental Spending Review to be implemented. It helps facilitate staff take on the additional responsibilities and targets as part of their existing roles.</p> <p>Managers need to be empowered to tackle performance and sickness issues and know they have the tools as well as the support of the organisation in dealing with under performance.</p>	
Costs and savings	<p>The main costs involved are the staff costs associated with defining and setting robust performance and sickness management policies and undertaking a training programme for managers to ensure they understand the aims of the policies and are equipped to apply them effectively.</p> <p>The main savings come from improved sickness management and employee performance.</p> <p>Net revenue savings over 5 years = £1,936k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	To deliver this opportunity a training programme needs to be developed that educates managers across the organisation to effectively manage and motivate staff. This training should be developed by an external supplier and delivered to all staff with line management responsibility. Training should be supported by a set of values that the business signs up to in terms of the way staff are managed and supported within the organisation. These values will be underpinned by standardised rules as defined by the corporate HR function.	
Who	Led by PCHRU, with training delivered by an external training agency.	
When	Implement immediately, completed in 12 months	

Department/Theme: Health and Social Services

Opportunity	Increase the efficiency of equipment purchasing and management via the launch of a comprehensive, island-wide equipment management service	Ref no. HSSD_A
Benefit	A coherent and comprehensive equipment management service, which reduces equipment related risks, improves service quality and reduces operating costs through: <ul style="list-style-type: none"> • Avoidance of maintenance costs on surplus equipment • Reduction in wastage of clinical staff time on equipment-related issues • Appropriate level of equipment and avoidance of future purchase of surplus equipment 	Priority Score 182 / 280
Rationale	Current equipment purchasing and management is siloed and individualistic, this leads to surplus of equipment, lack of knowledge about what equipment is available and where it is stored and increased risks of ineffective decontamination. Clinical time is currently wasted trying to manage the service on different wards within the various hospitals.	
Costs and savings	<p>The main costs are site set-up costs, additional staffing (10 FTE although many may already be employed), ongoing consultancy and change management support. The total costs are £1,570k over 5 years.</p> <p>The main savings are avoidance of maintenance and purchasing costs for equipment no longer required, decreased need for equipment replacement, increased equipment decontamination, release of clinical staff time, higher levels of community loaned equipment. The total savings are £2.189 million over 5 years.</p> <p>Net revenue savings over 5 years = £1,089k, net capital savings over 5 years = £580k</p>	Risk Rating Medium
Approach	Implement the new service in line with the approach outlined in the Pentagon Healthcare Report.	
Who	Decision to implement the recommendations made by the HSSD Board, project should then be led by a project manager with external support in change management and business process re-engineering	
When	Commence immediately. Implemented within 9 – 12 months	

Department/Theme: Health and Social Services

Opportunity	Review the off-island providers for people with complex need	Ref no. HSSD_B
Benefit	<ul style="list-style-type: none"> • Sending more people to NHS providers or the Voluntary Sector will decrease the overall spend on off-island placements without having a negative impact on the quality of care provided • Establishing a preferred list of providers with a greater number of NHS and voluntary providers will give better control over where the providers are placed and better clarity for referrers about the range of services that are available 	Priority Score 208 / 280
Rationale	The costs of off-island placements for people with complex needs was £9.25 million in 2008 and increases year on year. Only 4 of the current 20 providers are NHS providers and the highest used provider is the Priory Medical Group, which has a 20% higher average price than the average of all placements. The NHS is looking to increase their external revenues and so the capacity within the NHS is likely to increase.	
Costs and savings	<p>The main costs associated with this SOR are project management and ongoing contract management time. The total cost are £45k over 5 years</p> <p>The main savings associated with this SOR are small freed-up staff time in reconciling invoices, savings of approximately 20% through moving 2/3rds of Priory residents into 'average' costing provision and savings of 10% through reviewing the provision of all other placements. This results in a total saving of £4.253 million over 5 years.</p> <p>Net revenue savings over 5 years = £4,256k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Identify the potential providers and approach them to assess the capacity within the market. Review current referrals and ensure that future referrals are sent to the preferred list if available and appropriate.	
Who	Led by the Service Manager for off island and visiting services	
When	Commence immediately. Draw up preferred list within 6 months	

Department/Theme: Health and Social Services

Opportunity	Expanding the Prescribing Support Unit by 1 FTE to build on the successes in medications management	Ref no. HSSD_C
Benefit	<ul style="list-style-type: none"> Greater capacity to build on achievements already recognised by the Prescribing Support Unit e.g. increasing the use of generic drugs, NPC training and workshop programme and the DUMP campaign Expand the influence of the unit e.g. through targeted work with elderly people in the community about effective medications management with knock-on impacts on requirements for interactions with the primary or secondary care functions 	Priority Score 138 / 280
Rationale	The Prescribing Support Unit was established to increase the linkages between medication management in primary and secondary care and to better control costs. The innovative service which brings together primary and secondary care services to make joint decisions. With additional capacity, the team are confident that they are able to make further financial gains through changes such as greater community focused care and targeted interactions with older people.	
Costs and savings	<p>The main costs associated with this SOR relate to the new post, at an estimated cost of £315k in total over 5 years (or approx £60k each year).</p> <p>The main savings associated with this SOR are based on achieving 10% further savings than those already achieved.</p> <p>Net revenue savings over 5 years = £375k, net capital expenditure over 5 years = Nil</p>	Risk Rating High
Approach	Identify the required pay scale, advertise and recruit for the new position and then develop new team profile and responsibilities.	
Who	Led by the Prescribing Advisor	
When	Can be implemented within 2-3 months. A year contracted post may be appropriate to implement first and then the potential savings reviewed.	

Department/Theme: Health and Social Services

Opportunity	The level of grant paid to the road ambulance service appears high and is worthy of further review to confirm or deny this	Ref no. HSSD_D
Benefit	N/A	Priority Score N/A
Rationale	<ul style="list-style-type: none"> Road ambulance grant is appropriate – service could not be delivered more cheaply in house Potential 'tweaks' to the service e.g. integration with PTS, establishing a capital grant fund, outcome focused performance measures but very small return on investment Recommendation to not pursue this opportunity 	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Health and Social Services

Opportunity	Consolidation of HSSD stores	Ref no. HSSD_E
Benefit	N/A	Priority Score N/A
Rationale	<ul style="list-style-type: none"> Stores consolidation project has already been implemented and plans are in place for further consolidation No further recommendation 	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Health and Social Services

Opportunity	Ensuring that all future change projects are appropriately scoped, resourced and planned	Ref no. HSSD_F
Benefit	<ul style="list-style-type: none"> Demonstrates validity of proposal and effective evaluation of different options Effective identification of potential costs and benefits Identification of appropriate resources and timeline for implementation of the project Enables evidence based decision making 	Priority Score N/A
Rationale	<ul style="list-style-type: none"> Original opportunity focused on the potential differences if the team had used SAP instead of the stand-alone system – this is not a viable option Opportunity focuses on benefits of ensuring that all change projects across HSSD and other departments are initiated appropriately including establishing a robust business case 	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	Follow PRINCE 2 Project Initiation guidelines	
Who	Led by HSSD project manager	
When	At the start of any change project	

Department/Theme: Health and Social Services

Opportunity	Changing the supply mix for off-island acute placements	Ref no. HSSD_G
Benefit	<ul style="list-style-type: none"> Enhanced relationship and stronger bargaining position with a smaller number of hospital trusts Cheaper rates because of different market force factors or through negotiating a block contract rate Potentially quicker and cheaper travel 	Priority Score 168 / 280
Rationale	<ul style="list-style-type: none"> Currently a range of different providers are used to treat Guernsey residents off-island with acute care needs – they all cost different amounts because of Market Forces Factor (MFF) Financial efficiencies could be gained through focusing on a smaller number of providers with lower MFF 	
Costs and savings	<ul style="list-style-type: none"> The main costs associated with this SOR are internal project management time / contract management time The main savings are through moving to cheaper providers because of MFF. <p>Net revenue savings over 5 years = £415k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Identify potential providers and enter into negotiations about potential to increase proportion of referrals sent to those providers	
Who	Led by Senior Manager, Off Island and Visiting Services or a new project manager	
When	Commence ASAP - Likely to take a year to be implemented	

