**Business Case Lite – Luton Transformation Programme**

**Project Information**

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| --- | --- |
| **Project Title** | Contracts and Spend |
| **Portfolio Tracker ref** | Com-001 |
| **Current Stage / Gate:** | Stage 0: Opportunity Identified |
| **Project Sponsor** | Mark Fowler |
| **Project Lead** | Catharine Southern |
| **Transformation Theme** | Commercial |
| **Contributory Transformation Theme(s)** | Place, Prevention & Early Intervention |
| **Department and Team** | Procurement, Place, Adults/Children’s |

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| *Following-on from the PIPS Review there are identified areas for improvement within LBC’s Contract Management functions. This project will serve to ensure Contract Management is optimised and as much pecuniary and non-pecuniary value is levered from third party suppliers contracting with Luton.* |

**Scope of Project / Opportunity**

|  |  |
| --- | --- |
| **In scope** | **Out of Scope** |
| All contracts and non-contracted spend | Luton Rising  EDT |

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| **Linked / Complementary OBCs** |
| Procurement TOM  Strategic Commissioning |

**Objectives**

* Progress with the PIPS recommendations and optimise Contract Management.
* Review Contract Management practice and develop a TOM for delivery, inclusive of KPI gathering and analysis.
* Review contractual arrangements with other councils to determine if VFM is being achieved.
* Review Corporate Contract Management function to determine if this is working effectively for all Contract Managers and Owners within LBC.
* Identify key contractual spend where costs can be driven down and value levered in the short-medium term.
* Consider contract segmentation and understand risk and opportunity to improve contract management through workbooks, audited internally.
* Review of standard contractual terms and conditions.
* Review third party spend across all Directorates.
* Review of Social Value measures and reporting.
* Review of archiving contract and potential links with digitisation and an EDRMS.
* Review other shared contracts/services with neighbouring councils.
* Align third party spend to the outcomes of the Procurement TOM.
* Implement a contract savings tracker to ensure demonstrable change is reducing third party spend.
* Ensure continuous improvement is being tracked.
* Contract performance and finance data is cleansed, centralised and accurate to allow strategic oversight.
* The new Procurement Act 2023 requires specific contract performance data to be published, it is imperative that contracts are managed effectively and supplier data is transparent.

**Assessment of the Current Position**

* The Council has recently reduced its identified off-contract expenditure by £56m through manual checking of transactions without a Due North reference. This requires further work to identify the exact value of expenditure without DN references. Currently, and without further interrogation, the Council can state it has £118m of third party spend without contracts in place. This equates to 48.3% of total third party spend.
* There are 2 Contract Management officers in Procurement to support the whole council as-and-when required; this requires a review of this function as anecdotally it has been advised that they are not supporting the whole council’s Contract Managers in the way they were intended.
* Contract data is inconsistent and does not marry with spend reports making it difficult to analyse and interpret.
* Training is available for Contract Managers - an evidence-based approach needs to consider the take-up and application of the training to determine its effectiveness.
* Concerns have been raised by a number of staff about Contract Management being part of their day job; the council needs to determine if this is a resource, competence or shirking of responsibility issue to identify a best way forward and to ensure every £1 leaving Luton and going to a supplier is managed effectively and the best value for money is levered from suppliers.
* Additional savings on P-card expenditure may be achievable; 22/23 spend totalled £448,649 but as this is not contracted expenditure, further work will need to be undertaken to analyse and identify savings through use of contracts for expenditure that should not be using P-cards.
* Expenditure is not categorised with a category management approach which does not allow for effective spend analysis.

**Proposed Changes**

**Third Party Spend Analysis**

To determine the scale of the opportunity we have used third party spend data using only general fund expenditure. There are 2026 suppliers delivering services totalling in value to £164m.

The current contract register does not account for funding sources, so the accessible data to provide evidence for the proposed changes is derived from a Finance spend report.

It would be prudent to develop a singular data source which captures both the contracts register and spend in one place, thus allowing comprehensive analysis to be conducted and giving the Council a strategic single version of the truth.

