



Accounting Officer Memorandum

3rd. Generation Shared Services (3GSS) Programme

Accounting Officers have a standing responsibility to scrutinise significant policy proposals, projects or programmes and ensure the actions of the public organisation they lead meet the four Accounting Officer standards of regularity, propriety, value for money and feasibility – as set out in Managing Public Money.

From April 2017, the government committed to making a summary of the key points from these assessments available to Parliament when an Accounting Officer has conducted an assessment of a project or programme within the Government Major Projects Portfolio (GMPP).

Background and Context

MoJ currently receives back office HR, payroll, finance and procurement transactional services via an outsourced contract with Shared Services Connected Ltd (SSCL). The MoJ contract with SSCL encompasses a comprehensive range of back office transactional services and provision of technical support for the department's Enterprise Resource Planning (ERP) IT system.

The 3rd Generation Shared Services Programme was established to review the options for the future delivery of back office services to MoJ agencies and ALBs in anticipation of the expiry of the contract with SSCL. The Programme has also been developing the department's response to the Government Shared Services (GSS) Strategy published in 2018.

The Programme Business Case (PBC) was approved by the MoJ Investment Committee in May 2020. The business case recommended a preferred option of implementing a transformation in current arrangements through replacing the current ERP system with a new Cloud ERP solution and redesigning business back office process and associated service contracts with a target of full implementation by October 2023.

The approach to implementing the preferred option to transform MoJ shared services involves a complex range of activities covering procurement, contract management (including exit management from the SSCL contract), IT system development, data cleanse, data migration, business process redesign and business change. A multi-functional MoJ programme team has been resourced to deliver the Programme and will be supplemented by external providers.

Assessment against Accounting Officer Standards



I have considered the 3rd Generation Shared Services Programme against the four accounting officer tests.

Regularity

The Programme does not require any new legislation and does not anticipate any issues in maintaining compliance with established United Kingdom law.

The Secretary of State has the power to enter into new contracts with third party service providers required to deliver the transformation in shared services and contracts for the future provision of BAU services to replace the current SSCL contract.

The development of third party contracts is being supported by external legal advisers to ensure appropriate contract terms are negotiated.

Supplier payments made for MoJ back office functions are within the MoJ's expenditure ambit and therefore compatible with the agreed spending budgets.

Propriety

The 3rd. Generation Shared Services Programme operates within a governance framework which includes an established Programme Board (the Shared Services Strategy & Improvement Board) comprising senior leaders from across MoJ and including an external representative from the Cabinet Office who provides advice on alignment with the central government strategy for shared services.

The Programme Business Case (PBC) was reviewed and approved by the MoJ Investment Committee in May 2020. The PBC will be updated and resubmitted annually to reconfirm that the Programme remains on track to deliver its objectives to the required timescales.

As part of the Government Major Project Portfolio the programme will report quarterly to the GMPP Portfolio Office on progress. An assessment of the programme's progress will be published in the GMPP annual report.

Value for Money

Value for money has been a key focus in developing the Programme Business Case.

The programme has a forecast implementation cost of £63.3m. Delivery costs are more than offset by benefits including both a reduction in the direct costs of shared services operations and through enabling efficiencies across the wider MoJ organisation through more effective back office processes and improved user access to services and data.

Funding for the Programme for 2020-21 has been agreed with MoJ Corporate Finance. Funding for future years will be confirmed through the SR20 spending review process.

Feasibility

In aligning with the Government Shared Services (GSS) strategy, the Programme is adopting an approach that has already been successfully implemented in a number of public bodies and an approach that allows the department to share resources and lessons learnt with other government departments and with the Government Shared Services function.

The Programme's delivery approach has been subject to review and assurance by both internal MoJ assurance groups and external parties including KPMG, the Infrastructure and Projects Authority and the Cabinet Office. An IPA Gateway Review of the programme delivery strategy was conducted in May 2020 and concluded that the delivery confidence for the programme was Amber with potential to move to Green by August 2020 subject to the review team recommendations being implemented. An appropriate action plan to achieve this has been developed and approved by the Programme Board.

The programme will have a significant impact on MoJ Business Areas requiring all MoJ staff to migrate to the new Cloud ERP solution and introducing significant change in business HR, Finance and Procurement processes. The Programme approach to business change has been to commence engagement early and to involve business areas in the design and planning for the new solution. The Programme has also conducted market engagement with external technology providers to review best practice approaches to Cloud ERP implementations.

The Covid-19 pandemic has not impacted progression of the programme and activity has continued to be completed to the planned dates. A risk assessment has been completed on the potential impacts of Covid-19 over the programme lifecycle and appropriate mitigations have been identified.

Conclusion of the Accounting Officer

It is my assessment that all four Accounting Officer tests are satisfied and that the 3rd Generation Shared Service Programme is an effective use of public resources.