Business Plan 2016-2017
UK Shared Business Services Ltd

Introduction

UK SBS provides a range of services to the Department for Business Innovation and Skills and a number of its Partner Organisations. Although a company limited by shares we are effectively an in-house shared service provider – our core customers are our owners. Previous ambitions for growth outside the BIS Group have been abandoned as we focus on supporting the delivery of the new BIS Shared Service Strategy and development of their new operating model. Changes to Board Membership in 2015-16 reflect the new direction and priorities for the Company.

2015-16 saw continued efficiency and significant ongoing stabilisation of services. Increased productivity has been significant; over the last two years our workforce has reduced by 33%.

The Review of the BIS Shared Service Strategy during 2015/16 signaled a significant shift in focus and direction for the company. While the change in overall direction is clear, the detail is not yet defined and this plan is set within that context. The plan will be reviewed by the Board as required throughout the financial year, and specifically at the mid-year point, to ensure on-going relevance and alignment with the BIS Shared Services programme.

The overall long-term impacts of the new BIS Shared Service Strategy for UK SBS as a company are profound. It is anticipated that, within the next 3 years, services will be prepared for and transfer to other service solutions/providers (whether in-house, within a centre of excellence, or through public or private sector third parties) and consideration will be given to the requirements for and any future use of the UK SBS company.

The programmes to determine the future operating model for relevant services collectively and by individual function are led by BIS and on that basis, while UK SBS can inform and influence change, we will not ourselves decide the nature and timing of the changes we will be required to deliver.

In the same way that UK SBS has adapted over recent years, UK SBS is rising to the challenges ahead. This business plan sets out the UK SBS approach to the next three years and the activities required within the next 12 months. However we recognise that we will need to remain agile and responsive to decisions taken in year and that this "living plan" will need to be held under frequent review and revision. In the meantime we will focus very clearly on the effective delivery of services.

Whatever the future brings and whatever we are required to do we understand fully that, as in recent years, delivery of successful change will be highly dependent upon our people.

Tim Knighton   **Jo Brigham**
Chairman   **Executive Director**

Context

UK SBS delivers shared business services to its owners and other BIS Partner Organisations. Services include:

- HR & Payroll
- Finance
- Grants
- Information Technology
- Procurement
- Property Asset Management (PAM)

While the service lines focus on service delivery, greater effectiveness and efficiency across the service lines will be driven through cross functional organisational and operational support teams.

The plan that follows sets out for each of the service lines an explanation of the service and its scope, current status, and key objectives and deliverables for 2016-2017.

Looking back:

Over the past two years UK SBS has been focused on the challenge and significant tension of reducing its cost base and cost to serve while stabilising and improving services.

As with most service based organisations our main assets and our main costs relate to our people. Following significant reductions in headcount and cost base in 2014/15 UK SBS has continued to better manage its resources and deliver further efficiency. Staff costs (excluding contractors employed for specific projects) have fallen by over 20% over the last two years (from £27.3M to £21.5M when adjusted for the transfer of the Grants Peer Review process). Despite these reductions UK SBS has continued to stabilise and improve services and manage risk.

As well as measurable cost reductions and service improvements UK SBS has developed and matured its underpinning processes. Through engagement with customers it has developed a better understanding and a more flexible management of ad-hoc service demands but recognises that there will always be the potential for unexpected peaks in demand.

In response to the change of direction and focus for the company, signaled by BIS and owners, changes have been made to Board Membership, related Governance frameworks and the Executive team to better enable and support the organisation in responding to those changes over the next few years.

Our operating environment:

UK SBS has seen and supported changes within our customer base and further changes are planned within 2016-2017 including the managed exit of a number of customers in line with their strategies. Exits must be managed in a way to ensure continuity of service for these customers and minimal impact on the wider customer base.

Alongside this, user volumes within our customer organisations are reducing as they too tackle financial pressures and improve efficiency. While the detail is not yet known, user volumes are expected to fall significantly over the next year.

However the most significant driver for change within UK SBS is the new BIS Shared Services strategy. The overall long-term impacts of this for UK SBS are profound; within the next 3 years services within each function are expected to be prepared for and transfer to other service solutions / providers (in- house, centre of excellence, public or private sector) and consideration will be given to the requirements for and use of the UK SBS company.

The programmes to determine the future operating model for relevant services collectively and by individual function are led by BIS (in consultation with Partner Organisations) and on that basis, while UK SBS can inform and influence change, UK SBS will not itself decide the nature and timing of the changes it will be required to deliver. At the start of the plan period there is a lack of detail relating to these programmes but a key dependency that will drive the timeline for decisions relating to future options for transactional services is the expiry of the current Oracle licence deal in May 2018.

