

# Public Document Pack



## **Democratic Support**

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Published 22 August 2014

#plymreview

## **SCRUTINY - COOPERATIVE SCRUTINY REVIEWS**

**CATEGORY MANAGEMENT FLEET SERVICES PROJECT BUSINESS CASE, STRATEGIC BUSINESS CASE FOR COMMERCIALISATION AND THE BRILLIANT COOPERATIVE STREET SERVICE BUSINESS CASE JOINT REVIEW (WORKING PLYMOUTH & YOUR PLYMOUTH)**

### **TO FOLLOW**

Thursday 28 August 2014  
3.30 pm

#### **Members:**

Councillors Mrs Aspinall, Hendy, Dr. Mahony, Morris, Murphy, Stark and Storer.

Please find attached additional information for your consideration under agenda item numbers 5, 6 and 7.

#### **Tracey Lee**

Chief Executive

# **SCRUTINY - COOPERATIVE SCRUTINY REVIEWS**

**CATEGORY MANAGEMENT FLEET SERVICES PROJECT BUSINESS CASE,  
STRATEGIC BUSINESS CASE FOR COMMERCIALISATION AND THE BRILLIANT  
COOPERATIVE STREET SERVICE BUSINESS CASE JOINT REVIEW (WORKING  
PLYMOUTH & YOUR PLYMOUTH)**

## **PART I (PUBLIC COMMITTEE)**

**5. CATEGORY MANAGEMENT FLEET SERVICES PROJECT (Pages 1 - 46)  
BUSINESS CASE**

Members will be provided with a copy of the Category Management Fleet Services Project Business Case for scrutiny.

**6. STRATEGIC BUSINESS CASE FOR (Pages 47 - 102)  
COMMERCIALISATION**

Members will be provided with a copy of the Strategic Business Case for Commercialisation for scrutiny.

**7. THE BRILLIANT CO-OPERATIVE STRATEGIC STREET (Pages 103 - 144)  
SERVICE BUSINESS CASE**

Members will be provided with a copy of the Brilliant Co-operative Strategic Street Service Business Case for scrutiny.

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Full Business Case - "Introduction of Category Management – Fleet Services" Project
<b>Committee:</b>	Cabinet
<b>Date:</b>	2 September 2014
<b>Cabinet Member:</b>	Councillor Vincent
<b>CMT Member:</b>	Anthony Payne (Strategic Director for Place)
<b>Author:</b>	Stuart Cooper, Project Manager, Transformation
<b>Contact details:</b>	Email: stuart.cooper@plymouth.gov.uk
<b>Key Decision:</b>	Yes
<b>Part:</b>	I

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**Purpose of the report:**

This report provides an overview of the GAME Programme's "Introduction of Category Management – Fleet Services (ICMFS)" Project.

Plymouth City Council's Fleet and Garage service currently controls most of, and maintains efficiently, the Council's fleet. The procurement of vehicles across the Council is currently the responsibility of individual service areas. The Council's approach to procurement now needs to be addressed. With such a large Fleet having many users, controls and standards of procurement require review.

The project aims to address these issues through three workstreams:

- Fleet Management IT (FMIT) – the procurement and installation of both a FMIT system and a vehicle tracking system. Greater monitoring of the usage of each vehicle within the Fleet is required, in order to ensure that opportunities for financial savings aren't missed and evidence can be produced to challenge usage, in order to realise short-term benefits and quick wins.
- Finance Management – the monitoring of the procurement and commissioning of vehicular assets amongst the Council, in order to ensure maximum value for money is achieved in every aspect of vehicle usage.
- Commercialisation – exploration and consideration of additional commercial opportunities that are available to Fleet and Garage services. Commercialisation of Fleet and Garage services will examine the potential to work with partner organisations, as well as reviewing the current taxi MOT and licensing policy, to generate financial benefits.

Further efficiency of the workshop will be a major deliverable of this project, which will largely revolve around improvements to the productivity of the workshop and garage function.

The project aims to provide a total cumulative financial benefit of £2.05m by the end of financial year 2016/17 at an investment cost of £118k.

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### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The following, taken from the Business Case, demonstrates the alignment of the project with the Corporate Plan.

A key driver for the Introduction of Category Management is Plymouth's Corporate Plan. This project recognises that a co-operative approach can enable the Council to work in different ways, producing savings while at the same time engaging with stakeholders and improving services. Therefore the project will be:

#### **Democratic**

The project proposes that elements of this project will be 'co-designed' and consultation will take place with members of staff within Fleet and Garage along with other service users, throughout the project, providing meaningful opportunities to influence provision. Alongside this, the Council will embrace democratic processes, maintaining a high level of contact with its stakeholders including further opportunities to 'co-design'. Examples of the projects democratic approach will include:

- All-Member briefings with feedback integrated into the project.
- Presentations to Cabinet Members and the Leader of the Council.
- Staff engagement events, for example 'Have Your Say Meetings', providing the opportunity for two way dialogue around elements of the project.

#### **Responsible**

The Council is facing a £64.5 million funding gap over the next 3 years, which requires services to be more responsible in their use of resources. In line with addressing this funding gap, a review was undertaken. The project is confident that it can realise savings of at least £300k per year (amounting to a £2.05m cumulative benefit) by introducing Category Management for all Fleet Services, as well as evaluating potential commercial opportunities available to the Fleet and Garage services.

Alongside this, the Council proposes to support the community to improve the safety of Plymouth's roads and reduce the carbon footprint that the Council currently has. The Council are confident that, through the implementation of FMIT and vehicle tracking, the Council can achieve greater efficiencies, safer roads and a much more eco-friendly Council.

The Council has a duty to ensure service cuts are minimised wherever possible, and the Introduction of Category Management – Fleet Services Project will provide monetary savings that will contribute towards the Councils funding gap. The service that the Council provides to its customers will not be negatively affected by the outcome of this project as a majority are internal, it will be significantly improved; however, the service will be more efficient in terms of financial expense and environmental impact.

#### **Fair**

This project will take a fair approach. Our communication campaign will ensure that the Council are open and honest with all stakeholders, informing them of the basis for change and providing the opportunity for two way dialogue. Likewise, the Council will be fair in offering all affected members of staff within Fleet and garage the opportunity to express their opinions and co-design elements of the project wherever possible. Additionally, this project will be fair in relation to the customer, ensuring the best value for money approach using public funding is taken. This project will not impact on the service being delivered

to the customers, but will increase service efficiencies and outputs through increased use of meaningful performance management. This project will also create opportunities for members of Fleet and Garage staff to learn the new skills that are necessary for operation within a modern Fleet and Garage environment.

### **Partners**

The project will actively engage with any potential partners that may arise following an in-depth review of the commercialisation workstream associated with this project. For example, the project will:

- Use information from other organisations that have implemented similar projects/products, and learn from their experiences as a form of best practise.
- Engage with organisations such as Plymouth Community Homes, major employers such as NHS, Babcock & the Universities to optimise our resources and to promote a common approach.
- Explore the opportunity to engage and build relationships with neighbouring Councils to realise common benefits with similar services.
- Work co-operatively with partners to ensure that any outcomes of this project will not have an adverse effect on services and deliverables offered elsewhere.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:**

- This project requires an investment in IT to implement a new Fleet FMIT system, amounting to £118k over a 3 year period. These costs are outlined in section 3.2 of the Business Case.
- The project will realise a cumulative benefit of £2.05m by the end of financial year 2016/17.

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### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

This project has a number of benefits:

- It will reduce the Council's carbon footprint.
- It will increase the safety of Plymouth's roads.
- It will reduce the risk of false insurance claims to the Council.
- It will reduce the risk of the Council not addressing its funding shortfall.

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### **Equality and Diversity:**

Yes – this document can be located in appendix item I0.2.

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### **Recommendations and Reasons for recommended action:**

The Council proposes the following option:

- “Introduction of Category Management - Fleet Services” (option 2 of the Option's Appraisal), to include the 3 workstreams associated with the option, stated previously.

It is the strong belief that Option 2, the Introduction of Category Management in Fleet Services, is the most cost-effective and beneficial option that is to be considered within this document. The reasoning

behind this recommended option is that it provides the optimum value for money in terms of financial input and the savings that can be achieved. As set out in the financial case section of this document, there is significant financial gain from implementing the ICMFS project. These gains/efficiency savings can't be achieved through both of the alternate options.

Our rationale for this recommendation is:

- Reviewing and reforming policies across the service will provide a holistic approach for increasing efficiencies across a number of areas with the Fleet & Garage Service
- This option will provide the potential to make a significant financial contribution towards bridging the funding gap that the Council is currently facing
- The ICMFS project will provide the controls & mechanisms required for a better delivery of the Fleet & garage service
- The ICMFS project will address the relevant capability gaps highlighted with the blueprint
- Valuable information sourced from a report, highlighting the significant financial opportunities that can be realised through the ICMFS project

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### **Alternative options considered and rejected:**

The “Do Nothing” option was rejected for the following reasons:

- Opportunities to realise a cumulative benefit of £2.05m by the end of financial year 2016/17 will be missed
- Missed opportunities to increase efficiency relating to vehicle and plant procurement
- Missed opportunities to promote the positive aspects of the Fleet and garage services, such as the decreased carbon footprint and safer roads for the customer
- Missed opportunities to influence driving behaviours by using the data that FMIT would produce, in order to make vehicle usage even more efficient
- Missed opportunities to increase asset efficiency, and the potential savings through selling vehicles off will not be achieved. These assets will continue to depreciate and waste the Council's and taxpayer's money if not addressed

The “Alternative Service Delivery Vehicle (ASDV)” option was rejected for the following reasons:

- The ASDV will realise all benefits through increase efficiencies
- Potential negative staff and political views on alternate methods of delivery, leading to, in extreme cases, confrontational behaviour and actions
- The alternative method of delivery may not provide the service to the Council's desired standard, or to the standard that the Council had originally in place

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### **Published work / information:**

No published work has been used in this document.

### **Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Edge Report: Review of Street Services Plymouth City Council	Yes									

**Sign off:**

Fin	PlaceFES C141500 6-SA- 01/08/20 14	Leg	20911 /MS	Mon Off	21054/ DVS	HR		Assets		IT		Strat Proc	
Originating SMT Member: Simon Dale													
Has the Cabinet Member(s) agreed the content of the report? Yes													



**DRAFT Business Case**

<b>Programme Name:</b>	<i>Growth, Assets and Municipal Enterprise</i>		
<b>Date:</b>	07/07/14	<b>Version:</b>	V0.01
<b>Projects:</b>	Introduction of Category Management – Fleet Services		
<b>Author:</b>	Stuart Cooper		
<b>Owner (SRO):</b>	Anthony Payne		



## Document Control

**VERSION HISTORY: (version control e.g. Draft v0.01, v0.02, v0.03 Base line @ v1.0)**

Version	Date	Author	Change Ref	Pages Affected
0.01	07/07/2014	Lewis Brewer	First draft	All Pages
0.02	21/07/2014	Stuart Cooper & Richard Hall	Re draft	All Pages
0.03	29/07/2014	Emily Hatcher & Anthony Payne	N/A	All Pages
0.04	29/07/2014	Sue Thomas	N/A	All Pages
0.05	30/07/2014	Lewis Brewer	N/A	All Pages
0.06	31/07/2014	Dalvinder Gill	N/A	All Pages
0.07	31/07/2014	Lewis Brewer	N/A	All Pages
0.08	31/07/2014	Simon Dale & Marc Gorman	N/A	All Pages
0.09	01/08/2014	Stuart Cooper	N/A	All Pages
0.10	08/08/2014	Stuart cooper	Legal and Finance sign off	
0.11	18/08/2014	Lee Bond	Response to Cabinet Planning	All Pages
0.12	19/08/2014	Lewis Brewer	N/A	All Pages
0.13	21/08/2014	Stuart Cooper	Response from Communications	All Pages

**FILE LOCATION: (Final version base lined @ v1.0, v2.0, v3.0)**

Location	File Address	Date
GAME Programme Folder	S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\04. GAME_06 ICMFS Business Case\03. ICMFS Business Case	07/07/2014

**QUALITY REVIEWERS: (General QA and accuracy)**

Name	Position	Signature	Date
Simon Dale	Project Executive		
Sue Thomas	Portfolio Office		
Dalvinder Gill	Business Technical Architect		
Simon Arthurs	Programme Accountant		31/07/2014

**SIGN OFF:**

Name	Position	Signature	Date
Anthony Payne	Senior Responsible Owner		
Sue Thomas	Portfolio Office		
Dalvinder Gill	Business Technical Architect		
Mike Hirst	Portfolio Accountant		

**REVIEW AND APPROVAL PROCESS:**

**EXCEPTIONS/WAIVERS**

Detail waiver/ exception	Requested by	Reason	Agreed by	Decision ID
ICT Procurement	Stuart Cooper Anthony Payne Simon Dale	Procurement of Fleet Management IT System	Hugh van Wijk (Head of Business and Technology Architecture)	001

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I. Preface: Transformation background and overview

An introduction to Plymouth City Council’s Transformation Programme

Context

Drivers for Transformation:

The Brilliant Co-operative Council with less resource

On its adoption of a new Corporate Plan in July 2013, the Council set the bar still higher, to become a Brilliant Co-operative Council. This ‘Plan on a Page’ commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

The Corporate Plan was developed using the principles of a Co-operative Council. It is a short and focused document, but does not compromise on its evidence base, and was co-developed with the Cabinet of the Council, before being presented in person by members of the Corporate Management Team to every member of staff throughout the Council at a series of 74 roadshows. The positive results of this commitment to strong communications and engagement were evidenced by 81% of Council staff responding to the workplace survey conducted in October 2013 agreeing that they understand and support the values and objectives set out in the Corporate Plan.



## OUR PLAN THE BRILLIANT CO-OPERATIVE COUNCIL

<p><b>CITY VISION</b> <b>Britain’s Ocean City</b></p> <p>One of Europe’s most vibrant, waterfront cities where an outstanding quality of life is enjoyed by everyone.</p> <p><b>CO-OPERATIVE VALUES</b> One team serving our city</p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="width: 45%; text-align: center; padding: 5px;"> <p><b>WE ARE DEMOCRATIC</b></p> <p>Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.</p> </div> <div style="width: 45%; text-align: center; padding: 5px;"> <p><b>WE ARE RESPONSIBLE</b></p> <p>We take responsibility for our actions, care about their impact on others and expect others will do the same.</p> </div> <div style="width: 45%; text-align: center; padding: 5px;"> <p><b>WE ARE FAIR</b></p> <p>We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.</p> </div> <div style="width: 45%; text-align: center; padding: 5px;"> <p><b>WE ARE PARTNERS</b></p> <p>We will provide strong community leadership and work together to deliver our common ambition.</p> </div> </div>	<p><b>OUR OBJECTIVES</b> Creating a fairer Plymouth where everyone does their bit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; padding: 5px;"> <p><b>PIONEERING PLYMOUTH</b></p> <p>We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.</p> </td> <td style="width: 25%; padding: 5px;"> <p><b>GROWING PLYMOUTH</b></p> <p>We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.</p> </td> <td style="width: 25%; padding: 5px;"> <p><b>CARING PLYMOUTH</b></p> <p>We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.</p> </td> <td style="width: 25%; 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#Plymouth 

[www.plymouth.gov.uk/ourplan](http://www.plymouth.gov.uk/ourplan)

The economic, demographic and policy environment affecting a public service is accepted as the most challenging in a generation. At the same time as an aging population is placing increased demand on health and social care services, the UK is facing the longest, deepest and most sustained period of cuts to public services spending at least since World War II. The Council's Medium Term Financial plan identified in June 2013 funding cuts of £33m over the next three years which, when added to essential spend on service delivery amount to an estimated funding shortfall of circa £64.5m from 2014/15 to 2016/17, representing 30% of the Council's overall net revenue budget.

The Council has shown remarkable resilience in addressing reduced funding and increased demand in previous years, removing circa £30m of net revenue spend from 2011/12 to 2013/4 through proactive management and careful planning. However the Council has acknowledged that addressing further savings of the magnitude described above while delivering the ambitions of the Corporate Plan will require a radical change of approach.

## **Review of existing transformation programmes**

The Council commissioned a report in June 2013 to:

- Examine the Council's financial projections and provide expert external validation of our assumptions about costs and income in the medium term
- Review the Council's existing transformation programmes and provide a view as to whether they will deliver against the Corporate Plan
- Provide advice as to how the Council might achieve the maximum possible benefit through a revised approach to transformation

The report validated the Council's current Medium Term Financial Plan based on projections and assumptions jointly agreed, and judged it to be robust, taking into account the complex financial landscape and changing government policy.