Department/Theme: Health and Social Services

Opportunity	Fundamental review of health and social care services	Ref no. HSSD_H
Benefit	<ul style="list-style-type: none"> Increased understanding of the range of current provision and how it meets the current demands, how the demands and resources might change in the future and what knock-on effects this could have for care provision and the VfM position of the service Re-direct resources as appropriate to future proof the provision Build on best practice across the department and elsewhere e.g. NHS 	Priority Score N/A
Rationale	<ul style="list-style-type: none"> Standards of care on the island are high but might not be the most sustainable way to meet future care needs Need to take a step back and take a review of all of the health and social care services provided to identify what the most sustainable and cost-efficient model for the future is. 	
Costs and savings	<ul style="list-style-type: none"> The main costs associated are the external consultancy support to undertake the review – this could cost in the region of £150k The potential savings from the opportunity will emerge throughout the review – as little as a 0.5% saving of the total HSSD budget would be £420k <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Finalise the scope of review and identify the most appropriate company / internal employees to undertake the review	
Who	Led by the Director of Services for Adults and other managers as appropriate	
When	Commence ASAP as it is likely to have an impact on the other opportunities	

Department/Theme: Health and Social Services

Opportunity	Increasing the scope of procurement activity that is controlled by the HSSD Purchasing Department	Ref no. HSSD_I
Benefit	<ul style="list-style-type: none"> Cost savings across the range of contracts through more active negotiation, time to seek out the best suppliers and better ongoing contract management Freed-up professional time across the 4 service areas to concentrate on 'core' value-adding activities rather than procurement Greater proportion of procurement managed by a dedicated team who have the time to identify further opportunities e.g. the potential to establish a joint purchasing group with Jersey and the Isle of Man 	Priority Score 166 / 280
Rationale	The Purchasing Department are responsible for the procurement of goods for the 26 services within HSSD. Through expanding the capacity the team could take on the procurement related admin for 4 other areas (pathology, radiology, non-drug pharmacy and dental clinic) and achieve potentially both staff-time and cashable savings.	
Costs and savings	<p>The main costs associated are the new post, project management time from the procurement manager and representatives from the 4 service areas. This is a total cost of £153k over 5 years.</p> <p>The main savings associated with this SOR are small staff time savings in the 4 areas through decreased procurement related admin and 5% savings on all influencable spend.</p> <p>Net revenue savings over 5 years = £490k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Recruit for the new position, understand the full range of contracts in the 4 areas and then identify the potential activities to be undertaken by the new larger team and those to remain in the 4 service areas.	
Who	Led by the Procurement Manager	
When	Can be fully implemented within 9-12 months. Project is not time critical and can be implemented independently of other SORs.	

Department/Theme: Health and Social Services

Opportunity	Re-model the older peoples care provision	Ref no. HSSD_J
Benefit	<ul style="list-style-type: none"> Decreased cross-over of work and double-effort between the HSSD and Housing Department Increased time to focus on 'core' departmental activities without trying to focus on a 'blanket' solution for older people Future-proofing of the care provision of an ageing population Meeting of Guernsey Care Standards 	Priority Score N/A
Rationale	<ul style="list-style-type: none"> The States are currently working on an Older People's Strategy to ensure there is sustainable provision of care for older people in Guernsey As part of this the Guernsey Care Standards will be introduced with new requirements for accommodation and support within all older people's provision on the island In light of this changes will need to be made to the older people's provision on the island – in particular the state run residential homes 	
Costs and savings	<p>Initial estimates of the cost of internally improving two of the states run care homes to meet the Guernsey Care Standards is that it would cost in the region of £20 – 25 million</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Depends on the States forthcoming Older People's Strategy	
Who	Depends on the States forthcoming Older People's Strategy	
When	Depends on the States forthcoming Older People's Strategy. A decision should be made by the end of 2009.	

Department/Theme: Health and Social Services

Opportunity	Increasing the internal technical capacity on island	Ref no. HSSD_K
Benefit	<ul style="list-style-type: none"> Increased capacity within the department to meet higher standards of clinical practice and increased flexibility to meet short term demands Freeing up of clinical (nursing) time that is currently spent trying to maintain equipment Lower risks of an incident as sterilisation and decontamination levels improve in line with UK standards 	Priority Score 160.5 / 280
Rationale	<ul style="list-style-type: none"> Lack of capacity internally to ensure that invasive equipment can be maintained on the island (weekly requirements) Estates Department want to train 2 people and to offer them a small 'additional skills' pay reward By not undertaking the weekly checks by trained personnel the Department is not in line with UK best practice and is increasing the risk of an incident (nurses are currently undertaking some checks) 	
Costs and savings	<ul style="list-style-type: none"> The main costs associated with this SOR are increased pay scales for the two maintenance staff and attendance on relevant training courses. Total cost of £30k over 5 years The main savings associated with this SOR are the saving in nursing time from no longer having to undertake the work. Total saving of £13k over 5 years If the maintenance was not conducted by trained on-island maintenance staff it would need to be conducted by UK based contractors. This would cost up to £185k over the 5 years <p>Net revenue savings over 5 years = £6k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Authorise salary increase, undertake training and then fitters can undertake testing	
Who	Led by the Estates Manager	
When	Not time sensitive but could be implemented quickly as soon as political approval is gained	

Department/Theme: IT

Opportunity	The redesign and upgrade of the existing Wide Area Network (WAN) into a fully interconnected single business class network to provide the infrastructure to support traditional data services and also telephony, video and CCTV services.	Ref no. ITU_001
Benefit	Upgrading the WAN will greatly improve access to systems and data and will allow users to access their systems from different locations - facilitating mobile working. Having a single digital network will provide greater improvements to the quality of service.	Priority Score 223 / 280
Rationale	<p>The WAN has been built up in a very piecemeal fashion over the last 10 years and whilst it works it is becoming increasingly expensive to support. In many cases information exists in isolated "silos" which can be accessed by a subgroup of departmental personnel, but remains invisible to others.</p> <p>In addition, limitations on the existing WAN mean that some departments do not have sufficient network coverage and this is impacting on working practices.</p>	
Costs and savings	<p>The primary costs and savings associated with this opportunity relate to the removal of the fragmented States WAN and the creation of a business class network that supports the convergence of voice, data, and image to run on a single digital network.</p> <p>Further savings will be made from a reduction in leased line costs, a reduction in annual maintenance cover and reduced administration. Savings associated with this opportunity relate to the relocation of servers and a reduction in the administrative overhead and numbers of servers and physical data centres.</p> <p>Net revenue savings over 5 years = £3,700k, net capital expenditure over 5 years = £1,691k</p>	Risk Rating Medium
Approach	The States need to upgrade the current disjointed network and move to a single business class network that will support the converging of data, voice, CCTV and multi-media across the Departments.	
Who	Development of the business class network should be fully outsourced to a 3rd party supplier	
When	This project should be given high level priority and be implemented as soon as possible.	

Department/Theme: IT

Opportunity	Implement a single central telephony system across the entire States of Guernsey.	Ref no. ITU_003
Benefit	Benefits range from simple administrative management to more advanced features in a modern system such as those which enable the States to provide better services at reduced costs by making use of Voice Over IP (VOIP) and also better call monitoring.	Priority Score 153.5 / 280
Rationale	Currently, different systems have been procured for different locations and some 3rd party suppliers have threatened that soon they can no longer be supported.	
Costs and savings	The primary costs and savings associated with this opportunity arise from investment in an Internet Protocol Telephone (IPT) system and provision of such kit by a 3rd party supplier. Savings arise from less telephony switches and less maintenance required from support staff as well as a reduction in call charges between departments with an improved customer service. Net revenue savings over 5 years = £530k, net capital expenditure over 5 years = £1,937k	Risk Rating Medium
Approach	Carry out a requirements gathering exercise followed by full procurement to select a supplier to install a new telephony system across the States.	
Who	Internal IT and Procurement staff should carry out the procurement exercise and the installation of the new telephony system will be carried out by the successful supplier.	
When	The requirements gathering should be completed as soon as possible. Once the new Wide Area Network (WAN) has been installed then the telephony system can be installed.	

Department/Theme: IT

Opportunity	All IT Support helpdesks should be combined to form a single IT Infrastructure Library (ITIL). Service Desk to provide a Single Point of Contact (SPOC) for 1st line support for all end user interactions; with consideration given to introducing new ITIL Service Desk software. This will allow movement of some support staff into the central IT Unit. The 2nd and 3rd line support staff with business system specific knowledge would remain within the Departments.	Ref no. ITU_005
Benefit	Removal of any confusion for users as all support requests will be logged at the one source, which will lead to increases in efficiency and lead to a reduction in costs. Adopting a more centralised IT structure, incorporating the ITIL framework, will provide an integrated lifestyle that covers; design, transition and operation of IT services. It provides a greater focus on predicting customer needs not just reacting to them.	Priority Score 206.5 / 280
Rationale	The IT function across States operates within a silo based mentality and more often than not each individual department looks after their own IT Support. Currently there are numerous different Service Desks that exist across the States. Best practice indicates that there should only be a single Service Desk for 1st line support calls. This leads to the duplication of effort and an unpredictable level of quality.	
Costs and savings	The primary costs and savings associated with this opportunity relate to the cost of implementing new ITIL based software and staff training with savings arising from an overall reduction over time in staff support costs. Net revenue savings over 5 years = £438k, net capital expenditure over 5 years = £21k	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Creation of a new organisational structure based upon a functional best practice ITIL model with similar functions grouped under a single manager wherever practical • Gradual removal of allegiance (for 1st line support staff) to individual departments • Maintain the deep level of integration within departments for 2nd line support staff 	
Who	It is recommended this project is carried out by the States' IT Managers Group and the Director of Human Resources, Project Management of this on a daily basis is carried out by the IT Director.	
When	The planning for this opportunity should take place in the 2nd quarter of 2010 to decide on how to define an approach to the Service Desk and new structure as well as succeeding to get buy in from individual departments.	