Alongside any agreed changes to deliver the future functional models and prepare for related transfers, UK SBS will need to maintain services within the existing model and make changes necessary to limit risk, enable stabilisation or improvement of service and reduce cost.

Irrespective of change, maintaining business as usual presents a number of challenges given the reliance on "out of support" systems, increasing data security threats and an understandable reluctance to invest in legacy systems.

With a break clause in the commercial lease for the North Star House Headquarters in 2017, UK SBS will need to relocate by the end of this calendar year (December 2016).

Key Assumptions:

In the absence of detail relating to the key programmes impacting UK SBS the plan has been developed on the basis of some informed assumptions. These will be reviewed and updated on an ongoing basis. The draft budget figures presented are subject to final agreement with BIS.

The key assumptions underpinning the plan are that:

- There will be no business development or growth for any services delivered by UK SBS beyond the BIS family;

- UK SBS BAU cost base will reduce by 3.9% from £34.9m to £33.5m. This funding envelope will enable limited operational enhancements / systems maintenance but excludes transition / transformation programme costs and funding for any agreed further Oracle 12.0.6 remediation;

- Programme governance will be established within BIS to resolve dependencies and conflicting demands (UK SBS does not have the mandate to align the parties / programmes or determine priorities);

- All existing customers will follow a roadmap agreed by the functional leads within BIS and although the presumption should be for a single solution there may be a justification for the development of more than one solution for shared service provision;

- The core elements of transactional services will continue to be delivered by UK SBS for at least 12 months;

- The core elements of transactional services transfer to other parties within 2 years (i.e. ahead of the end of the current licence deal and cessation of Oracle 12.1.3 support);

- Some elements of services may transfer to BIS Centres of Excellence, RCUK and/or customer retained functions at any time within the next 2 years if this is consistent with the future operating model and delivers overall benefit;
- The cost of change will be met by BIS.

Priorities

Priorities to underpin the plan:

Based on clear direction from its owners the UK SBS priorities for the **3 year period 2016-2018** are:

1. The stable delivery of services to agreed standards;
2. Prepare for and undertake an orderly transfer of service, assets, liabilities and resources as required by the BIS Shared Services programme and other Programmes;
3. Prepare for an orderly wind-up or re-structure of the company;
4. Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources;
5. Ensure the respectful management of our people through change minimising where possible the impacts of transfer or exits;

Based on this the UK SBS focus and core objectives for the next year (2016-20172016-2017) are:

> *1. The stable delivery of services to agreed standards;*
> *2. Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources;*
> *3. To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements;*

Approach

Although we cannot at this point undertake any detailed planning beyond 2016-2017 we have identified the critical "hard stop" milestones that will have to be met over the next 3 years to ensure that we maintain a clear line of sight and can inform the decisions and actions required to meet these.

The key critical milestones are set out in Annex A.

Our detailed plans for 2016-20172016-2017 are based on the assumptions listed earlier and we will need to review and revise these on an ongoing basis and as clearer direction and decisions arise from the various programmes within BIS; fundamentally UK SBS will need to remain flexible, agile and responsive.

The first priority for UK SBS is clear and this will be the focus for our service delivery areas. However in preparation for future transfer we will be aligning the service delivery resources more closely to the future functional delivery models and creating a cross service operational support team to optimise cross functional skills and increase resilience. During the ongoing discovery and evaluation phases of the BIS programmes a small team within the UK SBS Corporate Services Directorate, working closely with the Executive Director, will coordinate engagement between UK SBS and the programmes or functional leads, ensure consistency of information and reconciliation of data and provide a cushion between this activity and business as usual delivery. As the plans become clearer, transformation and business as usual will draw closer together.

Irrespective of the likely implications for the Company, UK SBS is committed to supporting the effective and efficient delivery of the new strategy and direction set by its owners. The clearer focus is welcomed and we intend to work more closely with, inform, support and respond to the various BIS programmes as well as the development of the individual functional models. Prioritisation and profiling of change will be critical to the management of risk and we will continue working with BIS and clients to establish appropriate governance and change control.

Retention of key skills and capability is essential and a clear focus for the Executive team. At the same time we are aware that there will be specialist skills that we will need to employ for discrete activities and projects and our core resources will need to reduce to accommodate this; our resource model will need to balance continuity and flexibility. To this end we have undertaken an initial re-structure ahead of the start of this plan period and plan a further and more significant re-organisation within the year.