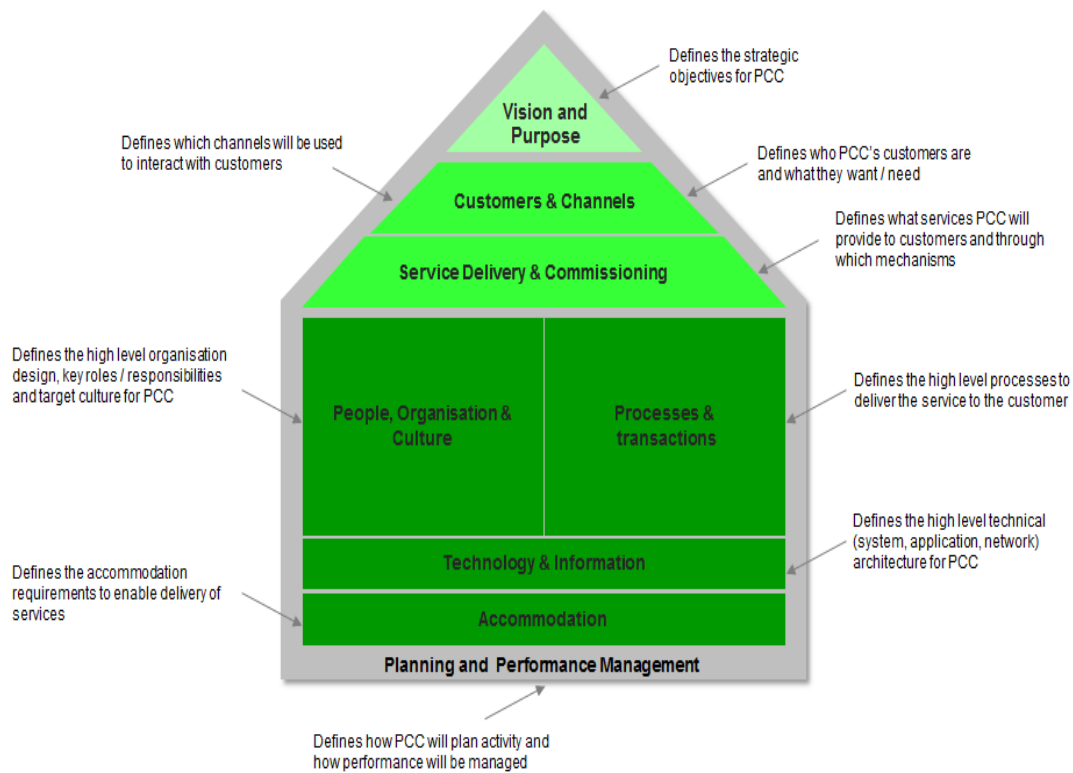
The Council has initiated a number of far-reaching and ambitious change programmes over 2012-13 to address the twin aims of addressing financial constraints and improving service delivery. These include:

- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Redevelopment of the Civic Centre and future accommodation requirements (Cabinet approval September 2013)
- Modernising Adult Social Care Provision (Cabinet approval January and August 2013)
- Co-location with Clinical Commissioning Group at Windsor House (Cabinet approval January 2013)

In addition to feedback and advice about individual programmes, the Council received advice that has been carefully considered, and which has informed the overall design of the Transformation Programme and the content of the business cases for the five programmes.

**Vision and Direction: The Blueprint**

The Council has responded to concerns that, despite strong support for the Corporate Plan from both officers and members, there was a lack of clarity about how the Corporate Plan translates into practical action and a danger that the Council might be attempting to ‘do the right things, but in the wrong way’. After significant consultation with Members and over 100 staff from all levels and disciplines within the organisation, the Council’s vision for the Brilliant Co-operative Council has been translated into a Blueprint which describes the capabilities which the Council will need in the future. These capabilities will be commissioned by the Council and will result in services being delivered by the Council and a variety of other organisations operating across the public, community and voluntary and private sectors. The components of the Blueprint are illustrated below:



To inform the development of the main components of the Blueprint, a number of principles have been developed co-operatively with Members, senior officers and staff to ensure that the values set out in the Corporate Plan guide how the Blueprint is developed.

## **Governance and Oversight**

The Council has also responded to advice that governance and oversight arrangements for transformation projects would benefit from being strengthened. Whilst ensuring that the Council's existing constitutional arrangements for decision making are unaffected, a number of bodies have been put in place to ensure a co-ordinated approach is taken to oversight of the Transformation programme. The detail of the transformation governance arrangements were considered by the Council's Audit Committee on 13 March 2014 and can be summarised as follows:

### **Members**

- The Co-operative Scrutiny Board and Panels are aligned to the Transformation programmes that match their terms of reference

### **Officers**

- The Transformation Portfolio Board co-ordinates the delivery of the Blueprint, prioritises decisions within and between programmes, ensures effective engagement, ensures overall resourcing and delivery of the programme and recommends Programme Business cases and exceptions. It is chaired by the Chief Executive and comprises Senior Responsible Officers for the Programmes, the Transformation Director, engagement leads, finance and HR Responsible Officers and the Head of the Portfolio Office
- Programmes are led by a Senior Responsible Officer, who is accountable for the successful delivery of the programme, achieving desired outcomes and realising expected benefits and is responsible for chairing the Programme Board and leading the Programme
- Each project within the five Programmes is led by a Project Executive who is accountable to the Senior Responsible Officer for the successful delivery of the Project, and chairs the Project Board.
- The Portfolio Office provides co-ordination and support across all the programmes and projects and ensures that sufficient capacity and capability is in place to deliver the overall programme.



## 2. Executive Summary

Plymouth City Council's Fleet and Garage service currently controls and maintains the Council's fleet. However, it currently operates with what is believed to be a greater number of vehicles within its fleet, than is necessary.

The procurement of vehicles across the Council is currently the responsibility of individual service areas. The Council's approach to procurement now needs to be addressed. With such a large Fleet having many users, controls and standards of procurement need to be implemented.

The proposed solution includes the Fleet management and maintenance function taking control of all Fleet matters, allowing a holistic view and central support and challenge across the Council. To do this will require some investments in Fleet systems, including control system and tracker systems to allow better visibility and transparency of Fleet assets. The Fleet team will also require development to ensure a performance driven and service orientated culture.

By taking this 'Category Management' approach to Fleet Services, there are some significant financial benefits which will be realised in terms of the Fleet Services function being able to drive;

1. Fewer vehicles (greater utilisation)
2. Reduced vehicle downtime
3. Improved fuel control
4. Better value procurement

Overall these opportunities will deliver significant financial benefits. The project is targeting to deliver at least £300k per annum in savings in the first year and a further £500k in the second year. This will result in an annual revenue reduction of £800k per annum by 2016/17. To deliver this, there is a need for a one off total investment of £118k (i.e. for control, trackers and IT systems). More detailed figures relating to this projects financial plan can be located with section 8, "Financial Case" of this document.

By developing the Fleet management and maintenance teams and making the service financially viable, the service will be better able to compete in the market place. There will also be an opportunity to attract income by delivering Fleet Services to other organisations.

The benefits outlined above are compelling and make internal transformation of the service the most sensible option. Whilst other options such as looking to create an alternative method of delivery were considered, the loss of the efficiency benefits through an alternate service delivery model make this option unattractive given the Council's financial position.

This project should enable Fleet services to be the vanguard for all services that have Fleet usage/requirements and are seeking to implement Category Management as part of their transformation programme.

Other local authorities have gone a step further and integrated their Fleet management operation with their passenger transport operation i.e. the management and coordination of all transport requirements to Children (Home to School) and Adults to Day Care whether these be through internal Fleet Services and drivers or taxis. The creation of a more robust and holistic Integrated Transport operation will provide the platform and opportunity for this to be possible in Plymouth at

a later date, and is proposed to be pursued as a next stage of work. A post of Head of Integrated Transport for the Council has been proposed, similar to other Councils across the country and a Council the size of Plymouth would be expected to possess such.

### 3. Case for Change

#### 3.1 Current Situation

The procurement of vehicles across the Council is currently the responsibility of individual service areas and it is now in the position where there are in excess of 300 vehicles within the Council's fleet. With such a large Fleet having many owners, controls and procurement of vehicles could be even more effective.

In January 2014, the Council undertook a review of the Street Services Department. The outcome of this review identified significant operational savings and made recommendations on changes to working practices which would deliver reduced costs, increase income and therefore deliver better value for money. The Fleet of vehicles that the Council currently utilises are under a range of ownership (i.e. owned, leasing, short time hire arrangements etc.), with no centralised management team. This provides the Council with the opportunity to holistically manage its Fleet across the Council in terms of requirement, utilisation and ensuring best value across all provided services.

There is now a real opportunity for Fleet services to become accountable for providing a full Fleet Management service and to take control of better Fleet utilisation and fuel use. Achieving this will require improved control, measurement and development of performance data for the Council's Fleet which can be provided by the full introduction of fit for purpose Fleet management system. The review, combined with a range of other internal measures, has identified 3 key areas for improvement that can be incorporated within the "Introduction of Category Management – Fleet Services" (ICMFS) project.

The project aims to address these issues through three workstreams:

- Fleet Management IT (FMIT) – the procurement and installation of both an FMIT system and a vehicle tracking system. Greater monitoring of the usage of each vehicle within the Fleet is required, in order to ensure that opportunities for financial savings aren't missed and evidence can be produced to challenge usage, in order to realise short-term benefits.
- Finance Management – the monitoring of the procurement and commissioning of vehicular assets amongst the Council, in order to ensure maximum value for money is achieved in every aspect of vehicle usage.
- Commercialisation – exploration and consideration of additional commercial opportunities that are available to Fleet and Garage services. Commercialisation of Fleet and Garage services will examine the potential to work with partner organisations, as well as reviewing the current taxi MOT and licensing policy, to generate financial benefits

The evidence for the development of this business case comes in many forms and has been collected over a lengthy period of time to provide justification for this review. One key recommendation of the review is that all Fleet vehicles should be managed by a central unit having control with the benefit of accurate management information over every vehicle. Currently each individual service area has a subjective view over the requirement and utilisation of their vehicles, and could oppose a Fleet reduction. On the other hand, a central Fleet management unit would have control over the whole fleet, and more objectively challenge the data surrounding the usage of vehicles, and can proceed to identify opportunities to drive further efficiency utilising this data. A key objective of this project will be to address this issue, and

establish a central team, under the previously mentioned post of Head of Integrated Transport, across the Council, within the scope of the Co-operative Centre of Operations (CCO) Programme. This new post is reflected in the proposals for the Creation of a Brilliant Co-operative Street Service.

### **3.2 Benefits and Capabilities**

The resulting Transport function will provide the Council with the control and surety that the Council is achieving the best possible value for money from its Fleet asset. By developing the commercial and performance skills of the team, the function will be able to offer a credible challenge to service users and provide advice, innovative solutions and the best possible vehicle specifications, choices and value. There are many opportunities to make the maintenance of vehicles more effective and efficient which will allow a resultant positive impact on the number of spares required across the organisation. With a thorough review across the Council, improved measurement of utilisation then the number of vehicles can be reduced.

These benefits will have some significant financial impacts;

Therefore, net revenue budget reductions will be achieved through a combination of improved efficiency, changes to methods of procurement, and modified management and maintenance of vehicles, whilst maintaining an appropriate and defined quality and standard of service for the public aligned to the Service's vision.

The project aims to deliver at least £300k per annum over the next 3 years through savings & efficiencies on the Category Management element of the project alone. The review has also identified other areas where savings and efficiencies can be realised, as well as additional incomes streams which are yet to be calculated in terms of financial viability, such as the Commercialisation workstream within this project so that services can be offered to other organisations with fleets. This will not be dependent upon the agreement of the Commercialisation Strategic Plan. At this point in time, the Council is currently not competitive, and the ICMFS Project will work towards achieving the goal of becoming more commercially competitive as an organisation.

This project will achieve efficient and effective integrated Fleet management and be the first project to be launched with a Category Management focus within Plymouth City Council with an objective to:

- Provide greater value for money through more effective Fleet commissioning, procurement, management and maintenance
- To establish a central team to purchase/lease, and manage all Fleet and transport assets and activities, to include the identification of members of staff who currently carry out these responsibilities to be formed into an Integrated Transport team.

### **Investments**

This project will require investments in IT software and staff training in order to complete its aims and objectives and these are presented in the table below. The IT software investment cost would be an 'Invest to save' investment and the maintenance of the software would be from ongoing revenue and projected over a 5 year life cycle. There is currently a £10k revenue charge for the existing Fleet Management IT (FMIT) system which this would replace and therefore resulting in a £9k net increase annually, once the initial investments have been made. Initial staff training costs is included in the implementation costs, with key staff developed as trainers for this software package, in order to ensure continuity.

<b>Investment Type</b>	<b>Cost 14/15 £k</b>	<b>Cost 15/16 £k</b>	<b>Cost 16/17 £k</b>	<b>3 Year Total £k</b>
IT Software Investment	91	0	0	91
IT Software Annual Maintenance	19	19	19	57
IT Software Annual Maintenance (saving from existing system)	(10)	(10)	(10)	(30)
<b>Total</b>	<b>100</b>	<b>9</b>	<b>9</b>	<b>118</b>

### Benefits

This project will aim to deliver benefits through a number of workstream categories. This project will also deliver the capability to better manage Fleet requirements through improved information management and procurement/maintenance management. This will result in the potential to release benefits, stated in the table below, over a 3 year period, ending in 2017. The table below highlights the area the benefit will come from, the amount that is expected to be achieved, and when the benefit is due to be realised. The figures captured in the table below are estimates based on the assumptions outlined within this document. The success of this project can be evaluated against these figures, as to whether the desired financial outcomes have been realised and exceeded.

The project is targeting to deliver at least £300k in savings in the first year and a further £500k in the second year. This will result in an annual revenue reduction of £800k per annum by 2016/17. To deliver this, there is a need for a one off total investment of £118k (i.e. for control, trackers and IT systems). More detailed figures relating to this projects financial plan can be located with the “8. Financial Case” section of this document.

<b>Benefit</b>	<b>Target 14/15 Qu 2 £k</b>	<b>Target 14/15 Qu 3 £k</b>	<b>Target 14/15 Qu 4 £k</b>	<b>Target 14/15 £k</b>	<b>Target 15/16 £k</b>	<b>Target 16/17 £k</b>	<b>3 Year Total £k</b>
Fleet Utilisation	8	25	37	70	200	200	<b>470</b>
RCV's	27	74	110	211	440	440	<b>1,091</b>
Spot Hire Reduction			3	3	15	15	<b>33</b>
Fuel - Control and Management			6	6	75	75	<b>156</b>
Compete for External Commercial Opportunities					50	100	<b>150</b>
Taxi licencing / MOTs					50	100	<b>150</b>
<b>Total Cumulative Benefit</b>	<b>35</b>	<b>99</b>	<b>156</b>	<b>290</b>	<b>830</b>	<b>930</b>	<b>2,050</b>

## **4. Strategic Case**

### **4.1 Scope**

#### **In Scope**

The scope of this project encompasses all vehicles, plant and machinery assets owned, leased, or hired by Plymouth City Council. The project will examine how each of the vehicles within the Council's Fleet are currently being utilised and how they are being maintained in order to establish how many of each type of vehicle are actually required. The evidence produced, in the form of reports, by the FMIT software will be used for challenging service users in the future. Challenges to these users will include additional asset purchases, in order to reduce unnecessary expenditure.

Also within the scope of this project is the implementation of Category Management to the available options across the fleet. This will be done in order to find the most cost effective and sustainable method of obtaining vehicles over the long term. Once achieved, the procurement principles will be used by the centralised vehicle management team.

Project scope also includes the way that vehicles are maintained within the garages, to develop more cost effective solutions for their upkeep. This element of the project will involve, amongst many other initiatives, the utilisation of evening and weekend time slots, when the vehicles aren't in use, to carry out maintenance work. This will incorporate and dovetail with the initiative of changing of maintenance operative shift patterns, which is dependent on and falls under the scope of the CABCSS (Creating a Brilliant Co-operative Street Services) project.

This project will also consider the commercial operating potential of the Fleet management and maintenance services. This will be achieved by utilising the facilities that the Council already has, to provide MOT and servicing to potential customers and partners as a method of improving the income stream of that area.

Additionally, the project will be introducing the installation of vehicle trackers into all Council owned Fleet vehicles and heavy plant vehicles. The use of the new GPS trackers will enable supervisors to track the movement of vehicles in order to ensure they are being used to their full potential, in terms of their time in use by Council employees. Tracking data obtained from this will also verify whether a vehicle is being under-utilised, which will provide the grounds to challenge service users. Additionally, these trackers also provide greater security against theft for Council Fleet vehicles, and will provide the ability of monitoring usage and utilisation.

There is also likely to be the potential for the lessons learnt from the implementation of FMIT and category management to be applied across the Council, relating to most forms of procurement, in the form of best practise.

Furthermore, this project will be reviewing the staff transport policy, in order to ensure that members of staff are undertaking the most cost-effective and efficient method of transport whilst at work, to further contribute towards the Councils goal of reducing its emissions and carbon footprint.

## Out of Scope

The responsibility for negotiating the changes to shift patterns to allow for complete utilisation of the workforce Fleet does not fall under this projects scope, as it will be achieved through the “Creating a Brilliant Co-operative Street Services” (CABCSS) project. However, some of the deliverables of this project are dependent upon achieving a more efficient shift schedule and will benefit the management of Fleet services for the whole of the Council. Whilst this project will be delivering the controlled/monitored Fleet of vehicles that Street Services staff will be using, it does not fall under this projects scope to manage the negotiations around changes to terms and conditions.

## 4.2 Strategic Fit

This project will align with a range of internal and external strategies.

A key driver for the Introduction of Category Management is Plymouth’s Corporate Plan. This project recognises that a co-operative approach can enable the Council to work in different ways, producing savings while at the same time engaging with stakeholders and improving services. Therefore the project will be:

### Democratic

The Council propose that elements of this project will be ‘co-designed’ and consultation will take place with members of staff within Fleet and Garage along with other service users, throughout the project, providing meaningful opportunities to influence provision. Alongside this, the Council will embrace democratic processes, maintaining a high level of contact with Councillors including further opportunities to ‘co-design’. Examples of the projects democratic approach will include:

- All-Member briefings with feedback integrated into the project.
- Presentations to Cabinet Members and the Leader of the Council.
- Staff engagement events, for example ‘Have Your Say Meetings’, providing the opportunity for two way dialogue around elements of the project.