We are also aware of contract set-up on Finance systems that do not equate to data held within the contract register; this results in incomparable data, spend tracking issues and an inability to identify parent companies i.e. HC One has multiple contracts of spend under different limited companies within the spend report, however they only have one listing on the contract register.

This expenditure is distributed by departments as follows:

|  |  |  |
| --- | --- | --- |
| Chief Executive | 3,336,322 | 2% |
| Children Families and Education Services | 16,685,420 | 10% |
| Inclusive Economy | 49,652,304 | 30% |
| Other Corporate Accounts | 291,052 | 0% |
| Population Wellbeing | 94,044,310 | 57% |

To lever value and make savings on existing contracts, irrespective of their end or start dates, the Council would need to develop the contract management practice to an optimised maturity level. This can be achieved by:

* Developing a contract management workbook with tools and templates segmented by contractual risk and value.
* Define the roles and responsibilities for contract managers and contract owners.
* Ensuring the contract register is correct and details all contracts that have been let.
* Contract Managers and Contract Owners would be required to be trained in the use of the contract workbook and then apply their learning to optimising outcomes and value from contracts.
* Capitalise on existing good practice to create a community of support for contract managers/ owners.
* Focussed training and support in contract negotiation, generating innovation and managing continuous improvement, contract value levering and supplier relationship management.
* Dedicated and trained contract management support to ensure all contracts are managed well and review meetings have agendas and minutes with agreements on performance metrics. As a proportion of total Council spend, third parties should be considered with equal importance as in-house services and as such the performance management framework and budget monitoring should be given parity for strategic oversight.
* A contract management maturity index metric would need to be tracked along with contract values to provide demonstrable change from an initial baseline. This would require mandated performance management (now required >£5m under the Procurement Act) and strategic oversight of contract performance and spend.

**Third Party Spend Top 20 Contracts**

Within the general fund, the top 20 supplier spend totals £49.8m. If we solely focussed upon levering value with these suppliers and achieved a 2% saving, this would equate to £996,748, however 5% would equate to £2.49m.

We have reviewed the spend report data and excluded Civica to identify the highest valued contracts in-year from the general fund. To provide additional data we have also identified if that supplier has expenditure from any other funding sources which may be beneficial if value is levered as this would also generate savings from other funding sources.

Using the current contract register data, we have also identified when the contract ends. As these are all large valued contracts it would be the norm that contract meetings are being held at least quarterly and would do so until the end of the contract. Value can still be levered if a contract is ending next year as the final year is when the biggest savings would be expected to be made through continuous improvement, service embedding and delivery efficacy, and economies of scale.

|  |  |  |  |
| --- | --- | --- | --- |
| **Top 20 Highest Value Suppliers from General Fund (excluding Civica)** |  | **Non-GF Spend** | **Contract End Year** |
| FCC Recycling (UK) Ltd | 8,880,542 |  | Not on Contract register (known to be 2024) |
| Volker Highways Crowley Ltd | 3,815,167 | 9,049,360 | 2027 |
| NPower Ltd | 2,888,400 | 1,990,423 | 2024 |
| HUGGG | 2,821,832 |  | Not on Contract register |
| Active Luton | 2,678,204 | 66,030 | Not on Contract register |
| 8APT Care Ltd | 2,581,804 | 18,980 | 2025 |
| Travis Perkins Trading Co Ltd | 2,267,943 |  | 2025 |
| Hilton Garden Inn | 2,202,810 | 18,180 | Not on Contract register |
| Apex Homes Limited | 1,949,780 | 41,413 | Not on Contract register |
| Westminster Home Care | 1,817,653 | 53,125 | 2023 |
| COMFORT ZONE CARE SERVICES LTD | 1,789,585 | 14,303 | 2023 |
| Walsingham Support | 1,764,469 |  | Not on Contract register |
| ITRUST AGENCY LIMITED | 1,741,711 |  | Not on Contract register |
| Churchill Health Care | 1,731,777 | 22,989 | 2030 |
| HC-One Oval Limited | 1,728,301 | 7,144 | Not on Contract register |
| Dilshan Transport Group Ltd | 1,659,984 |  | Not on Contract register |
| Runwood Home plc | 1,653,327 | 14,909 | Not on Contract register |
| The Georgiana | 1,548,686 | 11,610 | Not on Contract register |
| Bluebird Care (Luton) | 1,497,213 | 14,106 | 2023 |
| NHS Bedfordshire, Luton and Milton Keynes CCG | 1,455,995 | 793,726 | Not on Contract register |
| Integrated Fostering Services Ltd | 1,362,220 |  | 2025 |
|  | **49,837,401** | **12,116,298** |  |