2. SERVICE DELIVERY

The service delivery objectives for 2016-2017 are set out below with the scope, current status, key initiatives, deliverables and metrics detailed for each service in the sections that follow.

Following on from the service delivery plans are the key enabling priorities for the organisation.

UK SBS will ensure that activities are aligned and resources allocated to deliver the objectives set out within this plan.

2.1 HR Service Delivery

The HR Service Delivery (HRSD) team is responsible for providing customers with quality and timely transactional, recruitment and other specialist HR and advisory services. HRSD and Payroll delivered services to over 24,000 users in 2015-16. During 2015-16 the payroll service will have produced approximately 187,350 pay slips and over 1000 new employees will have been recruited for our clients.

2016-20172016-2017 HRSD focus:

- HRSD will build upon the work undertaken in 2015-16 to fully stabilise the service and drive efficiency and consistency across the directorate.

This will be done through embedding Quality and Accuracy monitoring across all teams, ensuring that opportunities are taken to enhance the services and by improving the customer experience of the service delivered.

HRSD 2016-2017 High Level Roadmap:

Service	Q1	Q2	Q3	Q4
HR&Payroll	• Complete the exit programme for Pirbright • Submit HMRC Returns	• IPO exit from UK SBS services	• Complete transfer of RC Internal Audit employees from BBSRC to GIAA	

UK SBS Objective	HRSD Activity	Timing
The stable delivery of services to agreed standards	Continued stabilisation and achievement of CPI performance	Monthly/Annually
	Improve the Quality and Accuracy of processing across HRSD by embedding QA monitoring. Target to achieve a PI score of 95%	March 17
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Continue to drive Continuous Improvement and cost effective automation through full implementation of the auto-contract generator, to drive down costs both in terms of time and resources	Monthly
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	HRSD will continue to assist client organisations in delivery of a smooth exit strategy from the entities and/or units from UK SBS	Monthly
	HRSD will ensure that they work with BIS and its Partner Organisations to successfully support their MOG transfers and exit schemes	Monthly

HR and Payroll Metrics

UK SBS has reviewed and agreed targets with clients through the existing Customer Working Groups, with some changes made in line with more realistic expectations and government targets.

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-HRP-1	Payroll Transactions Processed by Deadline	= 100%	100%	= 100%
CPI-HRP-2	Payroll Error Rate (UK SBS errors only)	<= 0.5%	0.36%	<= 0.5%
CPI-HRP-3	Statutory Deadlines Achieved	= 100%	99.6%	= 100%
CPI-HRP-4	Ad-Hoc Programmes Delivered to Agreed Targets	>= 95%	100%	>= 95%
CPI-CS-1	Percentage of Contacts Resolved by Target Date	>= 85%	86.1%	>= 85%

2.2 Finance Service Delivery

The Finance Service Delivery (FSD) team is responsible for providing customers with quality and timely transactional, accounting and other specialist advisory services. The scale of the work undertaken is represented by 40 payment runs per day, reconciliation of 80 bank accounts each month, processing over 450,000 invoices and claims per year and accounting for over £25bn of annual expenditure across all clients.

2016-20172016-2017 FSD focus:

- Deliver continued efficiencies through increased use of technology; specifically through the continued automation of invoice processing and undertake a review to deliver a more effective account reconciliation process.
- Support the delivery of the wider BIS 2020 finance operating model and Research Council operating cost reduction programme (OCRP) through the identification of specialist value added activity and ensure readiness to transfer this and other activity to a BIS CoE or alternative service provider.

FSD 2016-2017 High level Roadmap:

Service	Q1	Q2	Q3	Q4
FSD	Successful preparation and delivery of client resource accounts	Invoice scanning on 12.0.6 fully implemented	Revised account reconciliation process delivered to clients	Wider electronic invoicing capability introduced on both platforms

UK SBS Objective	FSD Activity	Timing
The stable delivery of services to agreed standards	All CPIs monitored weekly with workplans aligned to deliver services	Weekly
	All Finance Service Delivery service lines reviewed quarterly via the Finance control, design and mapping framework	Quarterly
	Risks associated with the all Finance Service Delivery activity reviewed on a monthly basis	Monthly
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Delivery of efficiencies through reduced costs and improvement to the speed of service via the invoice automation project	Delivery by end Q2
	The account reconciliation review will align to the developing BIS and RCUK finance operating model. Collaboration with retained client finance teams is key.	Q3
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	Across all service lines, closer partnership working will continue to be delivered to remove boundaries and improve communication with all clients.	Ongoing
	Finance Service Delivery workplans agreed with clients and monitored via Finance Working Group	Ongoing
	Specialist value added service lines identified and alignment agreed to support the BIS 2020 finance operating model	Q1

Finance Service Delivery Metrics

UK SBS has reviewed and agreed targets with clients through the existing Customer Working Groups, with some changes made in line with more realistic expectations and government targets.