### Responsible

The Council is facing a £64.5 million funding gap over the next 3 years, which requires services to be more responsible in their use of resources. In line with addressing this funding gap, a review was undertaken. The Council is confident that it can realise savings of at least £300k per year (amounting to a £2.05m cumulative benefit) by introducing Category Management for all Fleet Services, as well as evaluating potential commercial opportunities available to the Fleet and Garage services.

Alongside this, the Council proposes to support the community to improve the safety of Plymouth’s roads and reduce the carbon footprint that the Council currently has. The Council are confident that, through the implementation of FMIT and vehicle tracking, the Council can achieve greater efficiencies, safer roads and a much more eco-friendly Council.

The Council has a duty to ensure service cuts are minimised wherever possible, and the Introduction of Category Management – Fleet Services Project will provide monetary savings that will contribute towards the Councils funding gap. The service that the Council provides to its customers will not be negatively affected by the outcome of this project as a majority are internal, it will be significantly improved; however, the service will be much more efficient in terms of financial expense and environmental impact.

## **Fair**

This project will take a fair approach. Our communication campaign will ensure that the Council are open and honest with all stakeholders, informing them of the basis for change and providing the opportunity for two way dialogue. Likewise, the Council will be fair in offering all affected members of staff within Fleet and garage the opportunity to express their opinions and co-design elements of the project wherever possible. Additionally, this project will be fair in relation to the customer, ensuring the best value for money approach using public funding is taken. This project will not impact on the service being delivered to the customers, but will increase service efficiencies and outputs through increased use of meaningful performance management. This project will also create opportunities for members of Fleet and Garage staff to learn the new skills that are necessary for operation within a modern Fleet and Garage environment.

## **Partners**

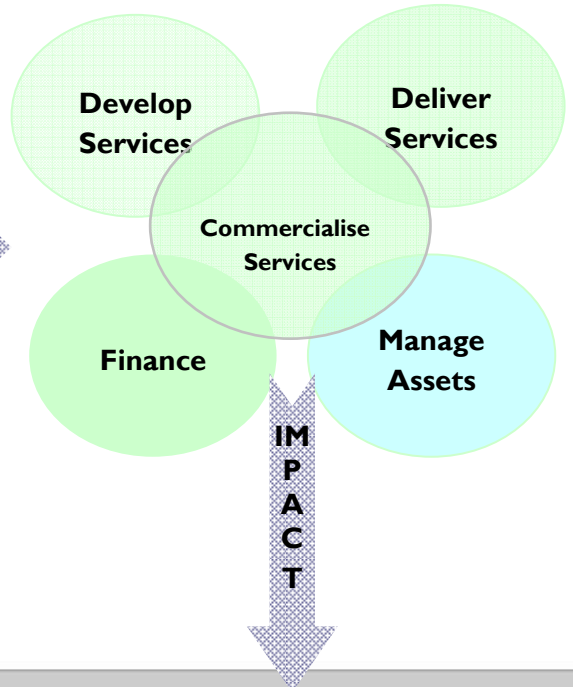
The Council will actively engage with any potential partners that may arise following an in-depth review of the commercialisation workstream associated with this project. For example, the Council will:

- Use information from other organisations that have implemented similar projects/products, and learn from their experiences as a form of best practise.
- Engage with organisations such as Plymouth Community Homes, major employers such as NHS, Babcock & the Universities to optimise our resources and to promote a common approach
- Explore the opportunity to engage and build relationships with neighbouring Councils to realise common benefits with similar services
- Work co-operatively with partners to ensure that any outcomes of this project will not have an adverse effect on services and deliverables offered elsewhere

### 4.3 Fit/Alignment with Blueprint

The Blueprint has been guided by a set of principles that focused on a number of organisational areas and highlighted a number of capability gaps that required initiatives to fill those gaps.

Blueprint Objectives	Strategic Principle - By 2017 / 18 we will...	Justification*
<b>Vision &amp; Purpose</b>	...be a valued co-operative council ...work as one integrated team with our communities and neighbourhoods to serve our city ...embed a sustainable resource plan that delivers our objectives	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Customer &amp; Channels</b>	...have a high awareness of customer views, needs and preferences, reduce dependency and proactively manage their expectations ...enable to identify, enter and foster for customers to interact with the council ...ensure customer are informed, oriented and able to influence the council's decision making ...have a realistic, consistent and accurate view of the customer demand on our services	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Commissioning and Service Delivery</b>	...use customer, communities and partners to deliver or commission services to generate public value ...have promised the services we provide - stopping, starting, reconfiguring and accelerating services in our portfolio ...support partners to develop capacity and capability within the market to meet our commissioning objectives	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>People, Organisation &amp; Culture</b>	...be a leaner, more adaptive organisation employing a creative, innovative, empowered and resilient workforce ...have the right organisation structure, capacity, skills and knowledge to deliver our priorities ...drive change and have a positive culture of collaboration, connectivity and continuous improvement	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Process &amp; Transactions</b>	...have removed all non value adding processes ...have simplified, standardised and documented our process and ways of working to be more outcome and cost focused	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Technology and Information</b>	...understand what technology and information we need to deliver against our business needs ...use customer, communities and partners to deliver or commission services to generate public value ...have more integrated information (e.g. customer, management) with partners, facilitating better co-operative working	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Accommodation</b>	...have the right buildings in the right places to deliver outcomes and support collaboration with partners ...own a proactively sign (operational and non-operational) assets and estate with our priorities, maximising their value for the city ...integrate our planning with partners and communities	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future
<b>Planning and Performance</b>	...use evidence based decision making to drive business and personal performance throughout the organisation ...effectively use measures that drive performance and accountability, focused on a few, rather than many	...align with the council's strategic vision ...ensure the council is fit for the future ...ensure the council is fit for the future



Blueprint





#### 4.4 Assumptions

This Project will assume the following:

- That where any changes in policy are required, they will be considered without delay to the project
- Where capital investment is identified for improvement to services as identified in the business cases, funding will be available.
- Members will support this project.
- That staff will engage with and understand the need for the changes proposed in the project and are given the opportunity to input into it.
- Red book changes to conditions of service for the 8 Fleet and Garage employees (11 across the Council, who are on red book) are implemented as a part of the “Creating A Brilliant Co-operative Street Services” (CABCSS) projects deliverables
- FMIT investment is approved in a timely manner

#### 4.5 Strategic Risks

The strategic risks are:

- The Council fails to achieve its savings targets, resulting in service provision that is unsustainable. The ICMFS Project is a mitigation to this risk, proposing savings that will contribute to the Council achieving its saving targets while at the same time improving a service , making it more efficient and opening it up to an increase in commercial activity
- The project fails to realise additional benefits through modified driver behaviours, as a result of the data that FMIT will produce. Although the contributions of driver behaviours to this projects financials are minimal, any benefit that has the potential to fail to be realised can be classed as a strategic risk.
- The project fails to properly embed a changed way of working, through the poor communication of change to members of staff, resulting in none-compliance. This will be mitigated by a significant communications campaign, regular engagements and communications of updates and progress to affected members of staff.

#### 4.6 Constraints

There are a range of constraints that may impact on the successful delivery of the project:

- Political support: the Council require political support for changes to terms and conditions of staff within the Fleet and garage service. Without this, the deliverables that are interdependent with those of the CBCSS project will not deliver its financial capabilities and benefits. It will also require political support in altering the Taxi Licensing Policy, in order to promote the use of the Council’s MOT Service for Taxi licensing. This will ensure a consistent control and approach to licensing quality.
- Resource needs: resources are required to ensure that the project is properly staffed and to implement an effective communication plan. Without the human resource element, this project will not be able to deliver the documentation and management, to include communications that will ultimately result in the financial benefits through the projects outcomes.
- Staff support from the Fleet and garage Service. Ultimately, these members of staff will see the most significant changes and they will be directly affected, therefore any potential dispute with them is likely to cause future problems for this project.

## 4.7 Dependencies

The ICMFS Project is reliant on:

- Pre-requisite good shared planning, judgement and decision-making by the Transformation Programme, stakeholders and ICT Project team;
- Successful implementation of policy changes
- An effective communications plan for informing members of staff of any changes that are to be made, and developing an effective feedback mechanism for the changes where appropriate
- The compliance of Council staff in altering working conditions, such as their working days and hours.
- Constructive involvement from Trade Unions and political parties to ensure that members of staff are satisfied with changes to their working week and potential changes to working conditions.
- Funding and approval for expenditure through political buy-in
- Accurate budgeting, forecasting and accounting, to be monitored periodically and updated
- Robust business intelligence data and information
- Resource availability
- Adherence to scope

This Project will be a part of the overall Transformation Programme, and will be aligned with it. The required outcome is to have Category Management in place by April 2015 in order to fully realise efficiency based benefits.

The most crucial dependency to this project is gaining the authorisation to implement the Fleet Management IT system (FMIT). A waiver relating to the procurement of FMIT has been granted. The successful implementation of FMIT will produce statistical figures for Fleet management, replacement, downtime, fuel usage, behaviours of drivers and the ability to electronically monitor what maintenance work is being carried out, all relating to specific, individual vehicles within the Council's fleet. Plymouth Fleet services on behalf of the Council intend to upgrade its current Fleet management system, as it is over 6 years old and is now out of date, unsupported and is not capable of supporting the requirements for incorporating the Council's Transport Services into an Integrated Transport function. The current contract has been extended with the supplier and is now over due for renewal. This provides the opportunity to procure a new FMIT system that is much more fit for purpose and cost effective.

A further dependency for the project is the need for political buy-in, as this project will affect the working arrangements of a large group of staff, as well as changing how a very integral part of the Council works for the foreseeable future. Additionally, Trade Unions and the workforce will have a significant involvement within this project.

## 4.8 Opportunities

The ICMFS Project presents the opportunity to:

- Increase the efficiency and cost-effectiveness relating to the procurement of vehicular assets
- Review the current Fleet to ensure that the needs and requirements of current members of staff to complete their jobs are met
- Allow the (successful) changes to procurement and the principles followed to be replicated and enforced across the Council, to produce a more efficient and cost-effective Council.

## 5. Options Appraisal

### Option 1 – Do Nothing / BAU

Option 1	
<p><b>Do nothing</b> The Fleet &amp; garage services would continue to operate to their current standards</p>	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Fleet and garage services will continue to operate to their current standards</li> <li>• Additional project investment costs of £26k will be avoided. However a FMIT cost would be incurred irrespective of this project</li> <li>• The Council will avoid sensitive issues surrounding changes to terms and conditions changes with the 8 members of Fleet and Garage staff (11 across the Directorate)</li> </ul>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• The Council faces a £64.5 million funding gap over the next 3 years. Therefore current service provision is arguably not sustainable in its current form</li> <li>• There will be little control over vehicle and plant procurement. The current method of working is unsustainable and would benefit from a thorough review process.</li> <li>• Missed opportunities to promote the positive aspects of the Fleet and garage services, such as the decreased carbon footprint and safer roads for the customer</li> <li>• Missed opportunities to influence driving behaviours by using the data that FMIT would produce, in order to make vehicle usage even more efficient</li> <li>• Currently under-utilised assets will continue to not realise the potential savings that can be achieved through the selling of vehicles. These assets will continue to depreciate if not addressed.</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>not viable</b> and a change to the operations must take place in order to deliver the required outcomes</p>	

Through the implementation of Option 1, the Council will continue with the current level spending, and forego the opportunity to realise £2.05m benefits over the 3 year period.

**Option 2 – Implement ICMFS Project (Set out in the PID)**

Option 2	
<b>Implement ICMFS</b> Implementation of an Integrate Category Management Fleet System	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• 300k saving per annum identified from savings &amp; efficiencies over the next 3 years</li> <li>• Provide greater value for money to Plymouth City Council through more effective Fleet commissioning, procurement, management and maintenance</li> <li>• Decreases unnecessary depreciation of assets</li> </ul>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• Investment in IT is required</li> <li>• Possible IT integration issues</li> <li>• Resistance to installing this type of software (tracking)</li> <li>• Temporary disruption to the current service</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>viable</b> and can provide the desired outcomes. <i>Note, this option is already in motion and small, but significant benefits have already been realised.</i></p>	

This option realises £2.05m over the 3 year period, as explained within the Financial Case section of this document.

**Option 3 – Alternative Service Delivery Vehicles (ASDV)**

Option 3	
<b>ASDV's</b> Looking at an alternative service delivery vehicle	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Potential to reduce costs</li> <li>• Better delivery of service</li> </ul>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• The ASDV will realise all benefits through increase efficiencies</li> <li>• Potential negative staff and political views on alternate methods of delivery, leading to, in extreme cases, confrontational behaviour and actions</li> <li>• The alternative method of delivery may not provide the service to the Council's desired standard, or to the standard that the Council had originally in place</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>not viable</b> currently because the Council would miss out on reaping the efficiencies /benefits for themselves <i>Note, the ASDV option is still a possibility for the Fleet and garage services, and this should be revisited. The Council may seek to do so when all the benefits have been realised on their behalf, and an efficient and effective service has been established.</i></p>	

**6. Recommendation**

Option(s)	Rationale
Option 2	<ul style="list-style-type: none"> <li>• Provides an holistic approach for increasing efficiencies across a number of areas with the Fleet &amp; Garage Service</li> <li>• Provides the potential to make a contribution towards bridging the funding gap</li> <li>• Provides the controls &amp; mechanisms required for a better delivery of the Fleet &amp; garage service</li> </ul> <p>Addresses the relevant capability gaps highlighted with the blueprint</p>

It is the strong belief that Option 2, the Introduction of Category Management in Fleet Services is the most cost-effective and beneficial option that is to be considered within this document. The main tasks that will be involved within this project are set out within the Project Plan of the PID document. Key milestones have been inserted within this document to give an idea of the work involved in achieving the desired outcome, which is realistic and achievable. The reasoning behind this recommended option is that it provides the optimum value for money in terms of financial input and the savings that can be achieved. As set out in the financial case section of this document, there is significant financial gain from implementing the ICMFS project. These gains/efficiency savings can't be achieved through both of the alternate options.

Time pressures relating to the recommended option come in the form of the documentation processes that the project team will need to follow in order for this project to be approved. There will be interdependencies, as previously stated, with the “Creating a Brilliant Co-operative Street Services” (CABCSS) project relating to the changes to terms and conditions of employees which, if opposed, will result in an elongated process and will cause potential delays in the delivery of this project.

The “Do Nothing” option would be the simplest option to follow, but this option would miss out on multiple opportunities for efficiencies and savings to be achieved within the Council’s Fleet and Garage Services. The “Do Nothing” option has been rejected, as it would be too costly for the Council to continue operating with its current Fleet management approach. The Council has the responsibility to ensure that public funding is utilised in the most efficient and effective way.

While the “Alternative Service Delivery Vehicles” (ASDV) option is a potential option for the future, it is currently not a financial or politically suitable path to follow in this circumstance, as the benefits that can be realised in Fleet and garage should come under the Council. The “Alternative Service Delivery Vehicles” Option has been rejected, as it is not financially suitable for the Council to consider an alternative method of delivery, given the Fleet and Garage services current position. Once the service has been fully optimised, there may be the option to delivery this ASDV. Likewise with the “Do Nothing” option, there is an obligation to ensure the Council is using public funding appropriately, and it is the strong belief of the ICMFS Project team that this is currently not an option.

## 7. Benefits Realisation

This project will plan to realise benefits both during and after the projects time scope, and will be monitored throughout the projects life cycle. Benefits will be captured and recorded as and when they are realised, and reported on to ensure that the project is delivering to the standards set in the Business Case.

The Project will achieve the following benefits:

- A most cost-effective and efficient Fleet and garage service
- Significant savings can be achieved through the decrease in depreciation of Council assets
- More eco-friendly vehicles and driver behaviours through the behaviour management of the IT package, allowing for a decrease in the Council carbon footprint
- A vast opportunity to promote positive key messages to members of staff and members of the community/customers regarding efficiencies and carbon footprint reduction
- A potential decrease in inaccurate insurance claims, as tracking hardware/software will be able to justify vehicle locations
- Safer streets, for both the public and Council members of staff

## 8. Financial Case

The table below represents the in-depth financial figures associated with the successful implementation of this project, split into the 3 year financial plan that this project will be implemented across.

The funding source for this project will be the Transformational Change budget within the Council, with certain elements of the project being classed as “Invest to save”, which therefore qualified the agreement of a waiver being produced for FMIT. The FMIT procurement element of this project has been classed as “Invest to save”; therefore the funding has already been secured out of the Transformational Change budget.