The contracts not listed on the contract register could be resultant from variations in recording of company names or contracts not being formally added to the contract register. This data was also checked to see if they had a DN Reference which indicates they may not have been added onto the Council’s procurement system. An absence of recording would inhibit oversight and would be a priority to ensure all high value contracts are recorded correctly and are published on the public facing contract register and pipeline. By October 2024 a pipeline should be published for over threshold contracts 18 months in advance of the contract end date.

We note that there are 20 significantly large contracts in-play which would be an optimum starting point for contract management to lever value with suppliers. In the absence of a codified category management and contract segmentation approach it would be prudent to review the highest valued contracts with their corresponding suppliers until such a point a Procurement TOM is in-play.

Taking a proportionate approach by focussing upon contracts held within the highest spending Directorates: Population Wellbeing, Inclusive Economy and Children, Families and Education, would be the priority area to target resources in improving contract management capability.

**Off-contract Spend**

At present 48.3% of Luton’s recorded spend (across all funds) with third parties has been recorded without a DN or Due North (Pro-Contract) number.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ref** | **Value £** | **Value %** | **Count of Suppliers** | **Volume %** |
| DN Ref. | £126,717,928.90 | 51.7% | 54122 | 49.8% |
| No DN Ref. | £118,266,686.61 | 48.3% | 54661 | 50.2% |
| Grand Total | £244,984,615.51 | 100.0% | 108783 | 100.0% |

This does not directly tell us that 48.3% of third party spend has been without the formal involvement of Procurement or compliance with the Standing Orders. There are a number of factors as to why Luton has such high numbers of contracts without DN references, these can be from typing errors, to identifying the correct suppliers, to light-touch regime spot purchased care placements. There are also contracts under frameworks that appear as having no formal contracts in place. This is continually being manually reviewed by the Service Manager for Procurement to determine a final list and recent work has reduced the figure by circa £60m.

Once this list of off-contract third party spend has been concluded, work can commence to identify whether light touch and Provider Selection Regime (NHS PSR) can further distil to a final list of off-contract spend, i.e. whereby contracts have been direct awarded and procurement procedures/ standing orders have been circumvented or ignored. This distilled list will allow a detailed analysis of this spend to determine common themes but also to understand how and why procedures have not been complied with to produce a remedial action plan to address current spend but also to prevent this from happening in the future.

For illustrative purposes, using the current No DN Ref data (which is not funding code filtered), the top 20 suppliers without contracts are as follows, including the total value and transaction numbers in 2022/23:

|  |  |  |
| --- | --- | --- |
| 8APT Care Ltd | £2,600,783.49 | 4342 |
| Bluebird Care (Luton) | £1,511,318.83 | 2490 |
| Fascia & Glazing Supplies | £113,098.64 | 1482 |
| Runwood Home plc | £1,668,235.09 | 1119 |
| Next Step Support Ltd | £844,367.72 | 1031 |
| Courage Health care | £753,077.52 | 940 |
| The Georgiana | £1,560,295.82 | 893 |
| Window Parts Ltd | £59,909.64 | 851 |
| Alliance Automotive t/as Motor Serv | £54,718.93 | 824 |
| HC-One Oval Limited | £1,735,444.90 | 807 |
| Apex Homes Limited | £1,991,193.42 | 803 |
| Gibbs & Dandy Plc | £81,472.56 | 799 |
| Heathrow Truck Centre Ltd | £165,259.91 | 730 |
| PPG Architectural Coatings UK Limited | £45,802.84 | 726 |
| T & L Flooring Ltd | £494,254.00 | 715 |
| The Strathmore Hotel (luton) Limited | £270,748.66 | 700 |
| Headway Luton | £104,107.00 | 675 |
| J P Hygiene Supplies | £94,244.89 | 547 |
| UC (Sealed Units) Limited | £23,145.27 | 532 |
| Formula Aluminium Systems Ltd | £1,317,352.71 | 527 |