Department/Theme: IT

Opportunity	Adoption of an ITIL-compliant approach to Change Management; including, the creation of a single Change Advisory Board (CAB) that authorises all changes across the States. The scope of the Change Advisory Board will include all major ICT enabled projects and changes, irrespective of whether they are implemented internally or by external suppliers.	Ref no. ITU_007
Benefit	Introducing a CAB that meets regularly to discuss changes will lead to a more stable operating environment due to reduced risk of failed changes, provide the capability to absorb more changes, enforces financial discipline on requests for change (RFCs) and provides additional control over external suppliers.	Priority Score 197 / 280
Rationale	There is no procedure, or delegated authority, in place for introducing changes which have resulted in failed or long drawn out change requests as there has been uncertainty about responsibilities.	
Costs and savings	The primary costs in implementing this opportunity relate to some initial consultancy to assist in the setup of the CAB and the time that CAB staff will need to dedicate to CAB meetings. Benefits arise from better decision making and the prioritisation of change requests. Net revenue savings over 5 years = £775k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Set up the CAB as a centralised body but with delegated authority for changes i.e. including hardware, software and business application changes costing £5k or more that have an impact at a departmental level. Ensure that the CAB consists of the correct mixture of roles and knowledge of the State's environment in order to function correctly i.e. business and technical, including security considerations. Involve a wide audience to the CAB particularly if they are going to be useful to the problem being resolved or change carried out. 	
Who	The setting up of the CAB should be carried out by the Director of ICT, the IT Managers and the HR Manager. Departmental business staff should also be consulted.	
When	Although this is not a high priority project it is nonetheless important to comply with best practice and to provide a holistic view over all IT operational and project-based changes within the States. Therefore the aim should be to have the CAB in place by the 3rd quarter 2010.	

Department/Theme: IT

Opportunity	Vest budget control for IT commodity items for all departments across the States in the IT Unit: this includes desktops, servers, mobile computing equipment, mobile phones/ PDAs printers etc	Ref no. ITU_008
Benefit	Implementation of this opportunity would reduce costs and also provide tighter control and visibility over spending as well as a reduction in costs through bulk buying and purchasing through existing framework contracts.	Priority Score 192 / 280
Rationale	Most departments get an individual capital allocation for commodity ITU items, generally based on what they spend the previous year, and ITU have no control over this. Hardware replacement policies are 3-4 years, meaning that some years, departments have money left over and they can spend the money as they see fit rather than spending on only the commodity items that they require.	
Costs and savings	The costs of this opportunity are the resource requirement on the ITU to order ICT commodity items. Although this is minimal compared to some departments who prefer to purchase cheaper goods with less warranties which end up being more expensive to run and therefore create a false economy. The benefits therefore are reduced costs by buying in bulk and through existing framework contracts. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	<ul style="list-style-type: none"> Establish baseline spend for IT commodity items across departments Ring-fence and transfer budgets to ITU Close all non ITU, IT commodity GL codes Define process for the request and issue of commodity goods 	
Who	This opportunity should be carried out by Treasury and Resources and the IT Unit in consultation with the Departmental COs and FDs.	
When	This opportunity should be in place for the start of the new financial year.	

Department/Theme: IT

Opportunity	Creation of a Corporate Data Model and the construction of a central database to hold all data that is currently being duplicated across SoG ICT systems	Ref no. ITU_011
Benefit	The Corporate Data Model will provide a logical model of the data within the States, including data owners and the relationships between each set of data.	Priority Score N/A
Rationale	<p>There is a lot of duplication of data, e.g. on citizens and companies, across the ICT systems and as a result of this it is difficult to extract valid management information. As well as not being entirely efficient, this is a big problem for the States Departments and also does not assist the government when trying to monitor population size.</p> <p>This opportunity is not considered a priority and has limited financial benefits. As such this opportunity will be pursued no further at this time.</p>	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: IT

Opportunity	Conduct an independent review of information security and data protection against recognised best practice to include the security policies, security staff job function specifications, data protection, 3rd party access and vetting of all IT staff.	Ref no. ITU_012
Benefit	The benefit of carrying out a security review is that it would provide increased protection for systems and data from both intentional and accidental damage. It would also improve departmental opinion on the level of security on the States network and improve the relationship with the IT Unit.	Priority Score 206.5 / 280
Rationale	Discussions with individual departments have raised concerns about security of information and access to data on the States network. There was also a breach of security last year when an outsider was able to access certain personal information i.e. bank account details and this has led to increased concerns about security. Since this event this and similar websites have now been taken off the network and security has been greatly enhanced.	
Costs and savings	<p>The primary costs and benefits from implementing this opportunity will be the cost of carrying out the reviews by a reputable 3rd party which will enhance security of the States' network, staffing and procedures</p> <p>Net revenue costs over 5 years = £16k, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Verification that key policies and procedures are documented • Scoring of each control standard against a target score • Graphical summary of results showing the extent of compliance across each of the eleven control domains, and recommendations on specific areas for improvement 	
Who	The independent security review encompassing the ISO 27002 Health Check should be carried out by a reputable 3rd party organisation in discussions with ITU staff and departmental IT staff.	
When	This review should be carried out before the WAN redesign and upgrade and therefore in the final quarter of 2009	

Department/Theme: IT

Opportunity	Introduce a consistent system of Partnership Agreements (Service Level Agreements): the IT Unit should provide 'partnership agreements' with all departments detailing the level of service and support expected from the IT Unit to enable each department to carry out their everyday business function.	Ref no. ITU_014
Benefit	This will provide clarity on the roles and level of service to be provided by the IT Unit thus avoiding potential misunderstandings or omissions. It will also lead to an improvement in service quality and reduction in service disruption and ultimately lead to financial savings. Service monitoring also shows where customer or user actions are causing the fault and so identify where working efficiency and/or training can be improved.	Priority Score 214 / 280
Rationale	There is a negative attitude towards the performance levels of the service being provided by the ITU Department which has been an historic and cultural view but is also down to service levels not being properly defined and performance levels being monitored.	
Costs and savings	<p>The primary costs and benefits associated with this opportunity relate to the time it takes to create the Partnership Agreements. Once the ITU staff is happy with the first one, the others should be quite similar and easy to create.</p> <p>The costs associated with this SOR have already been identified in SOR ITU_005 and to avoid the risk of double counting, will not be included here.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Carry out monitoring and measuring service performance achievements of all operational services against targets within the agreements • Conduct service review and instigate improvements with an overall Service Improvement Plan (SIP) • Develop, maintain and operate procedures for logging actioning and resolving complaints • Provide appropriate management information to aid performance management and demonstrate service achievement 	
Who	The Partnership agreements should be developed by the IT Operations Manager and his staff in consultation with the Departmental Heads of IT or Finance Directors.	
When	Implement in the short to medium term as it will help to install confidence and integration with other centralisation projects within the States. It is anticipated that this will take 12 weeks to complete.	

Department/Theme: IT

Opportunity	All website development should be done by a single supplier (not necessarily current supplier). Currently, only the main States website is written, hosted and supported by Brandwatch in the UK.	Ref no. ITU_016
Benefit	The main benefit of having a single supplier to provide all States websites is that more competitive pricing options can be achieved rather than using several different suppliers. Further cost savings could be made by removing the multiple individual domain sites into departmental sub sites under the main States website. The chosen Content Management System (CMS) will also allow individual sub sites to have a different look and feel to the main States website.	Priority Score 229 / 280
Rationale	Instead of the websites being developed, hosted and supported by a single organisation all departments go off and do their own thing and procure/build websites of their own choice using different technologies and suppliers. This is inefficient and leads to increased costs.	
Costs and savings	<p>The primary costs and benefits associated with this opportunity relate to the creation of a new CMS and migrating and/or re-writing the current data to the new site which will lead to easier updates and better management.</p> <p>Net revenue savings over 5 years = £305k, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Capture the current costs for development and hosting of all APLAWS and non-APLAWs websites • Document detailed requirements specification for development and hosting of new website CMS and migration of current data • Carry out procurement exercise to select preferred supplier • Develop new CMS • Migrate current data 	
Who	The requirements gathering for a new CMS must be led by the Marketing Manager, Production and Communications from Commerce & Employment. For the procurement exercise, assistance should be provided by the central procurement team and the successful 3rd party supplier should carry out the development of the new CMS and migration and/or rewriting of current content.	
When	Some work has been carried out in trying to identify how many websites actually exist throughout the States. The rest of the information required to create a 'terms of reference' should be documented as soon as possible.	