Description of Change Initiative:	2014/2015 £k	2015/2016 £k	2016/2017 £k
Fleet utilisation	70.84	200.02	200.02
Refuse Collection Vehicles	210.84	440.02	440.02
Spot Hire	3.75	15	15
Fuel control & management	6.25	75	75
External Commercialisation	0	50	100
Taxi Licensing / MOT's	0	50	100
<b>Totals:</b>	<b>291.68</b>	<b>830.04</b>	<b>930.04</b>
<b>Cumulative Totals:</b>	<b>291.68</b>	<b>1,121.72</b>	<b>2,051.76</b>

	2014/15											
	April £k	May £k	June £k	July £k	August £k	September £k	October £k	November £k	December £k	January £k	February £k	March £k
Fleet Utilisation					4.17	4.17	8.33	8.33	8.33	12.50	12.50	12.50
Refuse Collected Vehicles					9.17	18.33	18.33	18.33	36.67	36.67	36.67	36.67
Spot Hire										1.25	1.25	1.25
Fuel Control & Management										2.08	2.08	2.08
<b>Total</b>					<b>13.34</b>	<b>22.50</b>	<b>26.66</b>	<b>26.66</b>	<b>45.00</b>	<b>52.50</b>	<b>52.50</b>	<b>52.50</b>

	2015/16

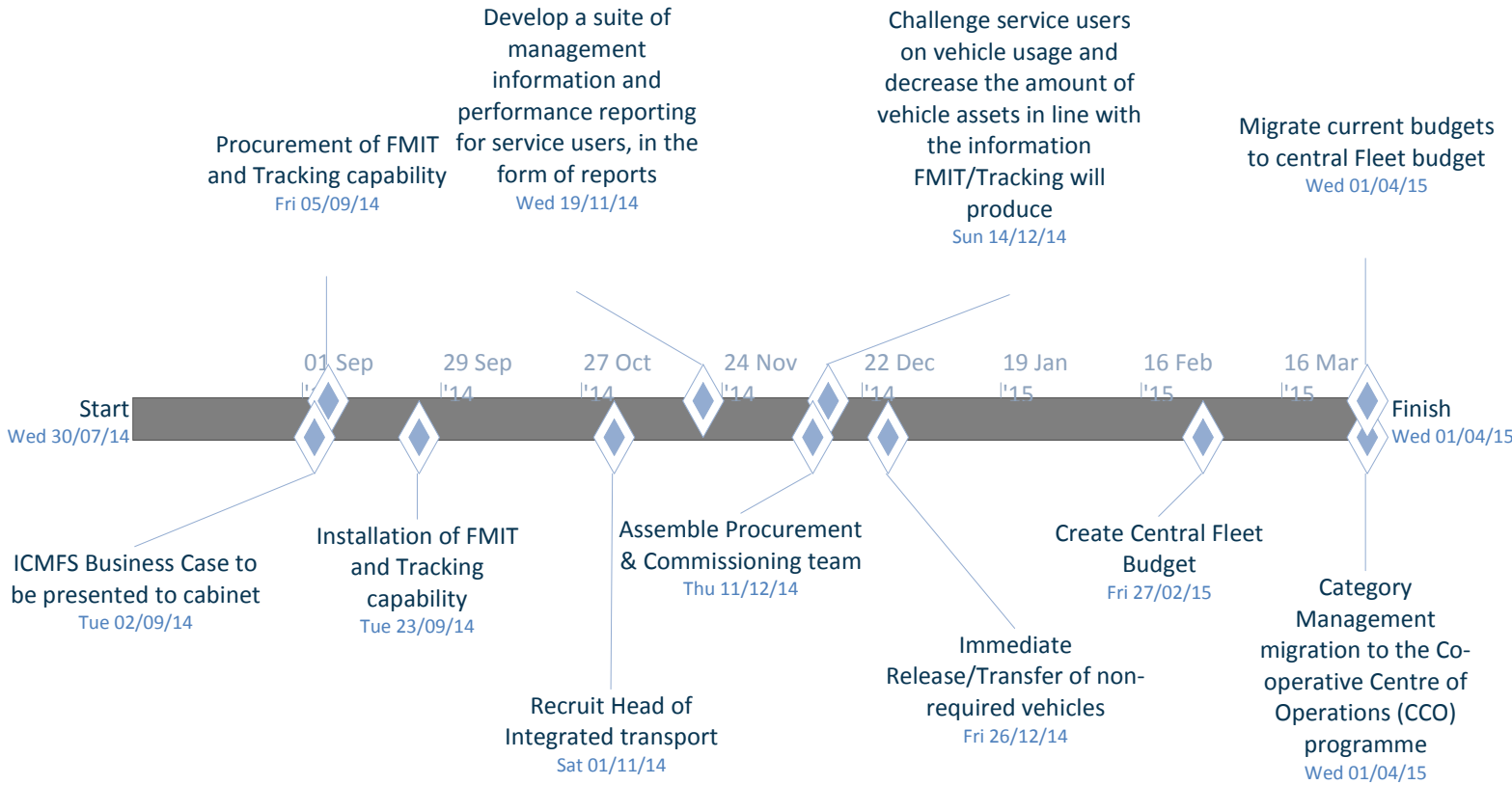
	April £k	May £k	June £k	July £k	August £k	September £k	October £k	November £k	December £k	January £k	February £k	March £k
Fleet Utilisation	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67
Refuse Collection Vehicles	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67
Spot Hire	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Fuel Control & Management	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
External Commercialisation							8.33	8.33	8.33	8.33	8.33	8.33
Taxi Licensing / MOT's							8.33	8.33	8.33	8.33	8.33	8.33
<b>Totals:</b>	<b>60.84</b>	<b>60.84</b>	<b>60.84</b>	<b>60.84</b>	<b>60.84</b>	<b>60.84</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>

	2016/17											
	April £k	May £k	June £k	July £k	August £k	September £k	October £k	November £k	December £k	January £k	February £k	March £k
Fleet Utilisation	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67
Refuse Collection Vehicles	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67	36.67
Spot Hire	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Fuel Control & Management	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
External Commercialisation	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
Taxi Licensing / MOT's	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
<b>Totals:</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>	<b>77.50</b>



**9. Management Case**

**9.1 Project Plan**



## 9.2 Key Milestones and Dependencies

Milestone / Deliverable	Date	Dependencies
ICMFS Business Case to be presented to cabinet	02/09/14	Production of a successful Business Case
Procurement of FMIT and Tracking capability	05/09/14	Approval from "Invest to Save"
Installation of FMIT and Tracking capability	23/09/14	Successful Procurement of FMIT and Trackers that meet the specification required
Develop a suite of management information and performance reporting for service users, in the form of reports	19/11/14	Successful Installation of Tracking hardware and FMIT software
Identify underutilised vehicles from reports	25/11/14	
Review requirements for vehicles, compared to the current Fleet capability	25/11/14	
Collect & Review Business Cases for Short Term Hires (STH)	27/11/14	
Immediate release of non-required STH's	28/11/14	Business Cases for STH's are collated
Recruit Head of Integrated transport	01/11/14	Suitable candidate pool
Assemble Procurement & Commissioning team	11/12/14	Suitable candidate pool
Challenge service users on vehicle usage and decrease the amount of vehicle assets in line with the information FMIT/Tracking will produce	14/12/14	FMIT and Trackers producing valid reports relating to vehicle misuse/under-utilisation
Immediate Release/Transfer of non-required vehicles	26/12/14	There is enough evidence to show that vehicles are not being used to their full potential
Create Central Fleet Budget	27/02/15	
Migrate current budgets to central Fleet budget	01/04/15	Minimal resistance to budget management changes, and effective mitigations of any resistance are implemented
Category Management migration to the Co-operative Centre of Operations (CCO) programme	01/04/15	Successful set up of Procurement and Commissioning Team within CCO

### 9.3 Key Risk Analysis and Risk Management

The key risks to this project, inserted below, have been derived from the Programme level RAID (Risks, Assumptions, Issues, and Dependencies) log.

Risk ID	Description	Likelihood	Impact	Mitigation
GAME_06_RSK_36	Delays in the procurement of the FMIT software system	3	4	02/07/14-Support from the ICMFS project board, linking with business architecture and CCO, to ensure that the CCO programme are aware of all activity. Ensure IT have resources available
GAME_06_RSK_40	User departments not engaged with challenge/performance management process	2	2	02/07/14-Comms and Engagement with other departments
GAME_06_RSK_42	Delays to street scene initiatives relating to shift pattern changes	3	3	02/07/14-Getting clarification surrounding what people currently understand
GAME_06_RSK_43	Deferral of overall levels of benefits realised as a result of slow definition and documentation of integrated transport management and category management processes and procedures	3	1	02/07/14-Identify and document (structure neutral) required processes and procedures. Indicate structural options to Business Architects for review by end Sep'14.
GAME_06_RSK_50	Recruitment process does not find candidate for head of integrated transport unit with sufficient capabilities to deliver project to requirements	3	2	02/07/14- should the recruitment process not find the required quality, an interim will act in their capacity.

## 9.4 Quality Assurance

<p><b>Quality Responsibilities</b></p>	<p>Responsibilities are shared between:          Stuart Cooper – Project Manager          Simon Dale – Project Executive          Alex Hurth – Programme Manager          Dalvinder Gill – Business and Technology Architecture          Anthony Payne – Senior Responsible Officer          Additional governance will be provided at various levels, including the project board, programme board and by Councillors</p>		
Quality Criteria	Quality Tolerance	Quality Method	Quality Check Skills Required
<p>Efficient and effective fleet, minimal downtime of vehicles, increased life-span of vehicles and plant equipment, a customer-focused service from Fleet Support. O-license compliance.</p>	<p>Quality tolerance for this product is low. It is essential that the Fleet is maintained to a good specification, to support all other dependant services and to ensure that Fleet vehicles are fit for purpose.</p>	<p>The following methods will be used ensure quality:</p> <ul style="list-style-type: none"> <li>- Production of management information</li> <li>- Challenge of service users</li> <li>- Changes to budgets</li> </ul>	<p>Quality checks will need to be undertaken by management and frontline staff who have the required skills to identify potential problems and provide solutions. Embed the culture of becoming a Brilliant Co-operative Council into the service provided.</p>

## 9.5 Change Management

The following cooperative approach to change will be followed:

1. Preparing for change      Understand the current situation, the case for change, the future vision, consider what needs to be different
2. Designing the change      Involving others, working cooperatively, using co-design principles with stakeholders
3. Making the change        Use of change agents where appropriate, monitoring progress, listening to feedback, use lessons learned, sharing success
4. Embedding the change      Ensuring the change is sustained and does not revert back to previous state, ongoing measurements and use of performance management data

Some preparation for changes in Street Services started in 2013, when numerous large-scale staff engagement workshops were held with Street Services staff and they provided feedback and ideas for service improvement; including amongst many other things, ideas to further commercialise the Fleet and Garage section. A report published in 2013 also confirmed there was opportunity to improve the management of Council fleet vehicles which would ultimately lead the service to a more efficient, cost-effective and sustainable position, whereby commercialising services could be a consideration in the future.

A cooperative approach to change is essential for this project, particularly in respect of the Fleet and Garage staff that will be directly impacted by numerous changes as result of this project. The approach will reflect the council's cooperative values and keep the customer at the heart of any considerations around proposed service changes.

The project has informally agreed a number of cooperative change commitments that will shape the approach to change, any related engagement activities and will help take the directly-affected staff through the change itself. These commitments are expected to stand throughout the project (through the preparation, design, implementation and embedding phases) and beyond:

- Co-design changes with key stakeholders wherever possible and appropriate
- Seek feedback and advice on change proposals from the parties who have a vested interest or responsibility for those stakeholders the change is likely to impact
- Close feedback loops (to ensure those who provide feedback know what it has been used for)
- Make connections and work collaboratively with other departments and partners as necessary
- Seek to learn lessons and best practice from other internal services and external organisations on their experience of relevant / similar changes
- Create opportunities to listen to those who are affected by the change
- Monitor and measure the effectiveness of the change

One of the critical changes required to achieve project success is the change to shift patterns. Although this project does not include the responsibility for the negotiations, the reaction and engagement of the Fleet and Garage staff that are directly affected, will be a key factor to consider. It will therefore be imperative this project works closely with those who are negotiating the changes, to ensure that messages around the need for the change is clear, and that project plans reflect acknowledge of the period of negotiations and are sympathetic to the likely reactions of staff to this change in their working practices.

The Fleet and Garage culture also needs to change to one that is evidence-based and performance-driven and eventually one that is commercial. This requirement is also supported by the CBCSS and Commercialisation projects which seek a similar culture change within Street Services. The FMIT is integral to achieving this and alongside strong emphasis on staff development and opportunities for co-design, there will be consistent and meaningful staff communication, alongside regular provisions for staff to contribute their thoughts, feelings and suggestions in a meaningful and relevant way.

In order to ensure any changes are embedded and sustained, steps will be developed to ensure the 'previous' operating state cannot be reverted to. This will include the ongoing use of performance metrics and relevant management information which will become a normal part of the services' evidence-based performance management culture in the future.

## **9.6 Communications and Engagement**

### **Communication of Key Messages**

This project aims to be an 'exemplar' of co-operative values, therefore communication and engagement activities will sit at the heart of the approach that we will take.

## **Key Messages for the Public / Community -**

There are numerous opportunities to share positive messages with the community in relation to this project. For example, the project will create a much more sustainable service that is more efficient, cost-effective, better for the environment (through lower carbon emissions) and provides the Council with an increased awareness of driver behaviours which will contribute to safer streets within the city.

## **Key Messages for Staff**

Key messages for Fleet and Garage staff have explained the need for the change and the likely impact on them. There are positive messages for staff as this project seeks to invest in the service and develop staff to progress towards an improved and sustainable position in the future, where commercial expansion can be considered.

All drivers of fleet vehicles will need to be informed of the new vehicle tracking component, and all the positive benefits that it will bring. One key result of this is going to be safeguarding for employees from false insurance claims that have been issued against them. The vehicle tracking capability will support them in these cases, providing evidence to show that certain accusations are false.

Those employees who currently manage fleet budgets will need to be informed of the project intentions and case for change, particularly around the need for a centralised budget and integrated transport unit. Potentially service budgets will need to be remodelled to ensure there are tighter controls on fleet spend and this is likely to impact services across the organisation.

This project will support the changes to working practices in the ongoing restructure, as well as supporting the necessary operational changes. Involving staff in meaningful ways, to enable them to provide input into the project and to feel involved in this transition, is crucial to the success of this project. This project's deliverables are closely linked with the deliverables of the "Creating a Brilliant Co-operative Street Services" project. Amending the working week within street services will allow for the reduced number of vehicles produced from ICMFS to be fully utilised to their maximum level of efficiency.

This project is closely linked to the "Creating a Brilliant Co-operative Street Service" (CABCSS) project, surrounding the changes to working practices within the Garage and Fleet Service

## **Key Messages for Members**

Elements of this project are dependent on political support, and therefore effective communication with key political members of the council is critical to this project's success. This project's interdependency with the CABCSS, in terms of the changes to terms and conditions, relies on political support for the change, and the change itself to be implemented.

Members will be briefed on progress throughout the project and achievement of key deliverables will serve as positive messages that can be shared with the community. It will also be important to inform of the benefits associated with camera and tracking software e.g. improved driver behaviour, increased road safety, reduced number of insurance claim payments etc. which will support Members when speaking with residents in local communities.

## Key Messages for Partners

We will actively engage with various partners particularly to learn and share knowledge from those who have implemented FMIT previously, understanding their experiences will enable us make the implementation a success and pre-empt any areas of potential difficulty.

Furthermore, the commercialisation workstream associated with this project will require the identification and consideration of potential commercial partners for the future and close partnership working will be necessary with them to explore the commercial viability of the Council's fleet and garage service.

## Key Messages for Stakeholders

A key message grid has been developed; incorporating the key messages that this project will need to deliver and shows which type of stakeholder the message will apply to. This can be located as Appendix item 10.1.

## Engagement

The Project will need to engage with members of staff, partners, customers, community and elected members of the Council to ensure all opinions and ideas are captured in helping to build a co-designed service moving into the future.

## Staff Engagement

As explained in the "Communication of Key Messages" area above, engagement with Staff will be vital to the success of the project, as almost all the work associated will directly or indirectly affect them. The table below shows the different categories of staff and how they are related to this project, through a RACI breakdown, to ensure they are engaged with in the correct and most efficient way.

Stakeholder	Responsible	Accountable	Consulted	Informed
CMT		X	X	
SMT		X	X	
Trade Unions			X	
Council Staff – Fleet & Garage			X	X
Council Staff – Additional Fleet Users			X	X
Council Staff – Council wide				X
Transformation Programme		X		

## Member Engagement

The project will need to utilise the democratic decision making processes available, and be aware of the importance, where appropriate, of ensuring elected member/political engagement throughout the transformation process. This will involve existing opportunities for member engagement and information sharing. Furthermore elected members, where appropriate, will also need to receive feedback from other engagement strands to aide broader understanding of how the Council are using a co-operative approach to engagement throughout the Transformation Programme. This list of elected member stakeholders may change to reflect the scope of the relevant project.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Elected Members</b>	Cabinet		X	X	
	Shadow Cabinet				X
	Member Transformation Board		X	X	
	Council's Scrutiny Function			X	
	Transformation Advisory Group			X	
	MPs				X

## Community Engagement

Although there will be little direct impact on the community, this project will present opportunities to inform about the benefits this project will deliver, as many of the changes will have a positive indirect impact on Plymouth residents. Opportunities to promote positive aspects of this project will be presented throughout this project's life cycle.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Community</b>	Members of the Community				X

## Partner Engagement

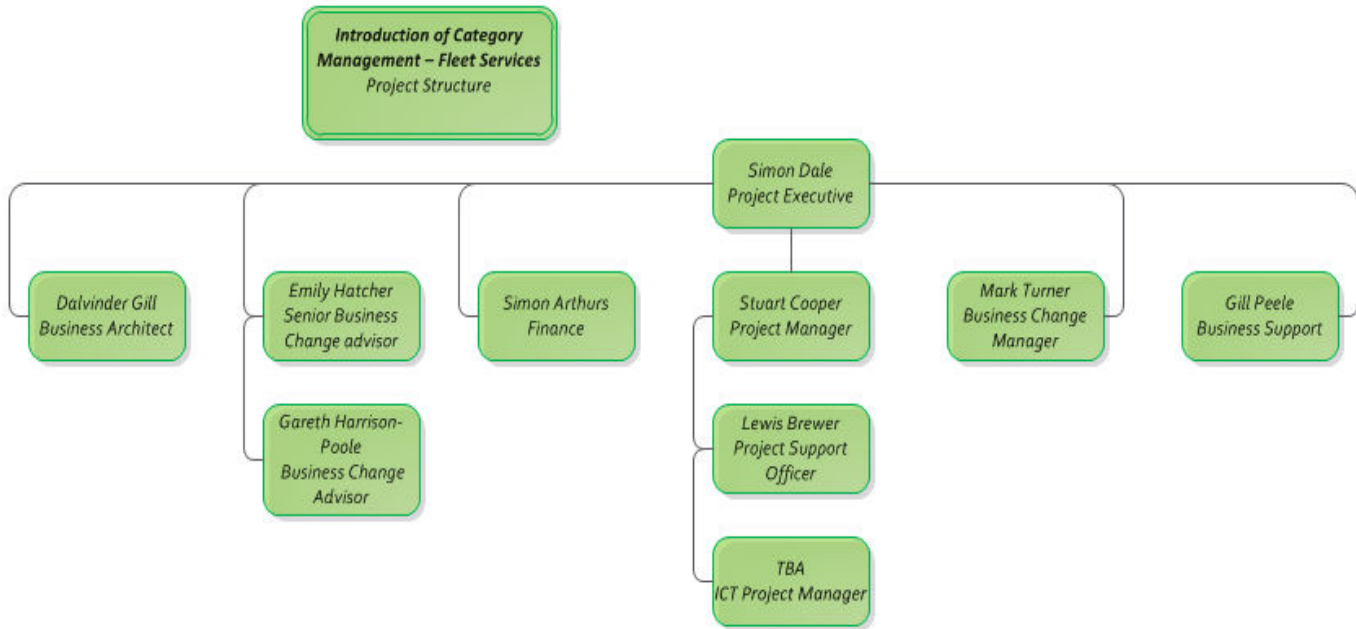
We propose to identify and actively engage with potential partners, following an in-depth review of the commercialisation workstream associated with this project. We have already worked with Cornwall Council to review their current FMIT system in order to inform our own procurement decisions and have been learning lessons from their experience.



Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Partner</b>	Plymouth Community Homes			X	X
	Plymouth University			X	X
	Marjons University			X	X
	Cornwall Council			X	X
	South Ham's & West Devon Council			X	X
	NHS			X	X

**9.7 Framework and Methodologies**

**Project Framework**



**Programme Management Methodology**

This project employs Prince 2 project management methodologies.

**Other tools / methodologies / processes / standards / assurance**

1. Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.
2. Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up pack and subsequent documentation found in the Portfolio Office. See S:\Transformation\Portfolio Office
3. All documents pertaining to the standards, processes, tools, methodologies and assurance to be applied to all Programmes and Projects in the Transformation Portfolio will be found in the Portfolio Office Folder as shown above.

All files for specific Programmes and Projects will be filed by Programme and Project. See S:\Transformation\Programme and Project Folders

**10 Appendices**

**10.1 Key Messages for Stakeholders Grid**

The grid below incorporates the key messages that this project will need to deliver and shows which type of stakeholder the message will apply to. As the project develops, the Communications and Engagement plan will be developed in more detail.

		Stakeholder Type			
		Public / Community	Staff	Members	Partners
<b>1</b>	A more efficient service to be provided as a result of better asset management within the Council	X	X	X	
<b>2</b>	A greener and more sustainable service through the cost-effective procurement of newer, more efficient vehicles and the better utilisation of those vehicles	X	X	X	X
<b>3</b>	Savings generated will contribute to the Councils budget shortfall from central government		X	X	
<b>4</b>	Working co-operatively with key members of street services staff to ensure co-designed product		X	X	
<b>5</b>	The main driver for this project is the severe under-utilisation of current assets within the Council's fleet, which needs to be addressed immediately to reduce excessive and unnecessary spending.		X	X	

<b>6</b>	The current service vehicles are unnecessarily costing the Council large sums of money, therefore an increase in efficiency is required		X	X	X
<b>7</b>	This provides the opportunity to improve the quality of vehicles used within our fleet, making them much for efficient and environmentally friendly.	X	X	X	X
<b>8</b>	These changes will impact on current working practices that are in place		X	X	
<b>9</b>	Staff will be provided with the opportunity to feed into the development of the changes, to deliver a co-designed and co-operatively agreed method of working		X	X	
<b>10</b>	Staff will be provided with support and training and development opportunities to help transition with the change to service		X	X	
<b>11</b>	Through the installation of vehicle tracking, the Council can monitor driver behaviours and locations to provide improve efficiencies, as well as security for staff that have false allegations against e.g. accidental damage to cars.		X	X	

## 10.2 Equality Impact Assessment

<b>STAGE 1: What is being assessed and by whom?</b>	
What is being assessed - including a brief description of aims and objectives?	<p>The Introduction of Category Management – Fleet Services Project contributes to Plymouth’s ‘Brilliant Co-operative Council’s agenda, driving forward provision to create a clean and vibrant environment for residents and supporting the City in its growth. It is structured through three workstreams:</p> <ul style="list-style-type: none"> <li>- Commercialisation</li> <li>- ICT</li> <li>- Finance</li> </ul> <p>The project aims to create a much more efficient Fleet and Garage service, and review the current procurement and management policies surrounding the Council’s vehicles.</p> <p>A core element on this project is to procure and implement a Fleet Management IT (FMIT) system that can review current and future utilisations of all Council-owned vehicles, to ensure optimum value for money is achieved through efficiencies and opportunities.</p> <p>This project will also look at how the budgeting and procurement of fleet vehicles currently lies, and will seek methods of producing efficiencies through the centralisation of budget to ensure unnecessary expenditure is eliminated.</p>
Responsible Officer	Anthony Payne
Department and Service	Fleet and Garage Services
Date of Assessment	01/08/2014

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
Age	Age does not represent a	<b>No</b>	Positive steps will be taken throughout	N/A

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
	significant issue in the delivery of this project		involving service users, partner agencies and Members	
Disability	Disability does not represent a significant issue in the delivery of this project however will need to be cognisant of this in the review of passenger transport	<b>No</b>	Positive steps will be taken throughout involving service users, partner agencies and Members to identify and address disability issues	N/A
Faith, Religion or Belief	As of 2011 Plymouth's breakdown in relation to religion was: No faith: 30% Hindu, Buddhist and Jewish combined less than 1%. Christian 68% Muslim/Islam 1.7%	<b>No</b> Transport will support people irrespective of their faith, religion or belief.	N/A	N/A
Gender - including marriage, pregnancy and maternity	Age does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Gender Reassignment	Gender Reassignment	No	Positive steps will be	N/A

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
	does not represent a significant issue in the delivery of this project		taken throughout involving service users, partner agencies and Members	
Race	Race does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Sexual Orientation -including Civil Partnership	Sexual Orientation does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Socio-economic status	Socio-economic status does not represent a significant issue in the delivery of this project however will need to be cognisant of this in the review of passenger transport	No	Positive steps will be taken throughout involving service users, partner agencies and Members to identify and address economic issues	N/A

<b>STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
Reduce the inequality gap, particularly in health between communities.	ICMFS has no negative impact on the inequality gap between different communities.	N/A
Good relations between different communities (community cohesion).	ICMFS has no negative impact on the relations between different communities.	N/A
Human Rights	There are no implications for Human Rights. The service will remain universal, ensuring that all users receive equitable and effective provision.	N/A

<b>STAGE 4: Publication</b>			
Director, Assistant Director/Head of Service approving EIA.	Simon Dale	Date	08/08/14





**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Strategic Business Case – Commercialisation Initiatives
<b>Committee:</b>	Cabinet
<b>Date:</b>	2 September 2014
<b>Cabinet Member:</b>	Councillor Lowry
<b>CMT Member:</b>	Anthony Payne (Strategic Director for Place)
<b>Author:</b>	Lee Pundsack, Project Manager, Transformation
<b>Contact details:</b>	Tel: 01752 305976 Email: lee.pundsack@plymouth.gov.uk
<b>Key Decision:</b>	Yes
<b>Part:</b>	I

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**Purpose of the report:**

This report presents a 'strategic business case' for progressing the Commercialisation project across the Council as part of its GAME transformation programme.

This report presents the proposed scope of what will be considered for 'commercialisation' and the key principles for capturing the resultant financial benefits. It does not provide a specific breakdown at this stage of exactly how and where the net commercialisation additional income target of £3.744m in 2016/17 will be achieved as this will be developed from the detailed work which will follow across a diverse range of activities as part of the project. However, it does show some initial areas where a more commercial approach is reaping dividends.

The project proposes to enable the Council to operate more commercially by:

- Developing a commercial strategy with principles, guidelines, controls and protocols including how benefits are to be captured and used
- Increasing the commercial capability of the Council
- Increasing commercial awareness throughout the Council thereby increasing opportunities
- Instilling commercial principles in management
- Considering and deciding the optimum method of delivery eg an alternative service delivery vehicle (ASDV) and/or delivery within service area
- Ensuring services are able to compete commercially by considering and understanding the market and costs
- Identifying commercial opportunities through the use of consultants and staff
- Implementing the commercial opportunities at a strategic, tactical or operational level

This project aims to increase financial benefit by £3.744m in year 2016/17, and £6.666m in total over the three year period.

This Project aims to deliver a capability within the Council that will:

- Deliver a new Commercial capability that aims to deliver an uplift of net income/benefits of £3.744 million in 2016/17 across all current or future commercial activities.
- Improve commercial decision making and entrepreneurship through a commercial strategy that will assist changing the culture and processes across the Council and partners to ensure that all current and future commercial projects generate a financial return or a social return.
- Allow officers and councillors to identify and develop business opportunities
- Give a coordinated view and better control to commercial activities across the Council to ensure every commercial opportunity adds value to the Council's vision, values and objectives.
- Gives us a strategic understanding of the current and the desired future shape of commercial, category and sales management structures within the Council.
- Allow better negotiation of deals and contract renegotiations to mitigate commercial risk, and provide more profitable outcomes.
- Identify a range of partners and potential commercial advantages they can bring in provision of services.
- Give the ability to identify commercial opportunities through the better utilisation of assets.

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### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The following has been summarised from the strategic business case, demonstrating the alignment of the project with the Corporate Plan.

#### **Democratic**

Wherever possible, elements of this project will be 'co-designed', engaging with stakeholders and allowing them meaningful opportunities to influence the project. Alongside this we will embrace the democratic processes, maintaining a high level of contact with councillors.

#### **Responsible**

With the Council facing a £64 million funding gap over the next three years, we will have to be more innovative with our available resources. The commercialisation project will play a major part in bridging this funding gap, by identifying and implementing appropriate commercial opportunities from within our services and from utilisation of assets, and from new commercial opportunities. We will ensure we are responsible in our commercial endeavours by assessing the impact any change is like to have on stakeholders.

#### **Fair**

We will be honest and open in our plans for commercial activity and will provide opportunity for proposals to be commented on by those customers who are most likely to be impacted by the changes. We will explore opportunities for Plymouth students with relevant skills to be involved in developing our commercial activities and thereby gaining employability skills and practical work experience. We will be fair by ensuring our commercial activities follow the fairer fees and charges policy.

**Partners**

We propose to actively engage with partners where appropriate. This will improve the outcomes that we achieve and enable us to implement change more effectively by sharing resources and expertise. We will provide more efficient services to our customers and offer a wider portfolio for them to explore. When exploring ASDVs we will work together with the wider community looking to seek outsourcing or co-production opportunities to develop different ways of working where appropriate.

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land:**

This project aims to realise a financial benefit of £3.744m in year three, and £6.666m over the three year period.

	2014/15	2015/16	2016/17
	£m	£m	£m
Annual net additional financial target	0.700	1.522	1.522
<i>Cumulative Financial Target (in year requirement)</i>	<i>0.700</i>	<i>2.222</i>	<i>3.744</i>

To progress this project it will require an initial investment in additional specialist staff of £180k - £200k and will be requested to be funded initially from the transformation budget prior to these costs subsequently being funded from the commercialisation income generated.

These costs are outlined in more detail at section 7 of the Business Case

---

**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

This project will improve the commercial capability and capacity of the Council

---

**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes – as attached as Appendix item 9.4

---

**Recommendations and Reasons for recommended action:**

It is recommended that:

- I. That the Strategic Business Case – Commercialisation with the Option 3 Coordinated Commercialisation project as the preferred option be approved and taken forward for implementation.

2. That approval of the Council's Commercial Strategy is delegated by Cabinet to the Strategic Director for Place as the Senior Responsible Officer of the GAME Board, in consultation with the Cabinet Member of Finance.
3. That the initial Workstreams and areas for commercialisation investigation be as set out in Commercialisation Workstream Summary at Appendix 9.3 of the Strategic Business Case.
4. The Project will aim to develop further work streams throughout the period of transformation in order to bridge the budget deficit.
5. That the key principles for capturing financial benefits from commercialisation and the scope of their coverage be as set out in the Financial Commercialisation Paper at Appendix 9.1 of the Strategic Business Case – these being in summary that:
  - Commercialisation covers both expenditure (eg contract renewals and demand management) and income (eg increased net surplus/profit from existing or new income streams) and may arise as a result of Council working alone or with partners.
  - Areas of activity include advertising, sales of goods and services, sponsorship and rentals (from existing assets or capital acquisitions)
  - Commercialisation would exclude contributions, grants, donations, ring-fenced income, social care income from service users
  - Unplanned and unforeseen 'windfalls' or 'one offs' relating to increased income or cost reductions, irrespective of whether they come about from commercial activity or business as usual must be declared in the monitoring for Corporate Management Team (CMT) to discuss
  - CMT and Transformational Programme Board (TPB) will agree and own these corporate commercial principles
  - Commercialisation may include cost reductions or increased income in commercial activities or a combination of both in order to improve net position.
  - Net commercialisation gains, over and above existing approved budgets and agreed budget actions will be captured, this will include new activities and expansion of and charging for existing activities
  - Commercialisation may occur as an ongoing benefit or a one off event
  - Any existing and agreed budget action plans to reduce cost or increase net income contained in current budget delivery plans will not be captured
  - Commercialisation will apply to revenue, capital and external accounts where applicable
  - Any exceptions to the capturing commercialisation benefits within GAME Municipal Enterprise must be agreed by CMT with a clear rationale

### **Reasons:**

By taking commercialisation forward as a project within transformation, it provides the best opportunity to provide a cohesive, coordinated and comprehensive approach to deliver the opportunities identified to date whilst ensuring that the approach fits with the operational blueprint.

Due the diversity of the work areas and opportunities that are encompassed by the Commercialisation project, the associated actions, Workstreams and principles are needed to support and direct the Commercialisation project to ensure that the required benefits can be captured and delivered in a timely fashion. The project recognises that the Council's Fees, Charges and Concessions policy is applicable but primarily directed at domestic customers rather than commercial. All other decisions about new or revised commercial opportunities will be taken in accordance with the Leader's Scheme of Delegation for Executive Functions.

**Alternative options considered and rejected:****Option 1** – Do nothing continue as we are

This option has been rejected as it will not help address the future funding gap and the Council would not maximise or deliver its commercial opportunities

**Option 2** - Services commercialise themselves

This option has been rejected as there would not be a co-ordinated approach to commercialisation, therefore opportunities would be missed, especially the opportunities to cross sell services. The commercial development of staff would be less effective and services may not have the resource or expertise to implement commercial opportunities

**Option 3** – The implementation of a Coordinated Commercialisation project (preferred option)

This option has been proposed as the preferred option as it provides a holistic approach centred around a commercial strategy, whilst putting in place the required building blocks to sustain commerciality within the Council

**Published work / information:**

None

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Edge Public Solutions – Review of Street Services April 2014	Yes									
GAME Outline Business Case – 24/3/14 v1.3	Yes									

**Sign off:**

Fin	Corps F FC141 5001- SA- 07/08/ 14	Leg	2088 9/ALT	Mon Off	DVS/ 2093 2	HR		Assets		IT		Strat Proc	
Originating SMT Member; Simon Dale													
Has the Cabinet Member(s) agreed the content of the report? Yes / <del>No</del>													



### Strategic Business Case

<b>Programme Name:</b>	<i>Growth, Assets and Municipal Enterprise</i>		
<b>Date:</b>	31/7/14	<b>Version:</b>	V1.03
<b>Projects:</b>	Commercialisation		
<b>Author:</b>	Lee Pundsack		
<b>Owner (SRO):</b>	Anthony Payne		

**VERSION HISTORY: (version control e.g. Draft v0.01, v0.02, v0.03 Base line @ v1.0)**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Change Ref</b>	<b>Pages Affected</b>
V0.01	16/07/2014	Lee Pundsack	First draft	
V0.02	22/07/2014	Lee Bond	Re draft	14-19
V0.03	24/07/2014	Lee Pundsack	Re draft	13-18, 23-24
V0.04	25/07/2014	Lee Pundsack/ Mark Turner	Inputs from project exec	13-18 Appendix
V0.05	25/07/2014	Lee Bond	Exec summary drafted , new timeline added	13 – 16, 28
V0.06	28/07/2014	Dalvinder Gill	Architectural influence	20-23, 25-27
V0.07	28/07/2014	Mark Turner	Proj exec comments	All
V0.08	29/07/2014	Dalvinder Gill	Additions to Architecture	23
V0.09	29/07/2014	Lee Pundsack	Response to comments from SRO	All
V0.10	31/07/2014	Lee Pundsack/ Mark Turner	Response to comments from SRO/DMT/Legal/Finance/Sue Thomas	All
V0.11	04/08/2014	Lee Bond	Response to Comments From Simon Dale	All
V0.12	06/08/2014	Alex Hurth	Response to Comments from CMT	All
V0.13	07/08/2014	Lee Bond	Response to Comments from Alwyn Thomas	4-6
V0.14	07/08/2014	Lee Bond	Response to Comments From Emily Hatcher	All
V0.15	07/08/2014	Lee Bond	Obtained Legal Sign Off	All
V0.16	07/08/2014	Lee Bond	Response to Monitoring Office Comments	All
V0.17	07/08/2014	Lee Bond	Obtained Monitoring Office Sign off	All
V0.18	07/08/2014	Alex Hurth	Agreed all track changes	All
V0.19	07/08/2014	Lee Bond	Finance sign off	All
V0.20	08/08/2014	Lee Bond	Response to SRO Comments	All
V0.21	08/08/2014	Lee Bond	Response to Portfolio Office comments	All
V0.22	08/08/2014	Lee Bond	Portfolio Office Sign off	All
V1.01	18/08/2014	Lee Pundsack	Response to Cab Planning	All
V1.02	20/08/2014	Lee Bond	Response to Project Exec Comments	All
V1.03	21/08/2014	Lee Pundsack	Response to Comms comments	56-58
V1.04	21/08/14	Lee Pundsack	Response to Democratic support	Contents page

**FILE LOCATION: (Final version base lined @ v1.0, v2.0, v3.0)**

Location	File Address	Date

**QUALITY REVIEWERS: (General QA and accuracy)**

Name	Position	Signature	Date
Subject Matter Expert			
Portfolio Office			
Business Technical Architect			
Programme Accountant			

**SIGN OFF:**

Position	Name		Date
Senior Responsible Owner			
Portfolio Office			
Business and Technology Architecture			
Portfolio Accountant			



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**Preface: Transformation background and overview**

**An introduction to Plymouth City Council’s Transformation Programme**

**Drivers for Transformation:**

**The Brilliant Co-operative Council with less resources**

On its adoption of a new Corporate Plan in July 2013, the council set the bar still higher, to become a Brilliant Co-operative Council. This ‘Plan on a Page’ commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

The Corporate Plan was developed using the principles of a Co-operative Council. It is a short and focused document, but does not compromise on its evidence base, and was co-developed with the Cabinet of the Council, before being presented in person by members of the Corporate Management Team to every member of staff throughout the council at a series of 74 roadshows. The positive results of this commitment to strong communications and engagement were evidenced by 81% of council staff responding to the workplace survey conducted in October 2013 agreeing that they understand and support the values and objectives set out in the Corporate Plan.