We can derive from this that by reviewing the top 20 valued suppliers being used without contracts in place, a large number are with care companies which may be compliant under the light touch regime.

There are however thousands of transactions with motoring firms and FM services. These will need to be checked to determine if they are using a framework to call-off.

Off-contract spend can be hugely detrimental to contracting authorities as it does not allow formal management if contracts aren't in place, obligations and performance metrics aren’t defined and leverage cannot be made using the contract terms and conditions. There would be a real opportunity to bring this spend onto contracts and identify where risks are currently not being managed effectively,

**Tail Spend**

These are transactions that will only require one quotation under the Standing Orders. Standing Order 86.5(1) states ‘Where the actual or estimated value of any Contract or Purchase Order for Goods and/or Materials to be supplied or Works to be carried out or Services to be provided is likely to be between £1.00 and £4,999.99 then, before entering into the Contract or issuing the Purchase Order, the relevant Chief Officer shall obtain at least one (1) written Quotation which shall be supported by sufficient evidence to show Best Value and shall be capable of being interrogated for disaggregation

Sub £5,000within the General Fund: there were 2080 suppliers used with a total value of £1,527,621.

The scale of the opportunity within tail spend is relatively small and therefore should not be prioritised for deeper scrutiny until higher valued contracts have been reviewed.

**P-Card Spend**

Using P-card spend analysis provided by Procurement we can extrapolate quarterly spend to conclude that in 2022/23, the total spend using p-card was circa £472k.

There is a fairly equal distribution of spend across the larger departments, however using the quarterly analysis below, we know that there are still transactions >£1,000 using p-cards where other procurement solutions could be utilised to ensure best value is achieved, i.e. framework call-offs.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Dept** | **Value** | **% £** | **Volume** | **% Volume** |
| Chief Executive | £7,067.15 | 6.0% | 53 | 5.8% |
| Children Families & Educ. Serv. | £33,811.07 | 28.6% | 334 | 36.6% |
| Inclusive Economy | £50,341.41 | 42.6% | 234 | 25.6% |
| Population Wellbeing | £26,890.92 | 22.8% | 292 | 32.0% |
| **Grand Total** | **£118,110.55** | **100.0%** | **913** | **100.0%** |