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-FIN-1	Supplier Invoices Processed in 2 Working Days of Receipt	>= 95%	N/A	>= 85%
CPI-FIN-2	UK SBS Debt Actions Undertaken in Line With Agreed Process	>= 95%	N/A	>= 95%
CPI-FIN-3	No. of Working Days to Complete Key Reconciliations (Issues Log 1)	<= 15 days	14 days	<= 15 days
CPI-FIN-4	UK SBS Outstanding Reconciling Items Resolved within Target Date	>= 95%	N/A	>= 95%
CPI-FIN-5	Purchase Requisitions Processed in 3 Working Days (<£10K)[1]	>= 95%	97.0%	>= 95%
CPI-CS-1	Percentage of Contacts Resolved by Target Date	>= 85%	69.1%	>= 85%

[1] Moved from the Procurement Service in January 2015

2.3 Grants Service Delivery

The Grants service is responsible for providing the Research Councils with a grants administration and support service that adds value, allowing them to focus on their strategic objective of funding UK research. The team supports over 17,000 active research grants, fellowships and training awards.

Over the course of 2015, 17,635 proposals were handled, over 4,000 offers for funding were made and 4,815 funding reconciliations carried out. Our team of Process Owners are continually reviewing and updating the processes in response to system changes and upgrades, policy and process amendments, and user feedback.

2016-2017 Grants focus:

- Maintain current service delivery standards whilst engaging with the BIS led grants programme
- Support the BIS Grants Funding Delivery Programme
- Agree appropriate timeline and plan for the transfer of grants administration

Grants 2016-2017 High level Roadmap:

Service	Q1	Q2	Q3	Q4
Grants				

UK SBS Objective	Grants Activity	Timing
The stable delivery of services to agreed standards	Maintain current service standards	On-going
	Quality improvements on Check proposals and Offer Preparation activities	30 September 2016
	Meet and exceed Contacts (Enquiries) Resolved SLA target	31 July 2016
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Improve guidance, advice and support for service Users	30 September 2016
	Review, update and implement data and information handling policies	31 March 2017
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	Contribute to the BIS Grants Funding Delivery Programme	31 March 2017
	Help identify and realise efficiencies as part of the Research Councils' Operational Cost Reduction Programme	On-going

Grants Service Delivery Metrics

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-GR-1	Call / Scheme Set Up by Launch Date	= 100%	99.6%	= 100%
CPI-GR-2	Applications Released Within 5 Working Days to Clients	>= 95%	99.2%	>= 95%
CPI-GR-3	Offers Prepared Within 10 Working Days	>= 95%	92.6%	>= 95%
CPI-GR-4	UK SBS Error Rate on Offers Returned at Authorisation Stage	<= 1%	1.5%	<= 1%
CPI-GR-5	Grant Payments Made On Time & Accurate (Quarterly)	>= 99%	100.0%	>= 99%
CPI-CS-1	Percentage of Contacts Resolved by Target Date	>= 85%	82.3%	>= 85%

2.4 Information Technology

UK SBS provides a range of IT, infrastructure, applications and support services to clients:

2.4.1 IT Service Delivery
The service delivery team provides a number of direct services to UK SBS and RCUK users in the form of end user devices and support, email, file & print, service desk, Service Integration & Management (SIaM) and Security/Accreditation. The core aim of IT is to deliver these services in a consistent, cost effective manner in line with the wider aspirations of the BIS 2020 and the Common Technology Programme (CTP)

2.4.2 IT Technology
The IT team also provides functional and technical support for the infrastructure for the two RCUK and BIS Oracle applications, along with a number of business hosted applications.

