

## STRATEGIC LEADERSHIP BOARD MEETING – 2 APRIL 2008

### Modernisation Challenge Fund

**Agenda Item:** 4

**Summary:** Providing members with an update on the modernisation challenge fund, and on the progress on the Strategic Outline Case.

**Action Required:** For information.

Officials will work closely with Department of Finance and Personnel colleagues to progress the issue of resources for a modernisation challenge fund to support innovative and efficient practice.

To this end, the Department is proceeding with the development of the Strategic Outline Case (SOC) for modernisation and with discussions with colleagues in the Department of Finance and Personnel. This case will be the base on which all future modernisation bidding is founded and from which individual projects and bids will hang.

Deloitte are the Department's advisors for the Strategic Outline Case and are now engaged in a data collection exercise across all 26 councils. Response to the exercise among councils has been positive, and the data will provide the basis for the strategic case. Deloitte are now in the process of data evaluation, and will proceed to develop the Strategic Case based on returns and on a number of interactions with the sector. The SOC is scheduled for completion by the end of April. During the completion of the report, the sector has been involved, through seminars and workshops with DOE and Deloitte staff to ensure that the findings are both robust and reasonable. This report will be submitted to the Department and will form the basis of the DOE case for funding which will be pursued with DFP.

The case for modernisation resources will be pressed at all available opportunities. We all have a responsibility to ensure that the needs of the local government sector in terms of modernisation funding remain in the spotlight and in increasing priority.

In the meantime, it is important that the local government sector, along with our Modernisation Sub-Groups, look at all funding means and opportunities within their ambit to support Modernisation, for instance, re-investing savings (e.g. from collaborative procurement) in front line service delivery, and developing co-ordinated access to other funding sources (including European funding).

Modernisation Sub-Group B is already working with Procurement Officers on the development of collaborative procurement processes and opportunities, and the Sub-Group is also looking at the potential for cost saving opportunities in finance and payroll systems handling, as well as the potential for developing sharing and collaboration in services. Further development of collaborative and collective approaches to service delivery and purchasing are likely to yield resource which may re-invested.