The codified terms of p-card use should be refreshed and communicated, especially to departments using p-cards for larger value transactions:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Over 1K Pcard Spend - Ledger Code Name | | | | |
| **Ledger Code Name** | **Value** | **% Value** | **Volume** | **% Volume** |
| Fleet Management | £27,330.00 | 23.1% | 104 | 11.4% |
| Resid Care and Ind Living | £12,015.52 | 10.2% | 79 | 8.7% |
| General Health Prevention | £9,168.25 | 7.8% | 13 | 1.4% |
| Homelessness | £5,792.01 | 4.9% | 102 | 11.2% |
| Head of Fixed Assets | £5,226.59 | 4.4% | 14 | 1.5% |
| Business Unit | £4,865.21 | 4.1% | 49 | 5.4% |
| Parks & Miscellaneous Services | £3,186.22 | 2.7% | 4 | 0.4% |
| Hospital Tuition | £2,846.96 | 2.4% | 37 | 4.1% |
| Corporate Strategy | £2,755.00 | 2.3% | 1 | 0.1% |
| Foster Care, Adoption & Resid | £2,650.16 | 2.2% | 37 | 4.1% |
| Learning Disability Resources | £2,622.00 | 2.2% | 74 | 8.1% |
| Fairway Residential Home | £2,234.18 | 1.9% | 49 | 5.4% |
| Design & Maintenance Manager | £1,991.81 | 1.7% | 3 | 0.3% |
| People in Crises Grants Admin | £1,973.88 | 1.7% | 10 | 1.1% |
| Tendered Contracts | £1,930.89 | 1.6% | 5 | 0.5% |
| Non Delegated Education Generl | £1,888.76 | 1.6% | 16 | 1.8% |
| Head of Children`s Services | £1,827.02 | 1.5% | 16 | 1.8% |
| Strategy & Private Sector Hsg | £1,743.52 | 1.5% | 5 | 0.5% |
| Voluntary Organisations - 3 | £1,578.98 | 1.3% | 8 | 0.9% |
| Day Care Regist & Inspection | £1,426.99 | 1.2% | 6 | 0.7% |
| Communications | £1,371.82 | 1.2% | 7 | 0.8% |
| Chief Executive | £1,328.70 | 1.1% | 15 | 1.6% |
| Sheltered Accomodation | £1,311.41 | 1.1% | 34 | 3.7% |
| Transformation Technology Holding Accounts | £1,184.60 | 1.0% | 15 | 1.6% |
| Environmental Initiatives | £1,103.29 | 0.9% | 2 | 0.2% |
| Family Servs & Child Protect`n | £1,001.34 | 0.8% | 9 | 1.0% |

A greater understanding of P-Card usage, especially in areas with particularly high volumes and high value spend should be considered to ensure they are being used correctly. Identifying the numbers of cards, who are using them and for what purposes should support a hypothesis that savings can be made in their usage if the correct procurement route is used to procure lower valued goods and services.

**Savings Opportunities**

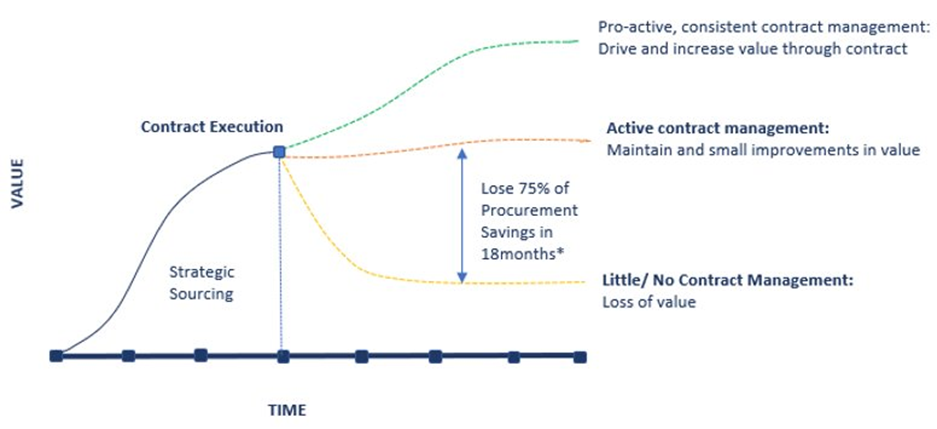
We have reviewed the potential contract savings using the general fund third party expenditure with a conservative estimation of a 2% achievable saving. 2% is a relatively low estimation of the potential savings as contracts are not being managed to an optimum maturity level, therefore we can also consider other savings opportunities to illustrate how, with an increased contract management maturity more value can be levered with suppliers The table below shows only the opportunities within the general fund for illustrative purposes only to demonstrate the size of opportunity through transformation of contract management practice:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **1** |  | **2** |  | **3** |  | **Total GF Savings** | |
| **General Fund** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** |
|  |  |  |  |  |  |  |  |  |
| 2% | 1,245,353 | 1,120,183 | 1,220,446 | 1,097,780 | 1,196,037 | 1,075,824 | **3,661,836** | **3,293,787** |
| 4% | 2,490,706 | 2,240,367 | 2,440,892 | 2,195,560 | 2,343,256 | 2,097,924 | **7,274,854** | **6,533,850** |
| 5% | 3,113,382 | 2,800,459 | 3,051,115 | 3,051,115 | 2,898,559 | 2,591,894 | **9,063,056** | **8,443,467** |
| 10% | 6,226,765 | 5,600,917 | 6,102,230 | 6,102,230 | 5,492,007 | 4,878,676 | **17,821,001** | **16,581,823** |