2016-2017 IT focus:

- Reduction of the technical debt within the estate and improved resilience and reliability of our key systems and infrastructure
- Delivering cost effective service for customers within agreed service levels

IT Delivery 2016-2017 High level Roadmap:

Service	Q1	Q2	Q3	Q4
IT	• Headroom Projects delivered	• EPM & LANDesk in Cloud	• Non-Oracle Platforms to Cloud • Oracle 12.0.6 DR • Oracle 12.0.6 enhancements in place	• Cloud based Telephony

UK SBS Objective	IT Delivery Activity	Timing
The stable delivery of services to agreed standards	Demonstrate the quality of our services through continued meeting of CPIs and service levels using appropriate dashboards/thresholds and alerts to support the ongoing management and delivery of service	2016-2017
	Continued engagement with Clients through Service Review activities; agreeing service improvements where it makes sound business sense, in the current climate, to do so and can be achieved within budget	2016-2017
	Through delivery of a number of headroom projects already underway, continue to modernise IT infrastructure and solutions to reduce risks, enable more options for delivering service, and comply with the Government's "Cloud First" policy and BIS IT 2020 Vision	Q1

UK SBS Objective	IT Delivery Activity	Timing
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Evolve SIaM capability to undertake benchmarking of IT services; develop version 2 of the IT shadow cost model; drive value from all contracts and ensure any new contracts are short term and/or have explicit termination clauses to allow flexibility to adapt to BIS strategy	Q2
	The SIaM team will develop service lifecycle planning activities and revise the IT portfolio of services.	Q2
	IT will continue its engagement with CTP and deliver agreed flexible services	2016-2017
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	IT will continue its engagement with BIS and offer support, expertise and resource where appropriate to support the Grants Funding Program, Common Technology Program BIS 2020 Shared Services programmes.	2016-2017
Undertake a re-location from NSH with minimal disruption to service delivery.	IT will support the successful relocation of UK SBS through engagement with PAM and provision of resource where agreed timescales have been reached	Q1

IT Services Metrics

UK SBS has reviewed and agreed targets with clients through the existing Customer Working Groups, with some changes made in line with more realistic expectations and government targets.

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-IT-1	Systems Missing Availability Target[2]	<= 0.5 avg.	0.3 avg.	<= 0.5 avg.
CPI-IT-2	Incidents Triaged Within 3 Hours	>= 85%	87.7%	>= 85%
CPI-IT-3	Change Requests Delivered On Time & To Budget	>= 90%	95.6%	>= 90%
CPI-IT-4	Major Security Incidents	= 0	0	= 0
CPI-CS-1	Percentage of Contacts Resolved by Target Date	>= 85%	86.1%	>= 85%

[2] Will also include the EPM system from 2016-17

2.5 Procurement

UK SBS delivers procurement services primarily for our owners, alongside some limited pan-government activity (i.e. for Market Research). Following the recent changes in Governance structure, procurement will have a much closer working relationship with BIS, bysupporting them in the delivery of their Shared Services and 2020 strategies. £850m spend under management is anticipated in 2016-2017.

Based on an understanding of customer requirements and markets, the scope of services offered range from sourcing through supplier development and contract management to asset disposal.

The procurement function is divided into five areas of activity:
1. Major Projects including research equipment
2. Common Goods and Services including ICT
3. Construction & Facilities Management
4. Research including hard, soft and consumables
5. Policy

The Procurement team delivers a service based on compliant process and enabled by technology; end to end category management is embedded and utilises management information to drive improvements and contribute to benefits/savings. The 2015-16 GIAA audit recognised significant improvement in the governance framework surrounding the Procurement function, commending the teams progress to date, resulting in a "moderate" assurance opinion.

In the delivery of these services UK SBS maintains a strong working relationship with both its customers through a variety of engagement forums and stakeholders such as The Cabinet Office Crown Commercial Service (CCS); ensuring our approach is aligned with central government.

2016-2017 Procurement focus:

- Deliver savings of 6% against a managed spend of £850m
- Deliver consistent customer service through increased catalogue spend
- Improve customer satisfaction through supportive education and guidance
- Ensure appropriate quality control measures are implemented

Service High level Roadmap:

Service	Q1	Q2	Q3	Q4
Procurement	• Category packs rolled out across all areas	• New solution for e-commerce platform placed	• Contract Management fully embedded for key suppliers	• Training programme for 15/16 delivered

UK SBS Objective	Procurement Activity	Timing
The stable delivery of services to agreed standards	Maintain focus on control and compliance, ensuring timely delivery of all activity in line with agreed SLAs - above and below OJEU using technology	All activity throughout 16/17
	Support our talent by maintaining a comprehensive training programme to contribute to delivery	A series of training to be provided throughout 16/17
	Provide customers with a quarterly performance pack covering all procurement activity	Packs to be produced quarterly
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Improve our understanding of customer needs and expectations, working with customer to maintain clear pipelines of work.	Each Quarter
	Monitor resource requirements through the procurement resource model & tracking database.	Monitoring throughout the year
	Provide customers with category packs that allow them to make informed decisions and change behavior in their business to deliver better value	Monthly
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	Support BIS in the development and implementation of their category leadership programme	Throughout 16/17
	Continue to support BIS with its SME agenda by promoting upcoming opportunities and improving cashflow to SMEs through an early payment strategy.	33% sourcing across customers with SMEs and >100 suppliers signed up to early payment strategy.
	Contribute to the development of the commercial operating model	Throughout 16/17