## OUR PLAN THE BRILLIANT CO-OPERATIVE COUNCIL

<p><b>CITY VISION</b> <b>Britain’s Ocean City</b></p> <p>One of Europe’s most vibrant, waterfront cities where an outstanding quality of life is enjoyed by everyone.</p> <p><b>CO-OPERATIVE VALUES</b> One team serving our city</p>	<p><b>OUR OBJECTIVES</b> Creating a fairer Plymouth where everyone does their bit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; background-color: #00a651; color: white; padding: 5px;"><b>PIONEERING PLYMOUTH</b></td> <td style="width: 25%; background-color: #f1c40f; padding: 5px;"><b>GROWING PLYMOUTH</b></td> <td style="width: 25%; background-color: #e74c3c; padding: 5px;"><b>CARING PLYMOUTH</b></td> <td style="width: 25%; background-color: #34495e; color: white; padding: 5px;"><b>CONFIDENT PLYMOUTH</b></td> </tr> <tr> <td style="padding: 5px;">We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.</td> <td style="padding: 5px;">We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.</td> <td style="padding: 5px;">We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.</td> <td style="padding: 5px;">We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.</td> </tr> </table>	<b>PIONEERING PLYMOUTH</b>	<b>GROWING PLYMOUTH</b>	<b>CARING PLYMOUTH</b>	<b>CONFIDENT PLYMOUTH</b>	We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.	We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.	We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.	We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.
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<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center; background-color: #2980b9; color: white; border-radius: 50%; padding: 10px; margin: 5px;"> <p><b>WE ARE DEMOCRATIC</b></p> <p>Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.</p> </div> <div style="width: 50%; text-align: center; background-color: #7ed321; color: white; border-radius: 50%; padding: 10px; margin: 5px;"> <p><b>WE ARE RESPONSIBLE</b></p> <p>We take responsibility for our actions, care about their impact on others and expect others will do the same.</p> </div> <div style="width: 50%; text-align: center; background-color: #e91e63; color: white; border-radius: 50%; padding: 10px; margin: 5px;"> <p><b>WE ARE FAIR</b></p> <p>We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.</p> </div> <div style="width: 50%; text-align: center; background-color: #f39c12; color: white; border-radius: 50%; padding: 10px; margin: 5px;"> <p><b>WE ARE PARTNERS</b></p> <p>We will provide strong community leadership and work together to deliver our common ambition.</p> </div> </div>	<p><b>THE OUTCOMES</b> What we will achieve by this plan</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; background-color: #00a651; padding: 5px;"> <ul style="list-style-type: none"> <li>■ The Council provides and enables brilliant services that strive to exceed customer expectations.</li> <li>■ Plymouth’s cultural offer provides value to the city.</li> <li>■ A Council that uses resources wisely.</li> <li>■ Pioneering in reducing the city’s carbon footprint and leading in environmental and social responsibility.</li> </ul> </td> <td style="width: 25%; background-color: #f1c40f; padding: 5px;"> <ul style="list-style-type: none"> <li>■ More decent homes to support the population.</li> <li>■ A strong economy creating a range of job opportunities.</li> <li>■ A top performing education system from early years to continuous learning opportunities.</li> <li>■ Plymouth is an attractive place for investment.</li> </ul> </td> <td style="width: 25%; background-color: #e74c3c; padding: 5px;"> <ul style="list-style-type: none"> <li>■ We will prioritise prevention.</li> <li>■ We will help people take control of their lives and communities.</li> <li>■ Children, young people and adults are safe and confident in their communities.</li> <li>■ People are treated with dignity and respect.</li> </ul> </td> <td style="width: 25%; background-color: #34495e; color: white; padding: 5px;"> <ul style="list-style-type: none"> <li>■ Citizens enjoy living and working in Plymouth.</li> <li>■ Plymouth’s brand is clear, well known and understood globally.</li> <li>■ Government and other agencies have confidence in the Council and partners: Plymouth’s voice matters.</li> <li>■ Our employees are ambassadors for the city and the Council and they are proud of the difference we make.</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>■ The Council provides and enables brilliant services that strive to exceed customer expectations.</li> <li>■ Plymouth’s cultural offer provides value to the city.</li> <li>■ A Council that uses resources wisely.</li> <li>■ Pioneering in reducing the city’s carbon footprint and leading in environmental and social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>■ More decent homes to support the population.</li> <li>■ A strong economy creating a range of job opportunities.</li> <li>■ A top performing education system from early years to continuous learning opportunities.</li> <li>■ Plymouth is an attractive place for investment.</li> </ul>	<ul style="list-style-type: none"> <li>■ We will prioritise prevention.</li> <li>■ We will help people take control of their lives and communities.</li> <li>■ Children, young people and adults are safe and confident in their communities.</li> <li>■ People are treated with dignity and respect.</li> </ul>	<ul style="list-style-type: none"> <li>■ Citizens enjoy living and working in Plymouth.</li> <li>■ Plymouth’s brand is clear, well known and understood globally.</li> <li>■ Government and other agencies have confidence in the Council and partners: Plymouth’s voice matters.</li> <li>■ Our employees are ambassadors for the city and the Council and they are proud of the difference we make.</li> </ul>
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#Plymouth 

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The economic, demographic and policy environment affecting public services is accepted as the most challenging in a generation. At the same time as an aging population is placing increased demand on health and social care services, the UK is facing the longest, deepest and most sustained period of cuts to public services spending at least since World War II. The Council’s Medium Term Financial plan identified in June 2013 funding cuts of £33m over the next three years which, when added to essential spend on

service delivery amount to an estimated funding shortfall of circa £64.5m from 2014/15 to 2016/17, representing 30% of the Council's overall net revenue budget.

The Council has shown remarkable resilience in addressing reduced funding and increased demand in previous years, removing circa £30m of net revenue spend from 2011/12 to 2013/4 through proactive management and careful planning. However the Council has acknowledged that addressing further savings of the magnitude described above while delivering the ambitions of the Corporate Plan will require a radical change of approach.

### **Review of existing transformation programmes**

The council commissioned a review in June 2013 to:

- Examine the Council's financial projections and provide expert external validation of our assumptions about costs and income in the medium term
- Review the Council's existing transformation programmes and provide a view as to whether they will deliver against the Corporate Plan
- Provide advice as to how the Council might achieve the maximum possible benefit through a revised approach to transformation

This review validated the Council's current Medium Term Financial Plan based on projections and assumptions jointly agreed, and judged it to be robust, taking into account the complex financial landscape and changing government policy.

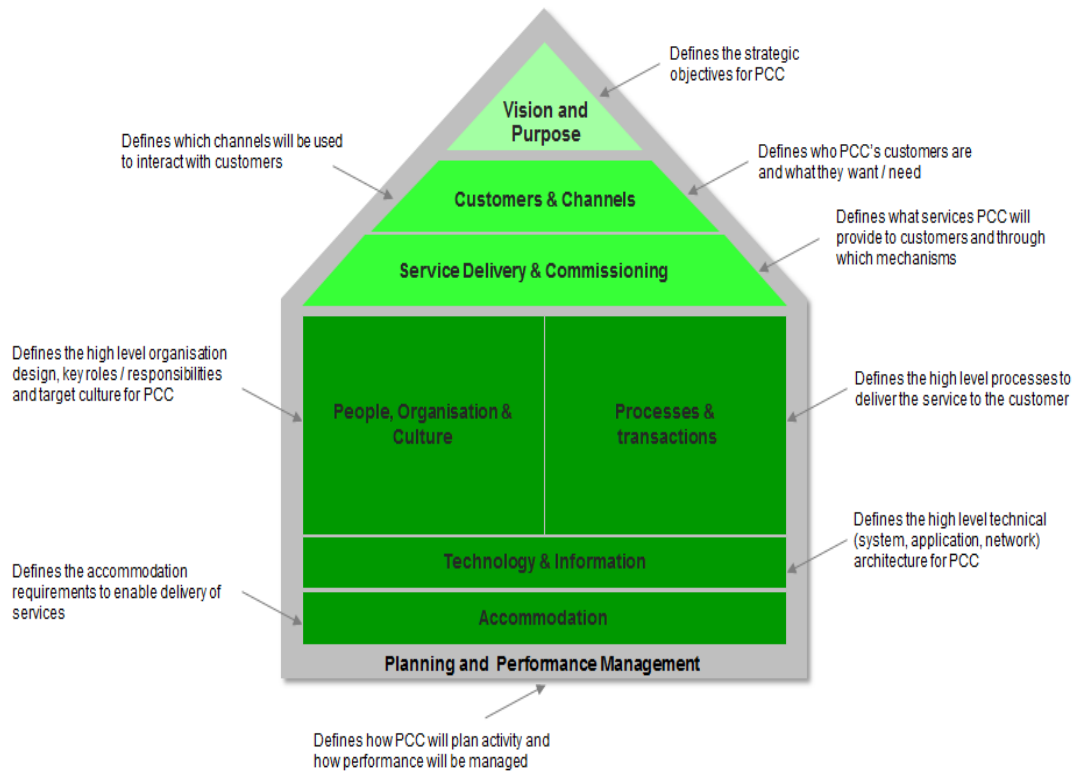
The Council has initiated a number of far-reaching and ambitious change programmes over 2012-13 to address the twin aims of addressing financial constraints and improving service delivery. These include:

- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Modernising Adult Social Care Provision (Cabinet approval January and August 2013)
- Co-location with Clinical Commissioning Group at Windsor House (Cabinet approval January 2013)

In addition to feedback and advice about individual programmes underway, the Council received advice from various sources that has been carefully considered, and which has informed the overall design of the Transformation Programme and the content of the business cases for the five programmes. The Transformation's GAME programme includes a Commercialisation project which is the subject of this strategic business case.

### **Vision and Direction: The Blueprint**

The Council has responded to concerns that, despite strong support for the Corporate Plan from both officers and members, there was a lack of clarity about how the Corporate Plan translates into practical action and a danger that the Council might be attempting to 'do the right things, but in the wrong way'. After significant consultation with Members and over 100 staff from all levels and disciplines within the organisation, the Council's vision for the Brilliant Co-operative Council has been translated into a Blueprint which describes the capabilities which the Council will need in the future. These capabilities will be commissioned by the council and will result in services being delivered by the Council and a variety of other organisations operating across the public, community and voluntary and private sectors. The components of the Blueprint are illustrated below:



To inform the development of the main components of the Blueprint, a number of principles have been developed co-operatively with Members, senior officers and staff to ensure that the values set out in the Corporate Plan guide how the Blueprint is developed.

### Governance and Oversight

The Council has also responded to advice that governance and oversight arrangements for transformation projects would benefit from being strengthened. Whilst ensuring that the council's existing constitutional arrangements for decision making are unaffected, a number of bodies have been put in place to ensure a co-ordinated approach is taken to oversight of the Transformation programme. The detail of the transformation governance arrangements were considered by the council's Audit Committee on 13 March 2014 and can be summarised as follows:

#### Members

- The Co-operative Scrutiny Board and Panels are aligned to the Transformation Board and programmes that match their terms of reference

#### Officers

- The Transformation Portfolio Board co-ordinates the delivery of the Blueprint, prioritises decisions within and between programmes, ensures effective engagement, ensures overall resourcing and delivery of the programme and recommends Programme Business cases and exceptions. It is chaired by the Chief Executive and comprises Senior Responsible Officers for the Programmes, the Transformation Director, engagement leads, finance and HR Responsible Officers and the Head of the Portfolio Office

- Programmes are led by a Senior Responsible Officer, who is accountable for the successful delivery of the programme, achieving desired outcomes and realising expected benefits and is responsible for chairing the Programme Board and leading the Programme
- Each project within the five Programmes is led by a Project Executive who is accountable to the Senior Responsible Officer for the successful delivery of the Project, and chairs the Project Board.
- The Portfolio Office provides co-ordination and support across all the programmes and projects and ensures that sufficient capacity and capability is in place to deliver the overall programme.

## **I. Scope of Strategic Business Case and Executive Summary**

### Scope of this strategic business case

This report presents a 'strategic business case' for progressing a commercialisation project across the Council as part of its transformation programme.

This report presents the further work which has been progressed as part of the GAME transformation programme to identify potential areas and Workstreams across the Council for commercialisation activity with high-level estimates of income potentials where possible. This report also presents the proposed scope of what will be considered for 'commercialisation' and the key principles for capturing the resultant financial benefits. This report does not provide a specific and robust breakdown of exactly how and where the commercialisation income target will be achieved at this stage as this detailed work will follow on from the acceptance of this business case across a diverse range of activities as part of the project.

### Executive Summary

Plymouth City Council, understanding the future pressures of a reduced budget and a requirement to consistently improve the quality of service that it provide, commissioned two reviews in 2013 to begin building a clearer picture of what the Council would look like in the future and how it might address the funding gap. These reviews identified the Council's current capabilities and capacity for change and provided a clearer picture of the opportunities and issues to mandate change.

One review posed the following high-level questions to the Council.

- How good is the council currently at a set of activities?
- How good should the council be at these activities in the future?
- What initiatives will close the gap?

The work indicated that there is an opportunity to commercialise services and identified some key areas for development to deliver the following strategic capabilities:

- Development and implementation of a commercial strategy
- Generating Commercial leads and manage revenue
- Maintain Plymouth City Council's income stream
- Oversee and improve delivery across the organisation

The Commercialisation project is now one of a number of the identified transformation projects that intends to change the way that the Council operates. It is required to firstly make savings, and secondly change ways of working by adopting a commercial strategy that would in turn allow for greater efficiency within services as well as expanding the Council's commercial portfolio

From the initial work undertaken in 2013, the commercialisation project has been set an ambitious income generation target of achieving an additional £3.744 million, over 3 years from across the Council.

The reviews and associated reports provide a positive starting point for the project to develop from. There are clear opportunities for Plymouth City Council to take positive steps towards encouraging Growth and inspiring Confidence to the city's residents through the potential successes of the commercialisation project.

This Project aims to deliver a capability within the Council that will:

- Deliver a new Commercial capability that aims to deliver an uplift of net income/benefits of £3.744 million across all current or future commercial activities.
- Improve commercial decision making and entrepreneurship through a commercial strategy that will assist changing the culture and processes across the Council and partners to ensure that all current and future commercial projects generate a financial return or a social return.
- Allow officers and councillors to identify and develop business opportunities
- Give a coordinated view and better control to commercial activities across the Council to ensure every commercial opportunity adds value to the Council's vision, values and objectives.
- Gives us a strategic understanding of the current and the desired future shape of commercial, category and sales management structures within the Council.
- Allow better negotiation of deals and contract renegotiations to mitigate commercial risk, and provide more profitable outcomes.
- Identify a range of partners and potential commercial advantages they can bring in provision of services.
- Give the ability to identify commercial opportunities through the better utilisation of assets.