Department/Theme: Law Officers

Opportunity	To improve the reporting of the Law Officers income and expenditure by reviewing the current cost centre hierarchy and accounts format of the Law Officers and the need for improved management accounting to provide meaningful financial information.	Ref no. LCO_002
Benefit	Improved cost reporting will clarify the role and budget boundaries between Law Officers and Royal Court, to provide clarity and transparency and defend against allegation of compromised impartiality. It will allow costs to be reported in a more useful way thus aiding decision making, improving control and monitoring of financial and non financial performance.	Priority Score 171 / 280
Rationale	<p>The key driver behind the proposal to review the cost centre hierarchy and reporting of costs is the need for greater clarity in order to:</p> <ul style="list-style-type: none"> • Determine costs in each business area • Control costs • Set fees appropriately • Manage financial and non financial performance 	
Costs and savings	<p>The costs are minimal and relate to the staff costs for redesigning the hierarchy where necessary and reflecting these changes in the accounts and on SAP.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	This opportunity requires a co-ordinated internal approach.	
Who	T&R and Law Officers	
When	Immediate implementation	

Department/Theme: Procurement

Opportunity	Establish framework contracts for all common user goods and services	Ref no. PROC_A
Benefit	<ul style="list-style-type: none"> Cashable savings will be realised from improved commercial deals Efficiency savings will be realised from releasing staff from purchasing/ procurement activity who can be more effectively deployed to deliver frontline services Improved Terms and performance measures Improved contract management Enhanced supplier relationships 	Priority Score 199.5 / 280
Rationale	<p>Currently, States departments carry out much of their own purchasing and procurement activity for a range of goods, services and works. This results in;</p> <ul style="list-style-type: none"> A fragmented approach to procurement and duplication of effort A reduced overall purchasing power Increased inefficiency A lack of Terms or standard (and agreed) Terms Different approaches to contract management and performance measures 	
Costs and savings	The primary costs associated with this opportunity are linked to the capacity of the procurement unit to carry out a States wide commodity review and subsequent procurement, or support specialist departments, for each of the commodities identified Net revenue savings over 5 years = £4,760k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Prioritise commodity types, in terms of level of spend and importance and schedule Carry out feasibility, market sounding activity and prepare business case Communicate with user groups to secure buy-in (even if mandated contracts) Schedule procurement activity Conduct procurement activity and award contract Issue communication to raise awareness across the States Manage suppliers and contracts effectively (contract management and supplier relationship management) 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	This SOR should be implemented with immediate effect with a timeframe of 12 weeks	

Department/Theme: Procurement

Opportunity	Produce an appropriate procurement strategy, and underpinning regulation and guidance, to enable and empower the Corporate Procurement Unit to realise significant benefits for the States through the effective application of procurement best practice.	Ref no. PROC_B
Benefit	An appropriate procurement strategy which links to, and supports delivery of the States Business Plan will empower the Corporate Procurement Unit (CPU) and add some discipline and demonstrable rigour to high level procurement options.	Priority Score 201 / 280
Rationale	The current procurement strategy is a draft document, and its current distribution is within the Treasury and Resources Department. It is also not currently an intrinsic part of States' policy, which leads to a lack of clarity about the overarching aims of the States in terms of the goods, works and services it buys, and the link with supporting the States' business plan.	
Costs and savings	The primary costs and benefits associated with this opportunity relate to the people resource required to establish a procurement strategy and set of underpinning regulations and thresholds. Net revenue savings over 5 years = £2,276k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Update and revise procurement strategy to support the States' business plan, including high level performance metrics for benchmarking • Revise and re-brand the procurement handbook • Obtain sponsorship from Policy Council (as have a wider remit) for a States Resolution • Assist in States Report drafting for Resolution proposal • Publish Resolution in Billet • Publish and circulate Resolution and procurement regulations for States wide adoption, making them mandatory. • Follow up with guidance, issued by T&R • Departmental procedures updated to reflect new directives • Ongoing review of Strategy and Procurement regulations to ensure they remain up to date and relevant, and monitor and manage compliance 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	This SOR should be implemented with immediate effect with a timeframe of 12 weeks	

Department/Theme: Procurement

Opportunity	Rationalise the number of invoices and suppliers	Ref no. PROC_C
Benefit	Rationalising the number of invoices and suppliers will improve efficiency, reduce fragmentation of buying power, allow for improved commercial deals and improve standardisation of goods and services. It will also lead to improved supplier relationships and give scope for enhanced contract management and value added activity	Priority Score 187.5 / 280
Rationale	<ul style="list-style-type: none"> Dealing with multiple suppliers and processing numerous invoices is an administrative burden for both suppliers and the States and has a cost for the States and suppliers in terms of staff time and materials. Dealing with multiple suppliers also means multiple points of contact, weakened buying power, different Terms or ways of working, reduced contract management effectiveness, different standards of goods, services or works. It also adds to the invoice volume. 	
Costs and savings	<p>The primary costs are internal staff resource to assist in the rationalisation of invoices and suppliers</p> <p>The primary savings are gained through increased efficiencies in both invoicing and supplier relations</p> <p>Net revenue savings over 5 years = £1,840k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Utilise SAP, Spikes Cavell and detailed local and specialist knowledge to further investigate States wide spend activity to examine the number of suppliers for each commodity grouping and the volume of invoice processing Prioritise further activity according to the number of suppliers in each commodity group and the level of invoice processing Carry out feasibility assessment, including consultation with key Departmental users Plan and resource implementation project team Schedule phased rationalisation and invoice reduction activity according to resource available Communicate with any user groups to secure buy-in Maintain ongoing effective control of supplier list and embed early awareness of invoicing impact i.e. if adding a new supplier – be proactive in addressing invoicing capability rather than re-active 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	This SOR should be implemented with immediate effect	

Department/Theme: Procurement

Opportunity	Review States wide procurement activity	Ref no. PROC_D
Benefit	Increasing the co-ordination and integration of States wide procurement activity has the potential to generate efficiency improvements, improved commercial deals and greater consistency of goods and services. It will also lead to improved supplier relationships and give scope for improved Terms, enhanced contract management and value added activity.	Priority Score 183.5 / 280
Rationale	<p>There is clear evidence that procurement activity is carried out in each States' Department in its own right to some extent.</p> <p>A review of States wide procurement activity will enable the States to establish the efficiency of the current procurement structures, processes, procedures, capacity and capability, and target achievable improvements. It will also enable the States to review its procurement strategy in light of a deeper understanding of States-wide procurement activity, and link this to the government business plan.</p>	
Costs and savings	<p>The primary costs are staff costs to carry out a full detailed review of States' procurement, to promote and monitor corporate contract usage, and to strengthen the links to Corporate Procurement Unit (CPU) for advice and guidance.</p> <p>The primary savings will come from CPU influencing more of States' expenditure, and efficiency savings from improved corporate contract usage, and improved approaches to specialist areas.</p> <p>Net revenue savings over 5 years = £1,365k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> • Form project team and agree approach • Build upon regular CPU procurement analysis and undertake in-depth analysis of States wide procurement • Review contracts (or identify lack of) across the States • Confirm and prioritise department commodity areas • Strengthen and enhance existing procurement stakeholder group and hold regular meetings to underpin specific project work • Identify corporate contract non-compliance and manage transition with senior stakeholders • Schedule procurement support (based on contract term or identified spend) • Deliver advice and support 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	This SOR should be implemented with immediate effect. A detailed scoping timeframe of 12 weeks is proposed.	