Procurement Metrics

UK SBS has reviewed and agreed targets with clients through the existing Customer Working Groups, with some changes made in line with more realistic expectations and government targets.

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-PRC-1	Procurement Benefit v UK SBS Managed Spend Ratio FYTD	>= 6%	6.3%	>= 6%
CPI-PRC-2	Return On Investment (procurement benefit v cost of service) FYTD	>= 9.7 : 1	9.7 : 1	>= 10 : 1
CPI-PRC-3	OJEU Competitions Completed in 90 Days	>= 95%	92.9%	>= 95%
CPI-PRC-4	Further Competitions in UK SBS Control Completed in 20 Days Further competitions / SSAs completed in agreed timeframes	>= 95%	90.8%	>= 95%
CPI-CS-1	Percentage of Contacts Resolved by Target Date	>= 85%	72.9%	>= 80%

2.6 Property Asset Management (PAM)

The Property Asset Management function covers a range of services including the planning, acquisition, design, construction/fit-out, management, disposal and administration of real estate property on behalf of customers.

The BIS estate portfolio is the fourth largest across government, with costs in excess of over £300m. The PAM estates director is the Functional Lead for the entire BIS portfolio, which includes both scientific and admin estates. PAM team currently directly manages the operational and/or strategic planning for the admin estate with operational costs in the region of £120m, which equates to approx. 400K m^2, over 140 properties, which accommodates over 18,000 BIS FTE's.

PAM currently has 8 clients. The current service generates an income of £1.8m (FY16/17). A dynamic charging model is being implemented for apportioning the PAM charge to the users of the service. The apportionment is based on the time spent on services supplied to each customer. Data is collected on a monthly basis. The charge for each financial year is defined by the activities from the preceding financial year

Adhoc and additional service requests are managed via the Additional Service Request (ASR) procedure.

PAM Estates Programme

The Estate Programme will support the delivery of the BIS 2020 change programme through effective estates rationalisation from a workplace perspective. This has been and will continue to be achieved by the development of a model for flexible or agile working. An outline strategy has been prepared and submitted to the BIS Executive Team (October 2015) and PAM await BIS instructions.

BIS Estates - Alignment to government policies

There are very important external factors which may influence the commercial strategy and contractual arrangements of BIS approach to estates and facilities management as this needs to align to other government agendas; for example:

- Central Government has proposed a New Property Model (NPM) which currently suggests the strategic asset management is transferred to a new agency, whilst the corporate real estate needs and TFM arrangements remain locally within departments. This is subject to change and therefore BIS strategy and commercial arrangements will evolve along with the thinking.
- Hubs agenda – Central Government Hubs agenda may influence the BIS location Strategy.

2016-2017 PAM focus:

- Alignment to government strategies
- Service delivery to existing customers built on improved MI capability, which will enable cost effective solutions for our customers
- Enable BIS to deliver its Spending Review savings through an effective estates rationalisation programme
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Service High Level Roadmap

Service	Q1	Q2	Q3	Q4
PAM		Estates Strategy instruction from BIS to progress strategy to delivery stage.		

UK SBS Objective	PAM Activity	Measurement & Timing
The stable delivery of services to agreed standards	Demonstrate quality of our services through robust data capture and SLAs agreed with our customers. Transparent charging using the dynamic charging model. Sharing of data and information via internal and external dashboards which represent the service from up to date data.	Q1 – Q4
	BIS TFM Contract extension / re-tender decision.	Decision implementation at end of Q4.
Ensure value for money through effective alignment, utilisation, collaboration and sharing of resources	Implement a single estates budget, subject to mandation if determined BIS	Q1 – Q4
	Data Capture and Management System (DCM) – using data as the backbone to the PAM service, allowing a unilateral approach to scenario building for efficient running of the estate for both BAU and Programme options	Q1 – Q4
	Review TFM contract performance in line with re-tendering/contract extension opportunity at March 2017.	Q1 – Q4
To input constructively to the BIS Shared Services (SS) and other Programmes and respond to short term programme requirements	BIS to Agree and instruct next stage estates strategy direction and move to delivery mode	Q1 – Q4
	Invest to save bid for programme submitted to secure funding to deliver	Q1
Undertake a re-location from NSH with minimal disruption to service delivery.	Interim solution is programmed for	Q1
	Permanent solution is hoped for Q4 completion (end of December), but we are at the very early stages of discussion to find space in Polaris House	Q4 but this may be Q1 2017

