

EAST AYRSHIRE COUNCIL
POLICY AND RESOURCES COMMITTEE

31st May 2005

EFFICIENT GOVERNMENT FUND

Report by Depute Chief Executive / Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1** To advise Members of the outcome of the Council's Bid, in conjunction with other partners, to the 1st Tranche of the 1st Round of the Scottish Executive's Efficient Government Fund for an information and communications technology (ICT) related project.

2. BACKGROUND

- 2.1** The Minister for Finance and Public Services has announced the 1st Round of the Efficient Government Fund which seeks to "*stimulate a sustainably more efficient public sector and to demonstrate the reallocation of resources for better front line use*". Applications to the 1st Round of the Fund are sought over 3 Tranches, with 2 Stages per Tranche.

- 2.2** For approved projects, the Efficient Government Fund will contribute between 40% and 75% of the project costs. Bidders are, therefore, expected to meet between 25% and 60% of the costs for each project from within their own resources.

- 2.3** Public sector bodies are invited to submit multi-partner Bids to the Efficient Government Fund for projects which are projected to deliver benefits in the following areas ;

- . Procurement
- . Transactional Services
- . Internal Efficiencies
- . Other Efficiency Savings
- . Support Service Reform
- . Productive Time
- . Policy Funding and Regulation

- 2.4** At the 8th February meeting of Policy and Resources Committee, Members noted that a Stage 1 Bid had been submitted to the 1st Tranche of the 1st Round of the Fund on behalf of East Ayrshire Council, North Ayrshire Council, South Ayrshire Council and NHS Ayrshire & Arran, for an information and communications technology (ICT) related project, and that in this respect East Ayrshire Council is acting as Lead Bidder.

3. OUTLINE OF THE BID PROPOSAL

- 3.1 The main element of the Bid relates to a proposal to bridge East, North and South Ayrshire Councils and NHS Ayrshire & Arran Wide Area Data & Voice Network (WANs) infrastructures into one “virtual” Ayrshire-wide Public Service Wide Area Data Network (WAN).
- 3.2 Subject to the development of a detailed cost benefits analysis for Stage 2 of the bidding process, it is anticipated that rationalisation of network communications between the Partners, could result in significant revenue savings as a result of reduced running costs, and from the subsequent development of added value services and facilities, in addition to the development of a collaborative approach to the procurement of associated data and voice services.
- 3.3 It is envisaged that added value services and facilities could include the development of a shared Correspondence Distribution Centre and a shared ICT Disaster Recovery Data Centre, and in this respect the Bid requests financial assistance to investigate the associated costs and benefits in preparation for a Stage 2 Bid to the Fund.
- 3.4 The Bid also proposes that the partners adopt a collaborative approach to the joint-procurement of all data and voice services, contracted disaster recovery services and, where appropriate, the maintenance and support of all networking and voice related equipment.

4. OUTCOME OF THE BIDDING PROCESS

- 4.1 The Scottish Executive has very recently announced that the Minister for Finance and Public Sector Reform has approved the Council’s Bid for progression to Stage 2, and details of the specific conditions which apply to this decision will shortly be published.

5. TIMESCALES

- 5.1 The Council and its Partners will now be required to develop a more detailed submission to the Scottish Executive within a timeframe to be agreed with the Executive.
- 5.2 Currently, the Scottish Executive has given no indication of when they are likely to announce the outcome of the Stage 2 Bidding process.

6. FINANCIAL IMPLICATIONS

- 6.1 Whilst the precise costs and financial benefits of the proposed Bid can only be accurately determined after the Stage 2 Phase, nevertheless the Stage 1 Bid includes estimated financial projections for six years up to and including 2009/10 of an overall Project Cost £ 1.825m with associated estimated projected financial benefits of £ 3.6m shared between the four Partners.
- 6.2 Whilst, the extent of the requirement for matched funding will only be known after the Stage 2 Phase, nevertheless it is anticipated that the required match funding

contribution range of 25% to 60% can be readily identified from existing contracted provisions contained within the Partner's current ICT Revenue Budgets and Capital Programmes.

7. LEGAL / POLICY IMPLICATIONS

7.1 The project is consistent with the Council's core value of access and, if approved, will play a major part in delivering social inclusion across East Ayrshire.

8. RECOMMENDATIONS

8.1 It is recommended that Committee :

- a)** Notes the outcome of the Partnership Bid to Stage 1 of the Efficient Government Fund, and that a report will be presented to a future meeting of the Policy and Resources Committee advising Members of progress in respect of the development of the Stage 2 Bid.
- b)** Otherwise note the contents of the report.

Elizabeth Morton
Depute Chief Executive / Executive Director of Corporate Support

AMR / 16th May 2005

LIST OF BACKGROUND PAPERS

- 1.** Letter of advice dated 2nd September 2004 from Mr. Colin McKay Head of Efficient Government Team, Scottish Executive.

For further information on this Report, please contact Malcolm Roulston,
Head of Information Technology (Tel : 01563 576809).