Department/Theme: Procurement

Opportunity	Review the opportunity to establish a shared service support for procurement activity	Ref no. PROC_E
Benefit	<ul style="list-style-type: none"> Improved specialist advice Improved contract compliance Improved purchasing power and consistency of specification and quality Access to technology Enhanced management information More effective contract management and supplier relationship management Greater focus and accountability Continuous process improvement 	Priority Score 198 / 280
Rationale	Often, the procurement activity is "silo" based, i.e. it takes place in, and is only focused on, one department. There is scope to improve the efficiency and clarity of the processes and procedures through a shared service provision, in order to achieve efficiencies for the States.	
Costs and savings	<p>The primary costs relate to the people resource required to research appropriately and establish a States wide procurement shared service.</p> <p>Savings will be achieved from improved efficiency, contract management, improved commercial deals, improved contract compliance, more effective use of resources and enhanced technology access.</p> <p>Net revenue savings over 5 years = £7,782k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Undertake thorough scoping of States procurement activity Review existing regulation and legislation framework Review scope and commodities, and prioritise Carry out soft market testing Develop business case and procurement strategy Propose regulation/legislation to support strategy Agree business case and procurement strategy Procurement activity Transition, training and communication Active monitoring and management 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	Implement with immediate effect. A detailed scoping timeframe of 6 months is proposed up to production of detailed business case and procurement strategy	

Department/Theme: Procurement

Opportunity	Develop and deliver formal contract management and procurement training	Ref no. PROC_F
Benefit	<ul style="list-style-type: none"> • More effective procurement • Improved link to CPU and commercial awareness • Improved challenge and cost avoidance • Improved commercial deals and sustainability • Improved supplier relationships • Improved supplier performance • More engaged supply base • Reduction of issues and disputes • Performance measures and performance history • Improved contract performance and administration 	Priority Score 202 / 280
Rationale	<p>Evidence from the high level States procurement review reveals conclusively that there are no formal procurement or supply chain qualifications of any level, with the exception of the Corporate Procurement Unit. We also believe that staff also have no, or very limited, contract management training</p> <p>It is therefore both appropriate and necessary to develop and deliver a package of training, on procurement and contract management, to raise awareness and improve commercial understanding in order to realise the identified benefits for the States.</p>	
Costs and savings	<p>The primary costs relate to the people resource required to deliver the training</p> <p>Savings will be achieved from improved efficiency and contract management</p> <p>Net revenue savings over 5 years = £1,422k, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Develop training material • Schedule training programme • Communicate and deliver training programme. • Ongoing support • Ongoing review and update of training material relevance and specialisms. 	
Who	T&R Lead, T&R SMT, Department Leads (FDs)	
When	This SOR is relatively simple and should be progressed as soon as possible. A timeframe to develop suitable material is estimated at 12 weeks, with further time to deliver the training over the 5 year timeline.	

Department/Theme: Property

Opportunity	Consider the potential to improve service delivery synergies through the re-alignment of linked and related services.	Ref no. PROP_004
Benefit	The primary benefit of this enabling opportunity is to ensure Department's are structured in a way that recognises the key relationships and interdependencies between services and enables the States to derive the maximum possible benefit from these synergies.	Priority Score 121 / 280
Rationale	The States are in a position where increased focus is moving to controlling cost whilst delivering high quality services. This requires current services to be scrutinised with the aim of identifying where latent value can be exploited. Given the broad remits of each department, and the number of activities contained within them, it is possible that they are not structured in the most beneficial manner to move forward.	
Costs and savings	The primary costs of this opportunity relate to the people and resource cost for an initial detailed study and follow on transitional costs. In terms of savings, the increased capacity of the re-aligned organisation to exploit economies of scale will be the prime source. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	The Departments must first identify opportunities for realignment and carry these forward to the detailed business case phase. Any follow on transition must be monitored over the long-term.	
Who	The Departments impacted must carryout the programme in conjunction with relevant service leads. T&R must be informed of progress	
When	As this is an opportunity to conduct a potentially complex and multi-staged change programme, this opportunity has a minimum implementation timeframe of 3 years and should be commenced immediately.	

Department/Theme: Property

Opportunity	Review the approach to the provision of public conveniences across the island, the service offered and the potential to rationalise the number of facilities on the island.	Ref no. PROP_008
Benefit	The benefit associated with this opportunity is the potential to reduce the costs associated with the provision of public toilets by over £230k, a reduction of 56% on the current budget. These savings will be released through a re-design of service provision, and will primarily be derived from; <ul style="list-style-type: none"> Reduced cleaning costs Reduced routine maintenance costs Reduced exposure to vandalism 	Priority Score 175.5 / 280
Rationale	The States currently operate 32 public conveniences, which are open 24 hours a day, 365 days a year. These toilets are all cleaned on a twice daily basis, with the cleaning services currently delivered by States Works. This level of service appears to be over specified both when benchmarked against available comparator data and when compared to apparent demand	
Costs and savings	The primary costs of this opportunity relate to the people and resource cost for an initial detailed study and follow on transitional costs. In terms of savings, the increased capacity of the re-aligned organisation to exploit economies of scale will be the prime source. Savings will be released through a re-design of service provision, and will primarily be derived from; <ul style="list-style-type: none"> Reduced cleaning costs Reduced routine maintenance costs Reduced exposure to vandalism Net revenue savings over 5 years = £688k, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	Complete an appraisal of the full range of service specification options available and identify a short list of options and the savings associated with each. Undertake a stakeholder consultation exercise, defining the preferred option and then develop the detailed business case including a detailed benefits realisation plan. Obtain approval for preferred option, then implement, monitor and review.	
Who	The opportunity should be undertaken by SPS in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 12 months is estimated.	

Department/Theme: Property

Opportunity	Identify the full range of delivery options available for the activities currently undertaken by SPS Project Services activity across the States and confirm the preferred option for each.	Ref no. PROP_014
Benefit	Opportunity to improve the value for money of property services by identifying more cost effective delivery models	Priority Score 108 / 280
Rationale	<p>SPS Project Services activity lends itself to a range of different delivery models. During Phase 1 of the Fundamental Spending Review (FSR), we identified only limited evidence of these different models being explored and appraised. It was therefore believed to be a possibility that a more effective model may be available.</p> <p>Having considered alternative models we believe maintaining the status quo is the best option. Upon expiration of the current framework contracts the Department should ensure, as a matter of course, that they explore all models to achieve continuing value.</p>	
Costs and savings	<p>The main costs associated with this opportunity are the staff time to carry out the options appraisals and detailed business cases for the selected services at the appropriate time.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Ongoing monitoring and scanning of the market for potential opportunities to increase the efficiency of the delivery model Full business case analysis of opportunities and implementation 	
Who	SPS consulting with Project Services	
When	Horizon scanning should be ongoing with business case analysis where there is demonstrable evidence of potential efficiencies	

Department/Theme: Property

Opportunity	Integrate facilities management functions and rationalise activities across Departments.	Ref no. PROP_A
Benefit	<p>Integrating facilities management functions and rationalising the associated activities across the States of Guernsey has the potential to deliver cashable efficiencies through the following channels:</p> <ul style="list-style-type: none"> Integrated or co-ordinated procurement of facilities management related suppliers and services Reduced staff costs. <p>A 5% saving on current expenditure in these areas would achieve savings in excess of £750k.</p>	Priority Score 185.5 / 280
Rationale	<p>Estimated current spend on facilities management activities across the States is in excess of £15.5m per year. Excluding activities associated with the operation of Departments premises that are unique to the services they provide, there are clear areas of commonality between departments that have the potential to benefit significantly from greater integration or co-ordination.</p> <p>The integration, or improved, co-ordination of those activities across all Departments, has the potential to enable significant cashable savings for the States.</p>	
Costs and savings	<p>To illustrate the magnitude of potential savings from this SOR, a reduction of the spend associated with facilities management by 5% of the current value would achieve savings in excess of £750,000 per year. The majority of a reduction in expenditure is achievable primarily through the implementation of two related cross cutting SORs detailed below in the approach.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	See SOR PROP_C - "Rationalise the office accommodation currently occupied by the States of Guernsey" and PROC_A - "Establish framework contracts for all common user goods and services".	
Who	The opportunity should be undertaken by SPS in conjunction with affected parties and relevant stakeholders.	
When	The activity required to secure the savings described in this SOR and the associated cross cutting SORs should commence immediately, with the full range of facilities management related savings being achieved within 3 years.	

