

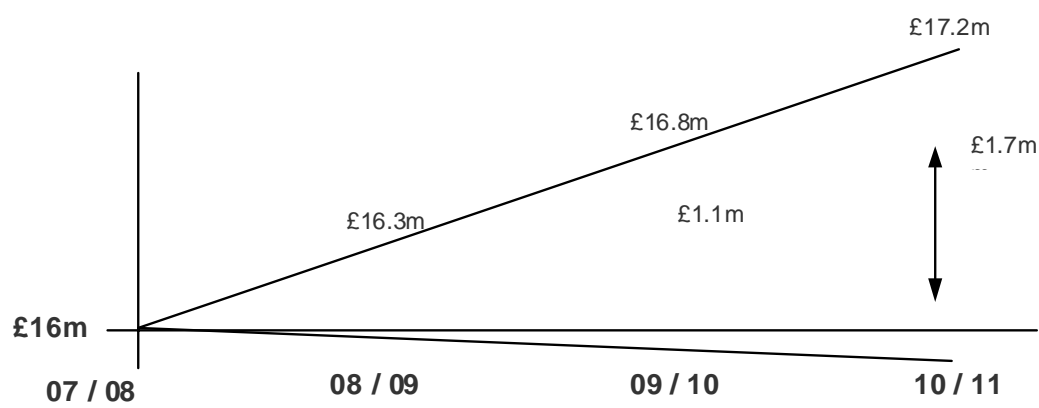
## Treasury Solicitor's Department - CSR07 Value for Money Delivery Agreement

### Vision

During CSR07, TSol (comprising Treasury Solicitor's Department Agency (TSDA), Attorney General's Office and HM Crown Prosecution Inspectorate (HMCPPI)) is committed to savings of 3.5% of total spending per annum in real terms over the CSR period. This builds on the success of the SR04 Efficiency Programme and is designed to make the best use of the resources available to provide high quality legal services to enable clients to operate effectively within the law, maximise the value of legal services provided, minimise legal risk and achieve best legal outcomes. This means that TSol will have achieved sustained net cash-releasing savings of £1.748 million by 2010-11.

Value for money savings are calculated from a counterfactual cost profile that provides an evidence based view of cost pressures in the absence of any VFM reform. The counterfactual assumes that without any vfm reforms, cost pressures would rise by 2.7% pa, which reflects the standard rate of pay and price inflation. The baseline is simply the 2007/08 provision

The graph below provides a visual summary of TSol's vfm savings, which are calculated by subtracting the cost profile following the vfm initiative from the counterfactual cost pressure.



The table below sets out the extent of the VFM savings required based on 2007/08.

	2007/08 Baseline	2008-09	2009-10	2010-11
<b>RDEL</b>				
Post -vfm profile	11921	11, 814	11,709	11,604
Counter factual cost Pressure		12,243	12,573	12,913
vfm savings		429	865	1,309
<b>CDEL</b>				
Post -vfm profile	4000	3,964	3,929	3,894

Counter factual cost pressure		4,108	4,219	4,333
vfm savings		144	290	439

## Delivery Strategy

TSDA and HMCPSI will achieve their VFM savings by:

### Service Transformation

- TSDA has embarked on a five year programme to improve the way we deliver our legal services to clients which will require changes to systems and processes as well as cultural change. Our priorities are:
  - Sharpening our customer focus
  - Improving the quality of our legal services
  - Introducing more flexible service provision – increasing our capability to use the private sector for some routine work
  - Enhancing the value of our services, for example in risk/cost reduction and pre-litigation
  - Maximising the efficiency of support services and how resources are deployed – reduce proportionate costs and exploit shared services where appropriate.

### Shared Services/Corporate Services

- We will continue to work with the other Law Officers' Departments (Crown Prosecution Service, Serious Fraud Office and Revenue and Customs Prosecution Office) to review and rationalise back office services and entering into common service agreements where these would deliver benefits for all.
- HMCPSI are looking to reduce their running costs in relation to corporate services (including accommodation and IT) and publication and are already in discussion with TSDA on the future of their HR department. It is also anticipated that some of the common support services will be rationalised in the medium to longer term either by integration with the respective departments within TSDA or some form of sharing of services within the five CJS Inspectorates.

### Procurement

- Greater use of OGC framework contracts and using contracts negotiated with/by other government departments. Procurement spend includes legal spend, agency staff costs, facilities and IS.
- Updated procurement guidance implemented following launch in summer 2007.