The scope for the project has been clearly identified as the following,

- In scope - The scope of this project encompasses all service areas within Plymouth City Council. The project will mainly focus around improved income generation from all income streams, better marketing and sales, generation of additional income from new commercial initiatives, and providing a framework for future income generation.
- Out of scope- The negotiation of contracts currently within the People Directorate are not within the scope of this Project and will fall within Integrated Health and Wellbeing Transformation Programme

In achieving its goals the project will be uphold the values embedded in Plymouth's corporate plan:

- We will be **democratic** by giving stakeholders the opportunity to co-design our commercial activities where practical.
- We will be **responsible** by ensuring that the Council are gaining benefit from all their activities and assets.
- We will be **fair** by being honest and open in our plans for commercial activity and will provide opportunity for proposals to be commented on by those customers who are most likely to be impacted by the any changes. We will be fair by ensuring our commercial activities follow the fairer fees and charges policy.
- We will develop partnerships by working with external organisations to gain commercial guidance and where appropriate, work together to make the most of a commercial opportunity.



The project work undertaken to date has identified the following as key risks which will be mitigated and/or managed.

- *Current lack of capacity within services to engage and deliver the project objectives.* The project has identified that there are a limited number of suitable individuals within the Council to help deliver commercialisations benefits; hence the project will need to find or provide suitable extra resources in order to bridge this gap.
- *There is a lack of commercial capability across the Council.* The project has identified that there is a lack of specialist skill sets within the Council to help deliver commercialisations benefits. The project has reviewed its business development options and is proposing the recruitment of a new core commercial team alongside the potential to bring in external expertise where appropriate. There is a need to include these commercial requirements into the P&OD workforce delivery project to ensure plans for staff development incorporate the commercial aspect needed for the organisation in the future.
- *The scale of benefits may not be available to reach the projects targets in the required timeframes.* The project will have to be ambitious and constantly striving to generate new revenue streams. To achieve its targets, there will need to be a rapid initiation of work streams while recognising the Council has limited resources.
- *Delivery of Commercialisation initiatives could impact on core service delivery.* Commercialisation projects will need to ensure that they communicate effectively with business as usual so as not to impact on core service delivery.
- *Council in its current form may not legally be able to generate the surpluses required.* The Council will need to ensure that there is an understanding of the legal position with respect to the generation of surpluses / profit. This may involve the setting up of distinct trading entities or alternative service delivery vehicles (ASDVs).
- *There is a need to ensure that the Commercialisation project aligns to the strategic vision of the Council and its policies.* The project will need to ensure that no commercial opportunities are taken that are in conflict of those aims

The Project has considered 3 viable options:

### **OPTION 1 – Do nothing continue as we are**

- The funding gap would not be filled, or would be addressed through cuts to staff and services
- The Council would not be maximising its commercial opportunities
- Rates, fees and charges may need to be increased

### **OPTION 2 - Services commercialise themselves**

- There would not be a co-ordinated approach to commercialisation, therefore opportunities would be missed, especially the opportunities to cross sell services
- The commercial development of staff would be less effective
- Services may not have the full resource needed to implement commercial opportunities
- The identification of new commercial opportunities would not happen, meaning that many would be missed. This would impact on income generation
- The funding gap may not be bridged

**OPTION 3 – The implementation of a Coordinated Commercialisation project (preferred option)**

- Increasing commercial awareness and capabilities across the Council by:
  - Developing a commercial strategy
  - Increasing the commercial capability of staff through training
  - Increasing commercial awareness through events and workshops
  - Instilling commercial principles in management including the need to understand costs, pricing, marketing and the concept of “upselling”
  - Investigate the optimum method of delivery eg ASDV and or within service area
- Identify commercial opportunities through the use of consultants and staff
- Implement the commercial opportunities at a strategic, tactical or operational level

It is recommended that Option 3 is implemented as it provides the best opportunity to provide a cohesive, coordinated and comprehensive solution to the issues and opportunities identified in past reports. Option 3 is the only option that fits the requirements of the operational blueprint, with the development and implementation of a commercial strategy providing a long term approach to develop the Council’s commercial capability and deliver additional net income.

Due the diversity of the work areas and opportunities that are encompassed by the project, the following are proposed to support and direct this project to ensure that the required benefits can be captured and in a timely fashion:

1. The approval of the Council’s Commercial Strategy is to be made by the SRO of the GAME Board in consultation with the Cabinet Member with portfolio holder for Finance
2. That the initial Workstreams and areas for commercialisation investigation be as set out in Commercialisation Workstream Summary at Appendix 9.3 which includes Trade Waste, Advertising, Renewable Energy Generation, Cemeteries and Crematoria, Security and Catering Services. It should be noted that Municipal Enterprise and Commercialisation will need to be wider across all areas of Council activity where deemed appropriate.
3. That the key principles for capturing financial benefits from commercialisation and the scope of their coverage be as set out in the Financial Commercialisation Paper at Appendix 9.1 – these being in summary that:
  - Commercialisation covers both expenditure (eg contract renewals and demand management) and income (eg increased net surplus/profit from existing or new income streams) and may arise as a result of Council working alone or with partners.
  - Areas of activity include advertising, sales of goods and services, sponsorship and rentals (from existing assets or capital acquisitions)
  - Commercialisation would exclude contributions, grants, donations, ring-fenced income, social care income from service users
  - Unplanned and unforeseen ‘windfalls’ or ‘one offs’ relating to increased income or cost reductions, irrespective of whether they come about from commercial activity or business as usual must be declared in the monitoring for Corporate Management Team (CMT) to discuss and agree their utilisation
  - CMT and Transformational Programme Board (TPB) will agree and own these corporate commercial principles
  - Commercialisation may include cost reductions or increased income in commercial activities or a combination of both in order to improve net position.

- Net commercialisation gains, over and above existing approved budgets and agreed budget actions will be captured, this will include new activities and expansion of and charging for existing activities
- Commercialisation may occur as an ongoing benefit or a one off event
- Any existing and agreed budget action plans to reduce cost or increase net income contained in current budget delivery plans will not be captured
- Commercialisation will apply to revenue, capital and external accounts where applicable
- Any exceptions to the capturing commercialisation benefits within GAME Municipal Enterprise must be agreed by CMT with a clear rationale

For full financial principles and exclusions please refer to section 7 and appendix 9.1 noting that these principles have been proposed to complement the Council's Fees, Charges and Concessions policy which primarily concentrate on domestic rather than commercial activities.

## 2. Case for Change

### 2.1 Current situation

In 2013 Plymouth City Council commissioned a review to investigate the potential savings and additional incomes that could be realised from a large scale transformation programme.

As part of this work Plymouth City Council's commercial opportunities and capabilities were assessed and asked a number of high level questions:

- How good is the council currently at a set of activities?
- How good should the council be at these activities in the future?
- What initiatives will close the gap?

The assessment considered the Council's current ability to commercialise its services and identified four general areas for action:

- Develop a commercial strategy
- Generate leads and manage revenue
- Maintain income streams
- Oversee and improve delivery

The assessment identified that despite some existing commercial capability there is a need for a commercial strategy to tie these areas together and also to identify potential income generating areas for the Council in the future. There is also a need for the council to improve its overall commercial capacity and capability to ensure it is better positioned to maximise opportunities for generating income at a service level.

The outcome of the assessment is summarised in *figure 1 (section 2.2)*

Subsequent to the tactical work undertaken in 2013, A more detailed review was commissioned in late 2013 to review Environmental Services (now part of Street Services) to identify potential savings and opportunities in this front line service area. This service area includes several commercial activities, such as the Trade Waste service which provides waste and recycling collection and disposal services to businesses and commercial premises.

The reports clearly highlighted that the Council has potential to improve efficiency and capture opportunities for extra revenue.

Further analysis undertaken by officers in the transformation team has confirmed that at present there are no formal corporate commercial guidelines for services to operate on, and although there is a fees, charges and concessions policy, this concentrates primarily on domestic customers and can be difficult to apply to commercial ones. There is also no clear and coordinated understanding of council wide commercial activities, meaning that the opportunity to “cross sell” services is missed, with each department only offering their own service provision when other services could be offered.

## 2.2. Potential commercialisation

The initial reviews in 2013 considered the Council’s need for a commercial capability in the future. This picture of current and future capability need can be seen in figure 1 to identify where the council needs to focus its development efforts.



Figure 1: the current and future commercial capabilities

The work identified that the opportunity for the Council to develop commercially can be best progressed by:

- Developing a commercial strategy
- Utilising customer and market insight to develop services
- Focusing on commercialising services
- Generate additional revenues whilst maintaining income streams
- Overseeing delivery

The information and estimates provided by this review indicates that there is the opportunity to generate an additional £3.744m net income over three years through expansion of existing and generation of new commercial activities. Work has commenced by the Transformation team to identify potential areas and initiatives in more detail although quantifying specific benefits and delivering them are in their early stages.

### **2.2.1 Recent commercial activities**

The Street lighting re-lamping project approved by Council in January 2013 is an example of a commercialisation project that generates substantial savings. An investment of £7.9m will generate energy savings of £1.2m per year. The project is financed through a 12 year prudential loan. The savings from this project far exceed the loan costs and repayment, and thus generates a net benefit for the Authority from year one.

Another recent example which falls under a commercialisation banner is that the Council has renegotiated its landfill gas management contract such that the Council and the contractor now equally share risk and reward and will now work much closer together to secure the opportunities arising from landfill gas management and electricity generation. This renegotiation should secure an additional income of around £200k per annum from October 2014.

### **2.2.2 Commercial opportunities**

Taking the lead from the first review, a further review was commissioned to look specifically at the Environmental Services division (now Street Services) to identify how it could be made more efficient and identify opportunities that could improve service delivery and reduce costs to contribute towards the future funding gap.

The resultant report identified several key existing areas and opportunities to generate new and/or increased income streams by operating with a more commercial approach to service delivery. This included suggestions for using the integration of services into Street Services to be able to bundle services for sale and expand the Councils current market share in key areas such as Trade Waste collection.

Commercialisation has therefore been identified as a key project in the GAME transformation programme and will be a key contributor to closing the funding gap based on the work undertaken by these reviews.

### **2.2.3 Commercialisation of other councils**

There have been many councils across the country that have embarked on a commercialisation journey, seeking to reduce budget pressures and increase income. These councils are benefitting from commercialisation although it is relatively early days to ascertain and quote specific financial returns. Notwithstanding this as can be seen in appendix 9.4 “commercialisation case studies”, Oxford, North Lincolnshire, and Aylesbury Vale Councils have embarked on this journey, while West Lindsey District Council are branding themselves as “The Entrepreneurial Council”.

In 2011 Oxford City Council embarked on a transformation / commercialisation project to reduce expenditure by 20% and increase performance by 20%. By September 2012 turnover from new customers was £330k with a total increase in volumes for the full year of £1.24 million.

North Lincolnshire Council has started on an Entrepreneurial Journey to make its services commercially available to other organisations. They have introduced a service that supports their cooperative blueprint similar to Plymouth City Council. Their approach to commercialisation was to:

- Maximise Value from buildings and assets.
- Introduce modern working practises
- Raise income by producing in house “commercial packages”

They have produced three commercial packages, for schools, local businesses and for other Local Authorities.

In 2013 West Lindsey District Council started on a journey to rebrand them as an “Entrepreneurial Council”. Their approach had three aims:

- Entrepreneurial - looking creatively at all resources
- Commercial - how they become more cost conscious in the solutions they propose and the way they use that money
- Co-production – Less hand outs, different approaches, different relationships with communities

Their successes include a 20 % reduction in Net Expenditure over the last three year (approximately 98% from efficiencies and rationalisation, 2% income) and a further 23% reduction in the pipeline (approximately 37% from further efficiencies and 63% from income achieved while delivering social outcomes).

For full case studies refer to Appendix 9.4

### **2.2.4 Identifying commercial opportunities**

The Transformation team in developing this business case have undertaken a series of commercial opportunity identification activities in early 2014. This has built on previous work that had identified opportunities within Street Services coming from:

- The expansion of the successful Trade Waste service
- Cemeteries & Crematoria
- The bundling of services

Alongside this piece of work, members of the transformation team have researched commercial activities provided by other councils and have held a series of “commercial awareness” events with members of staff from all levels of service, to gather ideas for commercial opportunities within the Council. These commercial events and research have so far suggested over 120 potential commercial opportunities, with many being able to be grouped under the general themes and subjects including:

- Advertising
- Security services
- Utilisation of premises for celebratory events
- Catering services
- Creating service directories for external organisations
- See Appendix 9.3 – Workstream Summary Document - for examples of Workstreams in development

The above opportunities and ones identified in the future will be packed into a portfolio of marketable services that can be advertised through a variety of means such as an online directory.

## 3 Strategic Case

### 3.1 Scope

In scope - The scope of this project encompasses all service areas within Plymouth City Council, initially concentrating on Street Services. The project will mainly focus around improved income generation from all income streams, improvements to contracts where possible, better marketing and sales, generation of additional income from new commercial premises, collaboration with other Public Sector bodies, and providing a framework for future income generation.

Out of scope- The negotiation of contracts currently within the People Directorate are not within the scope of this Project and will fall within Integrated Health and Wellbeing Transformation Programme

### 3.2 Strategic Fit

This project will align with a range of internal strategies.

#### 3.2.1 Corporate Plan

A key driver for this Transformation project is the Council's Corporate Plan. The commercialisation project recognises that a co-operative approach will enable the Council to work in different ways, producing savings while at the same time engaging with stakeholders and improving services. Therefore we will be:

#### **Democratic**

Wherever possible, elements of this project will be co-designed, engaging with key stakeholders and allowing them meaningful opportunities to influence the project. Alongside this we will embrace the democratic processes, maintaining a high level of contact with councillors. Examples of our democratic approach will include:

- Member briefings
- Presentations to Cabinet Members and the Leader
- Business Community surveys, for example to ascertain what PCC services would benefit local businesses, and where possible, what services could be adapted to benefit local businesses
- Community engagement events, for example 'sofa events', providing the opportunity for two way dialogue with the community for feedback to proposals.
- Co-designing opportunities with staff, providing the opportunity for them to provide suggestions, ideas and feedback on proposals

#### **Responsible**

With the Council facing a £64 million funding gap over the next three years, we will have to be more responsible with our use of resources. The commercialisation project will play a major part in bridging this funding gap, and will be:

- Identifying and implementing as many appropriate commercial opportunities from within our services
- Identifying and implementing as many appropriate commercial opportunities as possible from utilisation of assets.

The Council will be responsible with its commercial activities, assessing the likely impact of commercialisation on all stakeholders and ensuring that the impact of any implementation plans will not be detrimental to the City or its citizens.

Commercial activity will support a Confident Plymouth, where marketing activities will complement Plymouth's brand and assist in raising awareness.

### **Fair**

We will be honest and open in our plans for commercial activity and will provide opportunity for proposals to be commented on by those customers who are most likely to be impacted by the any changes.

We will explore opportunities for Plymouth students with relevant skills to be involved in developing our commercial activities and thereby gaining employability skills and practical work experience.

We will be fair by ensuring our commercial activities follow the fairer fees and charges policy.

### **Partners**

We will demonstrate we are partners by.

- Liaising with the local business community to ensure that our commercial actions add to the local economy.
- Engaging with organisations such as the Plymouth Chamber of Commerce to assist with service design and business needs
- Seeking arrangements with businesses that will be mutually beneficial
- Working alongside external companies to share commercial knowledge, and where possible work together to maximise a commercial opportunity

This will improve the outcomes that we achieve and enable us to implement change more effectively by sharing knowledge, best practice and resources.