As the contract management maturity will take time to train, develop, embed and realise savings opportunities through more effective supplier relationship management and value levering, we do not envisage in 24/25 there to be a larger than 2% saving achieved, however we would expect the savings to rise in subsequent years once maturity has been optimised, therefore we would suggest that as the maturity evolves year-on-year we could potentially achieve the following:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **1** |  | **2** |  | **3** |  | **Total GF Savings** | |
| **General Fund** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** | **Cost Savings** | **Budget Savings** |
|  |  |  |  |  |  |  |  |  |
| 2% | 1,245,353 | 1,120,183 |  |  |  |  | **1,245,353** | **1,120,183** |
| 4% |  |  | 2,440,892 | 2,195,560 |  |  | **2,440,892** | **2,440,892** |
| 5% |  |  |  |  | 2,898,559 | 2,591,894 | **2,898,559** | **2,591,894** |
|  |  |  |  |  |  | **Total** | **6,584,804** | **5,907,637** |

This total saving equates to £12.7m cost and budget savings combined, therefore nearly double the savings from applying a flat-rate of 2% savings year-on-year. This is a more realistic opportunity and would be achievable from a less conservative estimate of 10-15% savings achievable from contract management maturity. The graph below shows how value can be achieved but also demonstrates that contract management is hugely important from day 1 of the contract commencing, and therefore considers the irrelevance of when a contract ends; value can be achieved in all years of the contractual term:



If we then consider other savings such as 10% on P-Card spending as this is unmanaged at present, this would generate circa £47k savings and if we also included tail spending savings at 5% this would equate to £76k.The total of the two would generate a further £123k in savings achievable by 25/26 to allow for procedural changes and staff training and uptake.

**Other Proposed Changes**

* Implement PIPS recommendations and optimise Contract Management, through the development of a delivery TOM.
* Review contracts to ensure VFM is being achieved.

Savings have been calculated on a conservative estimation based upon a total third-party expenditure within the General Fund for 24/25 draft budget of £164m and **2%** savings achieved on all contracts through better contract management and achieving best practice and contract management maturity, value levering and supplier relationship management.

**Opportunity Qualification**

|  |  |
| --- | --- |
| **Criteria** | **Rating** |
| Financial Benefits | *£6,955, 623* |
| Effort / Ease of Implementation | *3* |
| Impact (financial and non-financial) | *4* |

**Financial Delivery**

One off Investment required and savings

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **23/24** | **24/25** | **25/26** | **26/27** | **Total** |
| **One-off Investment** | - | - | - | - | - |
| **One-off Savings** | - | - | - | - | - |

Ongoing investments and savings

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **23/24** | **24/25** | **25/26** | **26/27** | **Total** |
| **Recurring Investment** | - | - | - | - | - |
| **One-off P-Card Savings** | - | - | £47,244 | - | £47,244 |
| **Recurring Tail-spend Cost Savings** | - | - | £76,381 | £76,381 | £152,762 |
| **Recurring Cost Savings- Contract Management** | - | £1,245,353 | £2,364,511 | £2,822,178 | £6,432,042 |
| **Recurring Budget Savings- Contract Management** | - | £1,120,183 | £2,195,560 | £2,591,894 | £5,907,637 |
| **Net Savings** | - | £2,365,536 | £4,683,696 | £5,490,453 | £12,539,685 |

Note: Savings have been calculated based on a 2% reduction in total GF third-party spend in 24/25, 4% reduction in 25/26 and 5% reduction in 26/27 through better contract management, value levering, supplier relationship management, and increasing contract management maturity over time. We have included other key opportunities for P-Card and tail-spend savings.