Department/Theme: Property

Opportunity	Develop a fully integrated Strategic Asset Management Plan for the States, including approval and adoption of a centrally administered set of corporate standards for all aspects of operational property asset management and maintenance.	Ref no. PROP_B
Benefit	<p>Benefits, both financial and non financial, of good asset management include; delivery of exceptional services for citizens, improvements in economic well-being of an area, once built assets are correctly maintained, introduces new working practices and triggers cultural organisational changes, improved environmental sustainability, increased partnership working and sharing of knowledge, the generation of efficiency gains, capital receipts, or an income stream.</p> <p>The benefits associated with the introduction of a set of corporate standards for property maintenance and management include; better dialogue and understanding, increased commitment to managing property assets, identified performance measures that are relevant to the organisation, systematic control of risks associated with property, and the driving of best practice in asset management into the property sector.</p>	Priority Score 229 / 280
Rationale	Current spend on property maintenance and management across the States, exceeds £15m per year. The States approach to both the strategic and operational management of property is currently fragmented, with many individual departments retaining and managing their own property portfolios on a largely independent basis. Effective management of property portfolios can make a critical and very tangible contribution to the success of core business.	
Costs and savings	<p>The primary costs associated with this opportunity are associated with the staff time required to deliver this opportunity and the cost of identifying, procuring, populating and operating an appropriate asset management software package.</p> <p>The primary benefits will be revenue savings and additional income derived from the increasingly effective management and operation of the States estate and capital receipts from the disposal of surplus assets.</p> <p>Net revenue savings over 5 years = £4,383k, net capital expenditure over 5 years = £2,760k</p>	Risk Rating Medium
Approach	Approve and implement the Corporate Property Plan (CPP), then establish the asset management system and processes. Align assets with vision and implement the Asset Management Plan, followed by review and monitoring of the process for effectiveness.	
Who	The opportunity should be undertaken by SPS in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. Estimated implementation timeframe of 3 – 5 years to realise the full benefits.	

Department/Theme: Property

Opportunity	Rationalise the office accommodation currently occupied by the States of Guernsey	Ref no. PROP_C
Benefit	<ul style="list-style-type: none"> Significant annual revenue savings as a result of reduced maintenance, operational and leasing costs for property Significant, capital receipts realisable in the medium to long term, through the disposal of property assets Additional annual revenue income from the commercial leasing or sub-letting of vacated property 	Priority Score 248.5 / 280
Rationale	The office accommodation reviewed affords an average of 23.5m ² per FTE, almost double the UK public sector average. Each m ² of office accommodation is estimated to cost the States £139 per year to operate. Reducing the amount of office space occupied will reduce the costs incurred.	
Costs and savings	<p>The main cost associated with this SOR will be the construction of any new build accommodation. Initial estimates of this place the costs at between £12m & £20m, but this will be dependant on the numbers of staff involved, the location chosen and the specification required for the building.</p> <p>The main savings associated with this SOR are as a result of reduced maintenance, operational and leasing costs for property, in addition to this an additional revenue income of at least £350k per year is expected from the commercial leasing or sub-letting of vacated property.</p> <p>Net revenue savings over 5 years = £4,000k, SOR has the potential to be to capital neutral in medium to long term</p>	Risk Rating Medium
Approach	Developed and managed as a PRINCE 2 (or equivalent) project, with agreed phases and appropriate gateway reviews	
Who	Led by the Director of Property Services	
When	Commence ASAP – Completion 3 – 5 years after commencement	

Department/Theme: Property

Opportunity	To introduce a coordinated set of energy & utility efficiency measures for all States of Guernsey properties and routinely monitor the energy & utility efficiency of owned, leased and rented properties	Ref no. PROP_D
Benefit	<ul style="list-style-type: none"> The estimated, total, cumulative net savings over the 5 year period is assessed to be £1,641k. In addition, there is the potential to significantly reduce the SOG Carbon footprint and improve the environmental credentials of the States of Guernsey. 	Priority Score 218 / 280
Rationale	<p>Energy & utility costs (E&U) are one of the highest property related areas of expenditure within the States of Guernsey and accounted for in excess of £5.5m in 2008. Individual property departments have been responsible for managing energy & utilities in the past. An Energy Manager has now been recently appointed. A pilot review of E&U management identified areas through out the States where consumption could be reduced and cost savings identified by changing operational practices and the introduction of low cost short payback schemes.</p>	
Costs and savings	<p>The primary cost associated with this opportunity relates to the staff resource required to deliver this opportunity.</p> <p>As a result of the pilot E&U management work, significant saving opportunities were identified for the properties visited which were used as a basis to assess the overall savings potential of implementing a review of all SOG properties.</p> <p>Net revenue savings over 5 years = £2,122k, net capital expenditure over 5 years = £232k</p>	Risk Rating Medium
Approach	<p>Develop the approach and appraise States properties, then set up a centralised targeting and monitoring system with target reductions identified. Initiate then monitor and review systems, for efficiency savings. Undertake follow up work to establish level of success and to exploit new opportunities.</p>	
Who	The opportunity should be undertaken by SPS in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. Should be conducted ahead of the 2010 budget setting process, and then on a yearly basis for each of the remaining 4 years.	

Department/Theme: Property

Opportunity	Rationalise Grounds Maintenance contracts and Service Level Agreements (SLAs)	Ref no. PROP_E
Benefit	<p>Rationalisation of grounds maintenance contracts and SLAs will potentially drive the following benefits:</p> <ul style="list-style-type: none"> Reduced administrative burden associated with the current arrangements Increased volume of in house grounds maintenance contractor activity undertaken by States Works Improved transparency over the make up of fees and charges made by States Works 	Priority Score 93 / 280
Rationale	<p>Phase 2 established that States Works already undertake over 85% by value, of grounds maintenance work currently commissioned by the States. Therefore, the opportunity to leverage increased value by rationalising grounds maintenance is limited and unlikely to release significant savings on its own. No further action is recommended at this time in relation to this specific opportunity.</p> <p>A number of key issues have emerged whilst undertaking the Phase 2 review:</p> <ul style="list-style-type: none"> At present, in order to maintain the size of order book necessary to feed its workforce, State Works undertakes a substantial amount of work for private clients, and therefore appears to have the capacity to take on the remaining 15% of the States grounds maintenance activity; and Departments that use States Works complain of a lack of transparency in the make up of rates and charges. <p>As existing contracts come to an end there is an opportunity to explore the benefits of alternative delivery models.</p>	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating Medium
Approach	<p>For the emerging issues, review and define service requirements, VfM and efficiency indicators. Baseline existing performance and identify the fully range of service delivery options available under an options appraisal. Then implement preferred options as existing arrangements expire.</p>	
Who	Any emerging issue opportunities should be undertaken by the affected parties and relevant stakeholders.	
When	No further action is required on this specific opportunity. However, it is recommended that work to address the emerging issues outlined above commences at least 12 months before an existing contracts expire.	

Department/Theme: PSD

Opportunity	Consider the extent to which each of the PSD business units could benefit from formal commercialisation or privatisation.	Ref no. PSD_009
Benefit	<ul style="list-style-type: none"> Increased efficiency of operations that release funds to deliver greater value or reduce the liability of PSD Increased income generating capacity of the activities of the business units 	Priority Score N/A
Rationale	<p>The operating model of the units means they are well suited to greater private sector involvement. Practice elsewhere suggests there is significant potential for this and that doing so can achieve significant savings.</p> <p>PSD has previously recognised this as a possible opportunity and commissioned the Office of Utility Regulation (OUR) to conduct a review. This review has been conducted in far more detailed than the FSR can provide, and having had the opportunity to review its findings we believe it should supersede this summary opportunity report.</p>	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: PSD

Opportunity	Undertake a strategic review of the options available for the management and maintenance of Alderney Breakwater.	Ref no. PSD_012
Benefit	<p>The primary benefits arise from aligning the required outputs of the Alderney Breakwater maintenance programme with the allocated budget, achieving the optimum balance of cost against risk.</p> <p>This allows funds to be allocated in a manner so that they are providing greatest value for money and contribution to the maintenance programme.</p>	Priority Score 84 / 280
Rationale	Fulfilling the States responsibility for the management and maintenance of Alderney Breakwater is a significant commitment on the PSD annual budget. In 2009 this is budgeted at the net figure of £430k with SPS forecasts placing this at £449k. We understand the necessity of this spend but following liaison with States Property Services feel there is scope for this liability to be reduced with out increasing level of risk to the breakwater structure.	
Costs and savings	Costs relate to a review to establish in detail the feasibility of proposals Net revenue savings over 5 years = £375k, net capital expenditure over 5 years = £184k	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Commission a project team to carryout a detailed review of current spend on Alderney Breakwater with the aim of identifying a series of options. The preferred option should be carried forward and implemented following analysis of a detailed business case 	
Who	PSD and SPS should carry this opportunity forward	
When	The initial review should be commissioned immediately with the finding implemented and monitored over an 18 month timeframe.	