PAM Metrics

CPI Ref	Description	2015-16 Target	2015-16 Score	2016-17 Target
CPI-PAM-1	Net Internal Area Ratio Across the BIS Portfolio (Qrtly)	<= 10 m²	10.9 m²	<= 10 m²
CPI-PAM-2	Business Days Lost Due to Facilities Issues	= 0	0	= 0
CPI-PAM-3	Meet PAM Service Level Performance Targets	>= 80%	N/A	>= 85%
CPI-PAM-4	Achieve TFM Contract Targets	>= 85%	96.2%	>= 85%
CPI-PAM-5	Deliver Additional Service Requests to Agreed Timescales & Budget	N/A	N/A[3]	= 100%

[3] No timescales and budgets were agreed for Additional Services Requests in 2015-16

3. Operational Support

3.1 Client Relationship Management

To date the CRM team has provided dedicated Relationship Management (RM) for each client through which the Company engages with representatives for each of the services. Transactional services attract as much (if not more) management as business services and this is highly unusual given the required relationship between service delivery teams, users and customer retained functions.

Recognising that future needs are now being driven by programmes and through the functional leadership model, rather than by individual client, we will work with clients and programme leads to make changes to the current approach and re-align the resource within this team to focus on the future functional leadership models, required changes and their alignment to the wider corporate service and shared service programmes.

This change of focus for the team will release capacity and will also help ensure further and on-going development of the relationship between the customer retained function and the service delivery team, including better use of escalation processes.

3.2 Quality Assurance/ Service Improvement

There is a need to maintain standardised and joined-up approaches to customer service across the company. This includes ensuring best practice approaches to the handling of queries and complaints, quality and accurate performance reporting, and adopting industry standard methodologies for organising and improving workflow.

Objectives for 2016-2017 are to establish cross-cutting operational support team across the company to ensure that recent improvements in delivery performance are sustained and incremental improvements where it makes sense to do so.

3.3 Technology

As outlined in section 2.4 the IT team provides a mix of applications and software to clients and to UK SBS, which enable service provision. The critical focus is to deliver services in a consistent, cost effective manner in line with the wider aspirations of the BIS 2020 and Common Technology (CTP) programmes, and to ensure the continued delivery of UK SBS services and operations in client organisations. A key objective in 2016-2017 is maintaining system and infrastructure performance and integrity; this will include any agreed projects to enhance Oracle 12.0.6 resilience and overall disaster recovery capability.

4. Organisational Support

The organisational focus and objectives for 2016-2017 require us to deliver further efficiency and effectiveness but also to increase our organisational capability and flexibility. However, the specific requirements are dependent on the requirements of the BIS Shared Services Programme and we must be clear that any investment or commitment will provide an economic return.

The analysis and design work to underpin this will be key activities during 2016-2017 ensuring these are fully informed by any emerging assumptions, recommendation or decisions coming from the BIS programmes.

4.1   People

The UK SBS team has continued to deliver efficiency improvements against a backdrop of uncertainty and change. The uncertain environment had a human impact and budget pressure constrained the potential to invest in training and development. Despite these pressures the people within UK SBS have remained remarkably resilient to the personal implications of change and uncertainty and have worked more closely together across the functions to support each other and share best practice. Through 2016-2017 an open and honest dialogue intended to engage, involve, inform and demonstrate respect to individuals will continue; to ease the challenging journey through the 'change curve'. This will also help ensure a focus on the job in hand and provide a greater sense of short term stability against the backdrop of ongoing uncertainty.

The organisational design, linked to capability and structure, will be reviewed at the mid-year to ensure that it is appropriate to implement the agreed BIS 2020 Shared Services strategy.

With uncertainty for employees resourcing and individual capability will be maintained by:

- Retaining critical resource through delivering challenging skills development opportunities (including further 'Brilliant Basics' workshops) and selective deployment of agreed financial retention tools.
- Delivering flexible resource solutions (fixed term, established, interim, contract) to maintain service and deliver transition through an uncertain period.