**Finance’s Validated Figures**

Finance have validated the figures in the table below based on part year effect (50%) and savings delivery confidence (30%), resulting in confidence in 15% of the total proposed savings for 24/25.

|  |  |  |
| --- | --- | --- |
|  | **23/24** | **24/25** |
| **Recurring Investment** | - | - |
| **Recurring Cost Savings** | - | £186,802 |
| **Recurring Budget Savings** | - | £168,027 |
| **Net Savings** | - | £354,833 |

**Non-Cashable Benefits**

|  |  |
| --- | --- |
| **Benefit** | **Description** |
| **Customer Experience** | Improved council services being delivered by third party suppliers. |
| **Employee Experience** | Enhanced commercial knowledge for contract owners to augment knowledge and learning. |
| **Productivity** | Value levering and continuous improvement from suppliers will optimise productivity and value gleaned from contracts. |
| **Social** | Impact of Social Value and the measurement and benefits realised by deploying Social Value into contracts. |
| **Economic** | Savings realised through improved Contract Management. |
| **Environmental** | Carbon procurement analytics being utilised and reviewed by Commissiong Boards to understand the impact third parties are having on the environment. |

**Resources and Stakeholders**

The following summarises the team, and wider stakeholders involved in the project:

|  |  |
| --- | --- |
| **Direct Team** | Human Engine, LBC Transformation Team, Procurement, Commissioning |
| **Stakeholders – Governance and Decision Making** | Procurement Team  Commissioning Boards  Commissioning  Finance |
| **Stakeholders – Customers / Beneficiaries** | All Contract Managers, Procurement, Commissioning |
| **Stakeholders – Providers / Delivery Teams / Partners** | Providers / suppliers |

**Risks**

The following top risks should be considered for this project:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ref** | **Risk** | **Likelihood** | **Impact** | **Total** | **Mitigations** |
| 1 | PIPS recommendations. | 4 | 4 | 16 | Project implementation with strategic support rather than ad hoc change. |
| 2 | Procurement Team resourcing. | 4 | 4 | 16 | Fill vacant posts. |
| 3 | Contract Managers not supportive of savings requirements. | 3 | 5 | 15 | Strong leadership with targets assigned to each contract manager. |

**Critical dependencies, constraints, assumptions**

* Resources are low in Procurement to implement change as one BP has left, the other has been seconded to ASC.

**Timetable – Key Activities and Milestones**

|  |  |
| --- | --- |
| **Stage / Gate target milestones** | **(Target) Date** |
| Gate 0: Decision: Progress Opportunity | Jul 2023 |
| Gate 1: Decision: Outline Business Case | Oct 2023 |
| Gate 2: Decision: Full Business Case | Apr 2024 |
| Gate 3: Decision: Investment Decision | Apr 2024 |
| Gate 4: Decision: Go-Live / Handover to BAU | Mar 2025 |
| Gate 5: Decision: Benefits Review Complete | Apr 2025 |

|  |  |  |
| --- | --- | --- |
| **Project Deliverable** | **Start** | **Finish** |
| PIPS Review and outcomes to be actioned | Oct 2023 | Apr 2024 |
| Archiving contract review | Oct 2023 | Apr 2024 |
| All third party spend and contracts review | Oct 2023 | Apr 2024 |
| Contract Management practice review | Oct 2023 | Apr 2024 |
| Contract training | Apr 2024 | Jun 2024 |
| Support for Contract Managers to achieve savings on third party contracts | Jun 2024 | Mar 2025 |

**Approvals of this Savings Delivery Plan**

|  |  |  |
| --- | --- | --- |
| **Name** | **Role** | **Date Agreed** |
| Mark Fowler | *Project Sponsor* | TBC |
| Catharine Southern | *Head of Service* | TBC |