Department/Theme: PSD

Opportunity	Review Maintenance Budget Planning: there is currently no method of planning maintenance budgets from a zero base, it is based on holistic data rather than planned maintenance schedules and forecast expenditure.	Ref no. PSD_015
Benefit	<ul style="list-style-type: none"> • More directed, transparent and informed resource allocation • Increased support and 'buy-in' from operational managers • A more flexible budget that is set for a short-term timeframe and the specific circumstance • Increased focus on value for money – questioning current practice 	Priority Score 147 / 280
Rationale	The States are in a position where all non-effective spend must be removed. We are not suggesting the introduction of zero based budgeting will identify a significant quantity of non-effective spend. However, going forward the technique as a mechanism will ensure value for money is consistently delivered. Budget setting will be traceable to a sound and identifiable criteria.	
Costs and savings	<p>The primary costs and benefits are largely unquantifiable. This is a key enabling opportunity that has the potential to highlight non-effective spend. However, conversely the preparatory work may identify a need for a higher level of spend.</p> <p>Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	<ul style="list-style-type: none"> • Identify all activities contained within the highways maintenance remit • Develop suite of decision criteria for funding highways maintenance activities • Apprise and rank each of the activities • Apprise funding needs of highways in the context of the wider network of funding needs in PSD • Allocate resources based to the activities identified as the highest priority 	
Who	This opportunity in PSD should be conducted with consultation with relevant service leads and T&R	
When	An implementation timeframe of two years is estimated	

Department/Theme: SAP

Opportunity	Establish and implement a States wide strategy and plan for developing and improving its integrated business system (SAP) to enable the States to transform the way in which it operates and carries out its business.	Ref no. SAP_A
Benefit	By updating existing and introducing new functionality, existing systems and processes will be replaced. It will also provide the States with a significant opportunity to transform the way in which it operates and to design and implement a new organisation structure/ model that includes redesign of its back office support functions that will result in benefits (cash savings) throughout the States.	Priority Score 161.5 / 280
Rationale	Both the States and Departments will have to compete for scarce resources whilst upholding public confidence that tax payer's money is being spent prudently in the most efficient way. Successful implementation of the changes to processes and the organisational structures would; <ul style="list-style-type: none"> Exemplify the optimal use of the SAP as the States primary business system Build on and improve on the investment already made by the States in SAP and associated processes Have no adverse impact on service delivery 	
Costs and savings	The costs of this opportunity are the consultancy and software required. The direct benefit from this opportunity would be direct savings in the cost and operation of systems and processes that could be replaced by SAP. Net revenue savings over 5 years = £1,136k, net capital expenditure over 5 years = £5,250k	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Project Preparation – including establishing governance arrangements for project and future communications to the whole of States Business Blueprint – design, agree and sign off of blueprint of system and associated new organisation model for States Realisation – design build and test system and organisation in line with blueprint Final Preparation – including validation of solution against blueprint Go-live & Support – system and new organisation goes live with support to users of system. 	
Who	T&R Lead, T&R SMT, Department Leads	
When	The project could be delivered over 2 years commencing from January 2010	

Department/Theme: SSD

Opportunity	Consolidate and rationalise payments	Ref no. SSD_A
Benefit	For every payment saved a cashable amount will be saved, albeit this is a small amount individually. Consolidation should also mean that investigating exceptions on payments are reduced as there will be fewer payments per individual.	Priority Score N/A
Rationale	Upon investigation it unveiled that SSD already consolidate payments where they are not Incapacity Benefit (which is paid through employers in return for sick pay) and where they fall under the same type. Given that consolidation is already undertaken to some degree, the potential volumes of benefit payments involved, and the cost per payment made, it has been concluded that no significant savings could be achieved by pursuing this opportunity. In order for rationalisation to be successful, the volumes of multiple payments would need to be higher to justify the expense in consolidating the payments.	
Costs and savings	N/A	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Social Security and Income Tax

Opportunity	A closer working relationship between Social Security and Income Tax through a collaborative IT platform.	Ref no. SSD_D
Benefit	<ul style="list-style-type: none"> The elimination of duplication in data sets, data groups, backing up and IT resource Enhance data quality and accuracy by holding only one set of data which is checked, validated and referenced from more than one source One system cost instead of two One system maintenance cost 	Priority Score 152 / 280
Rationale	At present both departments have <ul style="list-style-type: none"> Different systems to keep the same data. Different processes to receive or make payments, based on the same common data 	
Costs and savings	No costs or savings have been identified for this opportunity pending a full, detailed business case and a political decision.	Risk Rating Medium
Approach	<ul style="list-style-type: none"> Draw a specification with defined deliverables Go out to tender Choose a supplier Design the system/database Implement the system/database 	
Who	SSD and T&R	
When	Implementation time frame of 18 months	

Department/Theme: SSD

Opportunity	For the purposes of budgetary management, the States clearly distinguish and account for the administrative costs associated with managing the four social security funds. Such administrative cost and budgets are to be brought within the boundaries of the General Revenue 'cash limit' regime.	Ref no. SSD_F
Benefit	<ul style="list-style-type: none"> Challenges and reviews admin budgets to ensure they are appropriate Greater transparency of States wide resource utilisation Better central knowledge of the scale and nature of administrative expenditure Reducing the silo mentality Improved control environment Improved ability to realign resources across the states to support key strategic objectives 	Priority Score 130 / 280
Rationale	<p>The States cannot afford to under-utilise the limited resources that are available to it, particularly as these resources are becoming increasingly scarce. Scope must therefore exist to move resources both within and across Departments to pursue solutions that provide the optimal delivery of the States objectives.</p> <p>The current ring-fenced operation of SSDs funds, in relation to administrative expenditure, does not underpin the viability or sustainability of the delivery of social security services. As such there is no underlying rationale for the continued isolation of administrative budgets within SSD.</p>	
Costs and savings	This opportunity considers the budgetary control environment and is primarily dependant upon decisions being made around the operation of financial governance of the States and its Departments. As such no project costs or savings have been attached as the existing mechanisms and decision making forums will be used.	Risk Rating Amber
Approach	<ul style="list-style-type: none"> Include in the financial management and governance agenda Confirm the decision to move all SSD administrative budgets to General Revenue Define legislative changes required to enact restructuring of budgets Review budgetary structures and coding hierarchies on SAP and realign as necessary Transition to new budgetary regime 	
Who	Led by T&R	
When	An implementation timeframe of 3 months is estimated. However, given the stated dependencies this SOR should only be implemented when the necessary criteria have been met.	

Department/Theme: SSD

Opportunity	Automating Contributions Assessment Logic	Ref no. SSD_G
Benefit	No further benefits identified	Priority Score N/A
Rationale	When considering the automation of the contributions assessment logic, it was discovered that all processes in the contributions section were mapped and plotted through a Business Process Re-engineering exercise in December 2001. This was carried out with expert resource. The contributions processes were automated as far as possible with this approach. As a result, manual intervention only occurs where exceptions occur and further investigation is necessary. It appears these processes are the same today thus leaving little room to further automate the processes.	
Costs and savings	Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Treasury & Resources

Opportunity	Introduce States wide Business Continuity planning and disaster recovery	Ref no. TR_009
Benefit	Experience has shown that organisations are far more likely to survive a disaster or crisis if they have thought about it in advance, and planned accordingly	Priority Score 145 / 280
Rationale	Business continuity planning needs to ensure all critical day-to-day services are maintained if the States should experience a disruption to its operation. The planning also needs to accommodate the provision of additional services and associated resources for the implementation of an emergency plan, in the event of an incident affecting the public.	
Costs and savings	The primary costs associated with this opportunity relate to the people resource required to develop and distribute the Business Continuity Plan, along with the consultancy support to ensure the plan is appropriate. Net revenue costs over 5 years = £20k, net capital expenditure over 5 years = Nil	Risk Rating Low
Approach	A Business Continuity Plan to be drafted by the States. This should be maintained and tested by the States and the departments. The option to provide an in-house disaster recovery solution or to use an external provider should be debated in the States of Deliberation, given the nature of the costs involved.	
Who	This should be led by the T&R Board	
When	This opportunity should be implemented as soon as possible.	