4.2 Project & Portfolio Management

Project & Portfolio Management defines and manages the governance, processes and controls for project and programme delivery across UK SBS, delivers portfolio reporting and management services, and provides Project Managers for key corporate projects and programmes (with IT providing IT Project Managers). The core purpose of Portfolio Management is to maximise the efficiency and effectiveness of project and programme delivery for UK SBS and clients.

Objectives for 16/17 are to extend PMO services from primarily administration to provision of portfolio analysis and reporting to support decision making; develop and implement approach to delivery assurance for projects to maximise successful delivery; provide Project Management for key corporate projects and programmes; critically ensuring alignment to BIS change programmes .

4.3 Controls

UK SBS has controls established to meet statutory, regulatory and legislative requirements, aligned with government policies. Appropriate policies and controls are in place and regularly reviewed.

The quality and effectiveness of underpinning processes and controls has improved markedly and future work will focus on action that will facilitate future transition of services.

Self-assessment, internal peer review and internal audit activity is well established to monitor actions and identify potential weaknesses.

4.4 Governance

With establishment of the new Board and Governance framework, the focus will be on ensuring this provides an appropriate, robust and compliant foundation for the company. Explorations of the necessary steps for a possible wind-up of the company will commence.

4.5 Transformation

Although the overall direction of travel for UK SBS and its component parts is clear, the detail is not. During the initial stages of the 2016-2017 plan period UK SBS will need to:

- Engage with and inform the various functions and programmes to support the development of options and decisions;
- Ensure dependencies and risks are understood and where necessary advise and influence in order to minimize risks;
- Ensure that any data or information provided by UK SBS to individual functions or programmes has integrity and can be fully reconciled;
- Progress initiatives that will prepare UK SBS for change irrespective of the detail of change;
- Produce a high level plan for the transfer of services and wind-up of the Company;
- Limit the impact on business as usual delivery of uncertainty and activity within the "discovery" and "planning" stages.

With the scope and range of change requests that may come from individual clients, functions and/or programmes it is essential that priorities are clear and dependencies managed.   UK SBS will continue working with BIS to ensure appropriate governance and prioritisation through change and transfers. As well as prioritising change we will need to engage and agree change freezes where appropriate. Changes agreed will be managed, internally, through the UK SBS portfolio processes.

A small team will work with the Executive Director to coordinate engagement and activity within the early stages of the plan period. It is anticipated that the transformation and business as usual operations will be brought more closely together mid-way through the plan period.

5. Finance and Resourcing

A summary of the draft income and expenditure budget for 2016-2017 is set out below:

Forecast Income and expenditure account

Income and costs (£m)	2016-2017 Draft Budget	2015-16 P10 Forecast
Standard service charges	33.2	33.3
Non-standard income	0.3	1.9
Total income	**33.5**	**35.2**
Staff costs	22.9	23.6
Non-staff costs	10.6	11.3
Surplus/(deficit) before depreciation	**0.0**	**0.3**

Breakdown of costs by directorate

Total costs (£000)	2016-2017 Draft Budget	2015-16 P10 Forecast
Transactional services		
Finance	3,789	3,768
HR/Payroll	3,330	2,972
Grants	1,654	1,613
Non-transactional services		
ISS	13,846	14,148
Procurement	3,836	4,112
Property Asset Management	1,243	1,323
Enablers		
Corporate services	5,824	6,578
Other		
Projects	0	313
Secondees out	0	65
Total	**33,522**	**34,892**

Sources of Income

Description (£000)	2016-2017 Draft Budget	2015-16 P10 Forecast
Standard service charges		
Standard BAU services	33,200	33,281
Non-standard income		
Various other charges	322	1,426
Client projects	0	477
Grand Total Income	**33,522**	**35,184**

This represents an overall BAU cost reduction of 3.9%. All 2016-2017 figures are draft and subject to agreement with BIS. No transition or Oracle 12.0.6 remediation costs are included.

6. Risks to Delivery of the 2016-2017 Plan

In developing this plan it is evident to the Board and Executive that, in addition to the normal BAU operational risks, the Company is operating in a fluid risk environment that may evolve significantly as the BIS programme plans become clear.

Risks will be captured, managed and monitored in line with the Company's Risk Management policy and significant risks recorded within the Corporate Risk Register; which is overseen by the UK SBS Board and Audit Committee. Clients are provided with Quarterly Assurance letters that provide a review of key controls, current risks and mitigations.

As the financial year progresses it will be necessary to ensure risks are managed across multiple organisations; and consideration will be given to how this is reflected in the Company's assessment and management of risk.