### Automation of transactional processing

- TSDA plan to introduce automation of some basic transactional services eg through use of Case Management Systems and self-service HR functions. The HeRMeS HR database shared services project was initiated in 2006 with the immediate objective of providing additional functionality for HR staff and

enhanced management reporting. The objectives for the next phase(s) include:

- Removing the need to re-key staff information e.g. (absence)
- Improving quality of management reporting
- Providing internal recruitment, resource allocation and training tools
- An integrated payroll function
- Delivering an accessible repository containing all staff data

This will negate the need for Divisional spreadsheets and databases as HR will become the central repository for all HR information from which business managers can request management information. This will avoid the need to duplicate data entry reducing the volume of clerical work, and allowing business managers to focus on their core work. It may enable resource savings across the business. In addition the self service element will facilitate development of responsibility for some elements of data entry to employees and managers. It will also improve the accuracy of staff information and improve management reports. We will be looking at a later stage to move to a fully managed service on payroll which will lead to staff savings. In the longer term there is a need to review the location and ownership of all staff information, some of which is embedded in Intranet functionality

#### Property

- Proposals to compact HMCPST staff and utilise 5<sup>th</sup> and 6<sup>th</sup> floors of the HMCPST building for the newly established National Strategic Fraud Authority represents a substantial saving against new expenditure which would otherwise have been incurred.

#### Investment Strategy

- We will review our stock of fixed assets (mostly IT and office equipment) and our asset replacement strategy to maximise the useful economic life of fixed assets.. As part of it's two year committed plan to implement ITIL best practice, TSol will create a Configuration Management Database (CMDB), which will enable TSol to accurately access and forecast the replacement schedules of our IT related assets. This will allow TSol to ensure that it maximises the equipment working life, in conjunction with supplier maintenance and replacement schedules, so maximising the return on investment that TSol can realise from these assets. The development of the Configuration Management Database and supporting Toolset will begin in quarter one 2008 with completion and full deployment by end of 2nd quarter 2008.
- Strategic capital investment decisions will be taken by the Performance and Investment Committee

TSol are confident that their plans are sufficiently flexible to deliver £1.748m million of gains, whilst adapting to changing circumstances during the CSR07 period, (including the outcome of the consultation document on the Role of the Attorney). Public consultation on the role of the Attorney General ceased on the 30 November. The responses are being evaluated and the outcome will be known in the New Year.

The Director of Finance, Planning and Performance will be the SRO for the delivery of these savings and will report to the Performance and Investment Committee. This Committee, chaired by the Deputy Treasury Solicitor, will oversee the quality of services delivered and efficiency of operations. It will monitor performance against financial, operational and resourcing targets as defined in the Business Plan and will prioritise investment. The Committee will meet monthly and report quarterly to the TSol Board on its activities. The escalation route from the Committee will be to the TSol Board.

## Measurement

The baseline and counterfactual cost pressures for each organisation which has to deliver these savings is as follows:

	2008-09	2009-10	2010-11
Resource			
<b>TSDA</b>			
Counterfactual	3,192	3,278	3,367
Post -vfm profile	3,080	3,053	3,025
vfm savings	112	225	342
<b>AGO</b>			
Counterfactual	4987	5,122	5,260
Post -vfm profile	4812	4,770	4,727
vfm savings	175	352	533
<b>HMCPSI</b>			
Counterfactual	4,064	4,174	4,286
Post -vfm profile	3,922	3,887	3,852
vfm savings	142	287	434
Capital			
Counterfactual	4,108	4,219	4,333
Post-vfm profile	3,964	3,929	3,894
Vfm savings	144	290	439
Total vfm Savings	573	1154	1,748

TSDA will demonstrate that we are providing high quality legal services by achieving 95% good or excellent in our annual client satisfaction survey, and by retaining our LEXCEL accreditation. LEXCEL is the Law Society's practice management quality mark. It promotes improved risk management leading to fewer claims or complaints and better customer service leading to increased client satisfaction. These are our primary indicators for service quality.

## Risk Management Strategies

As part of normal business planning TSol have identified the key risks to delivery and put in place a robust mitigation strategy. This will be reviewed and monitored throughout the programme.

Contributions towards this target need to be made by TSDA, AGO and HMCPSI. With HMCPSI, while some progress is being seen on closer working with the other CJS Inspectorates, it is too early to say at this stage what the impact will be

financially and how the benefits will be seen by the respective inspectorates. The Criminal Justice Chief Inspectors Group will report shortly to Ministers following work undertaken by the inspectorates in relation to shared services. However, Ministers have indicated that they wish to see any savings ploughed back into an embraced programme of joint cross-cutting inspection work. Moreover, they have asked for infrastructure developments which will incur new costs which thereby may outweigh any savings from shared services.