Department/Theme: Treasury & Resources

Opportunity	Maximise exploitation of possible Digimap / Cadastre / Land registry income streams.	Ref no. TR_010
Benefit	Increased income from the creation of new charges to the public for Digimap services.	Priority Score N/A
Rationale	Digimap Ltd's main focus is the marketing and selling of digital mapping products to both private and public sector customers. As the States of Guernsey have appointed Digimap Ltd to provide this service, and the States are themselves not involved in the development of Guernsey Digimap, nor the administration of sales and marketing, the income received for the use of this service rightfully goes to the provider. As such, the opportunity to increase income from Guernsey Digimap is outside the scope of the Fundamental Spending Review.	
Costs and savings	Not applicable as no further recommendation is being made	Risk Rating N/A
Approach	N/A	
Who	N/A	
When	N/A	

Department/Theme: Treasury & Resources

Opportunity	Introduce a 'SAP Business Development' officers role.	Ref no. TR_013
Benefit	<ul style="list-style-type: none"> A SAP business development officer would sit separately from the SAP technical team and would be responsible for liaising with all States Departments, actively promoting the benefits of using SAP to its full potential Employing a specific resource to undertake this job would allow for a focused and measured approach for the facilitation of SAP integration 	Priority Score 154 / 280
Rationale	The role of the SAP Business Development Officer is designed to remove the silo thinking currently adopted and move the States towards a more measured and strategic view for the implementation of SAP.	
Costs and savings	<p>Upon discussion with the Treasury and Resources Department, it is envisaged that this position would be fulfilled by using an internal resource and therefore there would not be any additional recruitment costs.</p> <p>Net revenue costs over 5 years = £13k, net capital expenditure over 5 years = Nil.</p>	Risk Rating Medium
Approach	Approval to recruit a SAP Business Development Officer made by States members, then ensure adequate authority is provided to enable change to take place.	
Who	This should be led by the T&R Board.	
When	This opportunity should be implemented as soon as possible, alongside the development of SAP.	

Department/Theme: Treasury & Resources

Opportunity	States of Guernsey to self insure rather than purchase commercial insurance	Ref no. TR_016
Benefit	<ul style="list-style-type: none"> Cost reduction If risks do not materialise, the insurance 'fund' will not be depleted and required contribution rate (premiums) may be flexed accordingly Improvement of cash flow Better insurance protection 	Priority Score 179 / 280
Rationale	<ul style="list-style-type: none"> Self insurance offers the opportunity for greater control in the management of both the composition and the cost of insurance. This is particularly relevant when insurance markets harden as they are doing now. Self insurance offers significant flexibility which may lead to both additional financial and operational gains. 	
Costs and savings	<p>The primary costs associated with this opportunity relate to the people resource required to establish the self insurance programme and the costs of ongoing operation. Ongoing administration of the self insurance scheme is assumed to be via a captive insurance company operated by a third party private company</p> <p>Net revenue savings over 5 years = £3,330k, net capital expenditure over 5 years = Nil</p>	Risk Rating Medium
Approach	Assign States wide insurance lead, go to market to secure a provider to administer 'captive' insurance scheme, introduction of premium recharge and monitoring system	
Who	This should be led by the T&R Board	
When	This opportunity should be implemented as soon as possible.	

Department/Theme: Treasury & Resources

Opportunity	Introduce a risk management function.	Ref no. TR_017
Benefit	<ul style="list-style-type: none"> An effective Risk Management policy and function enables a structured approach to the effective management of risk in pursuit of the States objective Successful risk management leads to the adoption of good practices in the identification, evaluation and cost effective control of risks to ensure that they are eliminated where possible, reduced to an acceptable level or managed and contained; and to embed risk management practices within management and planning activities 	Priority Score 129.5 / 280
Rationale	The focus of good risk management is the identification and treatment of these risks. Its objective is to add maximum sustainable value to all the activities of the States. It marshals the understanding of the potential upside and downside of all those factors that can affect the States. It increases the probability of success, and reduces both the probability of failure and the uncertainty of achieving overall objectives.	
Costs and savings	<p>The primary costs associated with this opportunity relate to the people resource required to develop the risk management policy, along with the ongoing staff resource needed to support risk management functions. Another cost is the consultation with a risk management expert, who will assist in the drafting of the risk management policy and in instructing the risk management function how to best perform their duties.</p> <p>Net revenue costs over 5 years = £17k, net capital expenditure over 5 years = Nil</p>	Risk Rating Low
Approach	A risk management function should be established, a States wide risk management policy should be produced, the risk management function should meet with department leads and discuss the requirements for effective risk management and then risk management should become embedded into States-wide strategic thinking and planning	
Who	This should be led by the Policy Council.	
When	This opportunity should be implemented as soon as possible.	

Department/Theme: Treasury & Resources

Opportunity	Income Tax has made material progress in the automation on number of key processes. Scope exists, however, to extend automation within tax assessment to achieve further benefits.	Ref no. TR_022
Benefit	<ul style="list-style-type: none"> Reduce the time taken to complete the calculation and collection of tax liabilities Reduce the FTE resource required Improve accuracy of assessments Improve the control environment, ensuring propriety of assessments Reduce the time spent correcting errors, checking and controlling outputs Achieve greater Value for Money from the process Form alignment with best practice through the use of available technologies 	Priority Score N/A
Rationale	<p>Whilst tax returns are made online by the majority of businesses, the processes that follow the electronic receipt of tax forms from individuals require manual intervention to a larger degree than best practice would indicate.</p> <p>By automating certain aspects of the payment, assessment and collection cycle the Department can realise be benefits.</p>	
Costs and savings	This opportunity has not been fully costed with identified savings as it forms part of the overall opportunity for Business Process Re-engineering (BPR). To carry out the review as part of a States wide BPR review and implementation would be a far economical and beneficial than a silo approach to reviewing process efficiencies.	Risk Rating Medium
Approach	The BPR approach is to be followed as referenced in SOR FIN_C	
Who	As in the SOR referenced FIN_C	
When	An implementation timeframe of at least 7 months is anticipated for the delivery of the BPR opportunity. An earliest implementation date is therefore thought to be 2011.	

Department/Theme: Fleet Maintenance (PSD)

Opportunity	Establish a centralised fleet management function	Ref no. VEH_A
Benefit	<ul style="list-style-type: none"> Achieve efficiencies through maximising economies of scale and removing duplication Generate capital receipts from the consolidation of the garages present in the Departments Promotes a coordinated approach to fleet maintenance ensuring the organisation has the relevant management information to think strategically with respect to fleet management assets and resources and inform the procurement process Allows for utilisation to be managed more effectively and the transfer of skills between activities, standardisation of systems and processes, additional resources released to undertake other duties 	Priority Score 167 / 280
Rationale	<p>A shared fleet management function will promote a service that is both strategically aligned with the strategy of the States and economically sound, having clearly identifiable benefits that are proportionate to the identified costs.</p> <p>Expenditure on fleet repair and maintenance will increasingly have to compete for the scarce resources available to deliver essential public services. A robust single management function provides a systematic mechanism to do this and it is financially prudent to endeavour to minimise waste and to seek to secure best service at the most competitive rates.</p>	
Costs and savings	<p>Initial costs relate to the resources required to produce the detailed business case for its implementation. Capital costs will be incurred for; accommodation, infrastructure improvements, and employment related issues etc.</p> <p>Rationalisation of the property portfolio would generate significant savings and there is the potential to generate further income via the undertaking of additional external work if capacity permits.</p> <p>Net revenue savings over 5 years = £446k, net capital expenditure over 5 years = £78k</p>	Risk Rating Medium
Approach	Review current fleet management across the States and develop a detailed business case for approval. Following approval, implement preferred option and monitor for effectiveness.	
Who	The opportunity should be undertaken by PSD in conjunction with affected parties and relevant stakeholders.	
When	Commence at the earliest opportunity. An implementation timeframe of 18 months is estimated.	

Department/Theme: Value for Money

Opportunity	Introduce a States wide Value for Money (VfM) initiative.	Ref no. VFM_A
Benefit	VfM initiatives ensure that public money and resources are used in such a way that they deliver the stated outcomes of the States of Guernsey in the most efficient and effective way. Establishing a baseline of Departments' VfM and implementing a States wide VfM strategy will empower the States to prioritise the services and Departments with the biggest potential to deliver savings, alongside an understanding of what the potential value of those savings might be.	Priority Score 217 / 280
Rationale	The new and evolving financial climate has a sizeable impact on the States mindset for investing in service delivery. Historically, resources available to deliver services exceeded required levels of funding, consequently encouraging services to continuously invest to drive forward performance improvement. Services will now need to be delivered at a lower cost, with a maintained or (in some cases) improved level of service performance.	
Costs and savings	The cost associated with setting up a consistent approach to VfM within States Departments is staff time required at various levels to develop, collate and manage around an agreed set of indicators, which will recur continuously each year as the approach becomes embedded, albeit at a reduced rate. Net revenue savings over 5 years = Nil, net capital expenditure over 5 years = Nil.	Risk Rating Medium
Approach	To make a judgement of the relative VfM of services and develop it into a wider, States wide VfM strategy, there are a number of activities the States need to undertake. These are to; develop indicators, collect and analyse data, market test, develop Department priorities, develop States-wide priorities and finally deliver VfM initiatives.	
Who	To ensure the States approach to VfM is a success, it should be developed and owned by service managers and shared with and monitored by Treasury & Resources.	
When	The SOR should be implemented with immediate effect across Departments to improve performance management, and establish a baseline of service VfM that can be integrated into budgetary and strategic planning.	



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