### **3.2.2 Fit/Alignment with Blueprint**

The Blueprint has been guided by a set of principles that focused on a number of organisation areas and highlighted a number of capability gaps that required initiatives to fill those gaps. Commercialisation featured as one of the areas where there was a gap and opportunity to improve in areas:

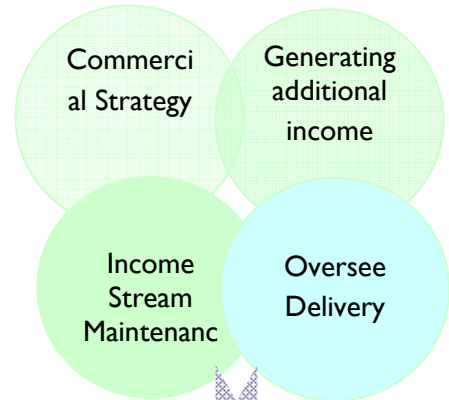
- Commercial Strategy
- Generating Additional Income
- Income Stream Maintenance
- Oversee Delivery



Blueprint Component	Strategic Principle - By 2017/18 we will...
Commercial	...be a value-led cooperative council
Commercial	...work in one integrated team with our communities and neighbourhoods to serve our city
Commercial	...ensure customers are involved, informed and able to influence the council's decision making
Commercial	...have a high awareness of customer views, needs and preferences, reduce dependency and proactively manage their expectations
Commercial	...make it clearer, easier and faster for customers to interact with the council
Commercial	...use customer, communities and partners, to deliver or commission services to generate public value
Commercial	...have prioritised the services we provide - stopping, starting, reconfiguring and accelerating services in our portfolio
Commercial	...support partners to develop capacity and capability within the market to meet our commissioning objectives
Commercial	...be a fairer, more adaptive organisation employing a creative, innovative, empowered and resilient workforce
Commercial	...have the right organisation structure, capacity, skills and knowledge to deliver our priorities
Commercial	...deliver change and have a positive culture of collaboration, commerciality and continuous improvement
Commercial	...have removed all non-value adding processes
Commercial	...have simplified, standardised and documented our process and ways of working to be more outcome and cost focused
Commercial	...understand what technology and information we need to deliver against our business needs
Commercial	...have more integrated information for customer management with partners, facilitating better co-operative working
Commercial	...have the right buildings in the right places to deliver outcomes and support collaboration with partners
Commercial	...more proactively align (operational and non-operational) assets and estate with our priorities, maximising their value for the city
Commercial	...integrate our planning with partners and communities
Commercial	...use evidence based decision making to drive business and personal performance throughout the organisation
Commercial	...effectively use measures that drive performance and accountability, focused on a few, rather than many

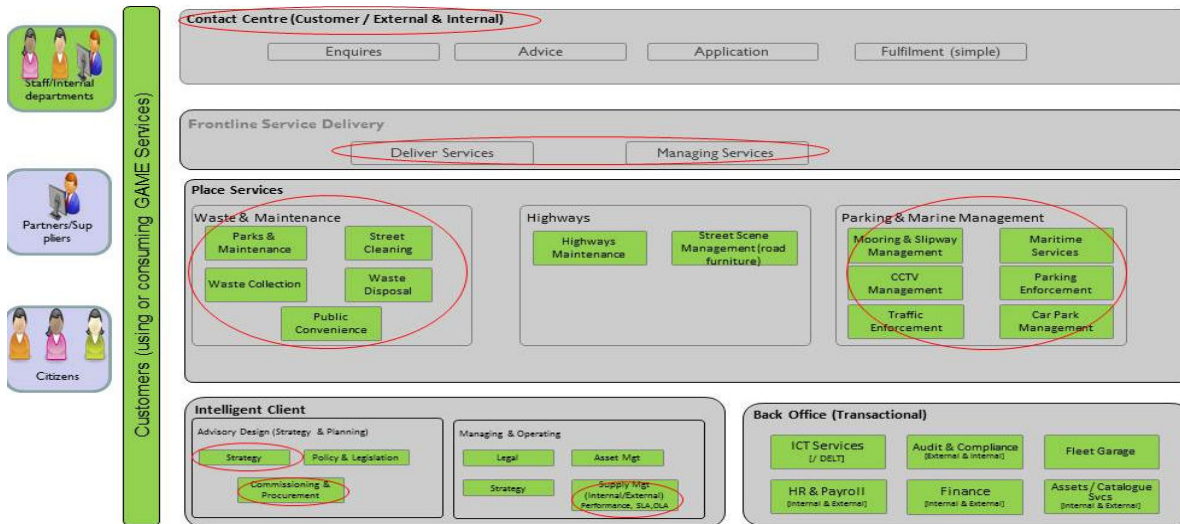
Blueprint

GAPS



I  
M  
P  
A  
C  
T

Impacted areas highlighted in red



As shown on the Enterprise Architecture Service model above, there are a number of areas that will be impacted by the capability gaps highlighted and will be addressed by the project. The project will address these gaps by:

- Increasing commercial awareness and capabilities across the council by:
  - Developing a commercial strategy
  - Increasing the commercial capability of staff through training
  - Increasing commercial awareness through events and workshops
  - Instilling commercial principles in management including the need to understand costs, pricing, marketing and the concept of “upselling”
  - Investigate the optimum method of delivery eg ASDV and or within service area

- Identify commercial opportunities through the use of consultants and staff
- Implement the commercial opportunities at a strategic, tactical or operational level
- Investigating the feasibility of alternative service delivery vehicles (ASDV) to provide opportunities for the Council to potentially save money and provide a better service to their customers by use of niche providers.
- The provision of the intelligent client function to manage the performance of the service via the use of service key performance indicators and service level agreements

### **3.2.3 Other Alignments**

The project recognises and incorporates elements of the findings from the Fairness Commission. In particular the Commission's identification of Systems Leadership and the need to engage meaningfully with communities integrates with the co-operative approach we will take.

The project will ensure that all commercial opportunities will align with the Fees, Charges and Concessions policy where appropriate although it is noted that this is primarily directed at domestic customers rather than commercial ones.

### **3.3 Assumptions**

The Project will assume the following:

- Current legislation around charges and pricing of services remains static
- That Members will support this project
- That staff and Council departments will support progress of the project
- That where changes in policy are required, they will be implemented without delay to the project
- Where capital investment is needed for improvement to services, funding will be available
- That any marketing solution will be effective
- The overhead costs remain the same for the life of the project
- That the market will stand increases in charges
- The scale of benefits identified through previous pieces of work are achievable and in the timeframes identified
- Additional specialist commercial resources can be secured to help develop commercialisation across the Council and deliver the identified opportunities

### 3.4 Strategic Risks

The project has a potential of three key areas of identified risk. These relate to the legality of councils generation of revenue through commercialisation of its services, the ambitious nature as to the amount of revenue generation required for the project to achieve its benefits and finally resourcing to deliver the projects aims. The project has identified these risks in finer detail (See section 8.3) and is developing mitigation strategies to enable the project to develop and begin to progress.

#### The Project has identified the following as strategic risks:

- *Current lack of capacity within services to engage and deliver the project objectives.* The project has identified that there are a limited number of suitable individuals within the Council to help deliver commercialisations benefits and those that are present already have work pressures; hence the project will need to find or provide suitable extra resources in order to bridge this gap.
- *There is a lack of commercial capability across the Council.* The project has identified that there is a lack of specialist skill sets within the Council to help deliver commercialisations benefits. The project has reviewed its business development options and is proposing the recruitment of a new core commercial team alongside the potential to bring in external expertise where appropriate. There is the need to link in with the P&OD workforce delivery project to develop existing staff to help fill the perceived gaps.
- *The scale of benefits may not be available to reach the projects targets in the required timeframes.* The project will have to be ambitious and constantly striving to generate new revenue streams. To achieve its targets, there will need to be a rapid initiation of work streams whilst recognising the Council has limited resources.
- *Delivery of Commercialisation initiatives could impact on core service delivery.* Commercialisation projects will need to ensure that they communicate effectively with business as usual so as not to impact on core service delivery.
- *Council in its current form may not legally be able to generate the surpluses required.* The Council will need to ensure that there is an understanding of the legal position with respect to the generation of surpluses / profit. This may involve the setting up of distinct trading entities or alternative service delivery vehicles (ASDVs).
- *The Commercialisation Project may inadvertently identify opportunities that after investigation conflict with the Council's values and policies affecting implementation.* There is a need to ensure that the Commercialisation project aligns to the strategic vision and cooperative values of the Council and its policies to ensure that no commercial opportunities are taken that are in conflict of those aims

### 3.5 Constraints and dependencies

- There is a dependency with the **Creating a Brilliant Co-operative Street Services** as this includes a restructure which could impact on all departments, therefore impacting on the running of services.
- A dependency exists with the **Creating a Brilliant Co-operative Street Services & Category Management - Fleet Services** Projects as they could have an impact on the number of vehicles & crews, and could alter the practices around best use of vehicles, resources and operating procedures.

- A further dependency is the need for political buy in for the project as some areas may be politically sensitive especially around decisions regarding fees & charges for example: a proposed plan could suggest charging for services that a currently are not charged for, would generate high political interest.
- The project is dependent on the **Workforce Delivery** project to assist in developing better commercial attitudes and deliver training within the workforce.
- The project is dependent upon the expansion of internal market within the Council and partners. This also creates a dependency on the effectiveness of the marketing solution from the project, unless changes in policy can be implemented. In this case any delay in implementing policy change would delay the potential benefits.
- A dependency exists with the **Customer Service Transformation programme** around the ability of the project to more effectively market and sell services to the wider public and business community through new and existing customer service channels.
- There is a need and dependency with Enterprise Architecture to develop the blueprint and shape services to enable new and existing commercial activity to be efficiently delivered

## 4 Options Appraisal

### 4.1 Option I- Do Nothing

Option I	
<p><b>Do nothing continue as we are</b> The organisation would continue working within the current confines of its commercial approach.</p>	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Services would continue to operate within the commercial envelope to date without any disruption</li> <li>• Project costs would be avoided</li> <li>• Additional resource costs required as a consequence of increasing commerciality within the council would be avoided</li> </ul>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• The Council faces a £64.5 million funding gap over the next 3 years and contribution from commercial arrangement would be limited</li> <li>• Rates, fees and charges may need to increase</li> <li>• Opportunities to bring in more revenue for the Council would be missed.</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>not viable</b> and increased commercialisation must take place in order to deliver the required outcomes</p>	

## 4.2 Option 2 – Services commercialise themselves

Option 2	
<p><b>Services commercialise themselves</b> Each business service area would look to commercialise themselves in a siloed approach.</p>	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Services would solely be reliant on building their own commercial portfolio</li> <li>• Commercial increase within the council</li> <li>• Contribution towards the funding gap</li> </ul>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• There would not be a co-ordinated approach to commercialisation, therefore opportunities would be missed, and especially the opportunities to cross sell services.</li> <li>• Limited commercial development of staff</li> <li>• Services may not have the full resource required to implement commercial opportunities</li> <li>• Generating new opportunities may not materialise</li> <li>• Limited contribution towards the funding gap</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>not viable</b> as it is inadequate in providing commercial solutions to the Council</p>	

## 4.3 Option 3 – Co-ordinated Commercialisation

Option 3	
<p><b>Co-ordinated Commercialisation</b> The set-up of a co-ordinated and holistic approach for Commercialisation underpinned by a commercial strategy</p>	
<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Council would benefit from a commercial strategy</li> <li>• A key aim would be to fully leverage all potential commercial ideas and make maximum contribution towards funding gap</li> <li>• Increasing commercial awareness through events and workshops</li> <li>• Instilling commercial principles in management including the need to understand costs, pricing, marketing and the concept of “upselling”</li> <li>• Investigate the optimum method of delivery i.e. ASDV and or within service area</li> <li>• Identify commercial opportunities through the use of consultants and staff</li> <li>• Implement the commercial opportunities at a strategic, tactical or operational level</li> </ul>	<p><b>Key Risks</b> Risk are fairly limited and low level and need to be managed but would include:</p> <ul style="list-style-type: none"> <li>• Some commercial ventures may not bring in the required return of investment anticipated</li> <li>• Some initial set-up costs and investment required</li> <li>• Lack of existing capacity and capability</li> <li>• Delivery might impact on core service delivery</li> <li>• Commercialisation may present some conflicts with Council values and policies</li> <li>• Council in its current form might need to set up ASDVs</li> </ul>
<p><b>Outcome of options appraisal:</b> It was decided that this option is <b>viable</b> because of its co-ordinated approach and will help to address the capability gaps identified in blueprint and deliver the required outcomes</p>	

## 5. Recommendation

It is the opinion of the GAME programme that Option 3 – Co-ordinated Commercialisation is the preferred option.

Option(s)	Rationale
Option 3	<ul style="list-style-type: none"> <li>• Provides an holistic approach centred around a commercial strategy, whilst putting in place the required building blocks to sustain commerciality within the Council</li> <li>• Provides the potential to make an considerable contribution towards bridging the funding gap</li> <li>• Opportunities to put in place mechanisms to measure performance around existing &amp; new contract management</li> </ul> <ul style="list-style-type: none"> <li>• Increased commercial awareness within Council</li> <li>• Development of a Sales &amp; Marketing function with the Council</li> </ul>

## 6. Strategic principles and method of delivery

This business case intends to set out the high-level principles for commercialisation and present a delivery methodology as to how commercialisation can be developed. This business case does not provide a specific breakdown of exactly how and where the commercialisation income target will be achieved at this stage as this detailed work will follow on across a diverse range of activities as part of the project.

### 6.1 Principles

At a strategic level the Commercialisation project will:

- Develop a commercial strategy with principles guidelines, controls and protocols including how benefits are to be captured and used (refer to 7.3)
- Increase the commercial capability of the Council
- Increase commercial awareness throughout the Council thereby increasing opportunities
- Instil commercial principles in management
- Consider and decide the optimum method of delivery eg an alternative service delivery vehicle (ASDV) and/or delivery within service area
- Ensure services are able to compete commercially by considering and understanding the market and costs
- Identify commercial opportunities potentially through the use of consultants and staff
- Implement the commercial opportunities at a strategic, tactical or operational level

The commercial strategy is currently being devised and when complete will ensure that there is alignment with Plymouth City Council's values, principles and policies. The strategy will ensure that commercial activities are not undertaken at the expense of resident service provision thereby maintaining accountability and public service ethics. All activities will work within the Council's financial, constitutional and legal frameworks.

### 6.2 Method of delivery

All the activities and Workstreams of the project will fall within the following categories:

**Strategic** – These will be high level activities that will assist the Council in operating more commercially. These could include commercial awareness workshops, staff training, and the development of commercial directories.

Work has initially started in this area with the running of two commercial awareness workshops in May and June. These workshops were used to gather ideas for commercial opportunities, and also to identify any commercial skills within the participants for further utilisation.

**Tactical** – These would be large scale activities with a large financial benefit, or commercial opportunities that require a fair amount of resource to implement. Where there is a common theme of opportunities, they will be grouped into Workstreams and implemented together. Examples of this would be expanding the trade waste collection service, renewable energy generation and investigations into the potential income stream from advertising.

Previous work has proposed the expansion of trade waste service, suggesting ways to improve the service and subsequently increase benefit. It is believed that there is the potential to double the turnover within three years. A large amount of work has been done to fully understand the operations of this service, including costs, pricing structures, current profit margins and potential capacities of the service. Marketing plans are being drafted and new pricing structures are being considered in response to lower future disposal costs from the Council's forthcoming Energy from Waste treatment contract. This Workstream is the first to be initiated and the processes that are being devised to fully understand the service will be applied where appropriate to other Workstreams.

**Operational** – The operational activities are opportunities that can be implemented by the service with little or no resource from the project, or are small ticket items, this includes re-opening the Chelson Meadow HWRC to commercial customers.

The potential Workstreams will be implemented sequentially when appropriate to resource. The expansion of the trade waste service is in flight, with the ambitious aim of doubling turnover within three years. There are investigations underway to ascertain the viability of three sites for solar farms and a soft market test for advertising and sponsorship income has just concluded. These three Workstreams will be the focus for the coming months, with opportunities around Parking and Marine services the next to be initiated. These Workstreams will contribute to the benefit target for 2014/15 with other Workstreams being initiated to contribute to the targets for future years.

See Appendix 9.3 – Workstream Summary Document - for examples of Workstreams in development

**Delivery Team** – It is proposed that the Commercialisation effort is led by the Head of Commercial Services, a post that sits within Finance and has as yet to be filled. Once appointed the Head of Commercial Services will be responsible for prioritising existing and identifying new Workstreams and delivering these. Any resources that he or she will identify to do this work will be financed through Transformation in the first 12 months, and from the services where the Workstreams lie thereafter.

### 6.3 Method of approval

This business case seeks to present the key financial principles and high-level Workstreams for approval as well as seeking formal delegation to develop and approve a Commercial Strategy via the GAME Programme Board in consultation with the portfolio holder for Finance.

Given this project is in its early stages, the project will be undertaking activities to gather commercial opportunities throughout the life of the project. Due to the evolving nature of the council throughout the life of transformation, some commercial opportunities will present themselves at later dates. The project does not wish to miss these opportunities so the Leaders Scheme of Delegation will be used to gain the necessary approvals as and when required - relevant cabinet portfolio holders will be consulted and kept informed.

### **7. Financial Case -**

#### **7.1 Introduction**

The Councils GAME Municipal Enterprise Transformation Programme sets out a number of areas for achieving financial benefits from an increased commercial focus to review contracts, drive down costs, achieve higher net income streams and also develop new net income streams.

Commercialisation supports the whole Council with GAME Municipal Enterprise being the obvious location to capture the Councils financial benefits arising from Commercial activity. Through the Transformation programme we aim to encourage more creativity, entrepreneurial behaviours, appropriate managed risk in addressing the challenges the Council faces as a whole, irrespective of which services these opportunities arise in.

#### **7.2 Commercialisation in the context of Council services**

Commercialisation covers both expenditure and income and may arise as a result of Council working alone or with partners.

##### **Expenditure:**

- Contract Reviews or renegotiations
- Demand Management

##### **Income:**

- Increased turnover (net surplus/profit), through volume or changes to pricing/charging:
- New income streams

Areas of activity will include advertising, sales of goods and services, sponsorship, rentals (from existing assets or new capital acquisitions).

Commercialisation would exclude contributions, grants, donations, ring-fenced income e.g. S106/CIL, social care income/contributions from service users.

Commercialisation and entrepreneurial spirit managed in the right way is an extremely positive and rewarding thing for staff and the Council as a whole.

#### **7.3 Principles**

The following general and specific principles will be adopted:



## A general financial principle

Unplanned and unforeseen ‘windfalls’ or ‘one offs’ relating to increased income or cost reductions, irrespective of whether they come about from commercial activity or business as usual must be declared in the monitoring for CMT to discuss along with any proposals to utilise the windfalls in the context of the Councils overall financial position (in year budget, reserves and balances, future medium term pressures).

1. Corporate Management Team (CMT)/Transformation Programme Board (TPB) will agree and own these corporate commercial principles.
2. Commercialisation may be achieved by cost reductions or increased income in commercial activities or a combination of both in order to improve net position.
3. Net commercialisation gains, over and above existing approved budgets and agreed budget actions, will be captured towards the Council’s GAME Municipal Enterprise target. This includes new activities, expansion of and charging for existing activities.
4. Staff generating ideas that result in tangible gains will be recognised
5. Commercialisation may occur as an ongoing benefit or a one off event
6. Any existing and agreed budget action plans to reduce cost or increase net income contained in current budget delivery plans will not be captured in GAME Municipal Enterprise Commercialisation. This will avoid double counting.
7. Commercialisation will apply to revenue, capital and external accounts where applicable
8. Any exceptions to the capturing commercialisation benefits within GAME Municipal Enterprise must be agreed by CMT/TPB with a clear rationale

*Ref: appendix 9.1 Financial paper*

## 7.4 Targets

The Commercialisation project has been targeted with delivering financial benefit of £3.744m by year three. The table below details the net gain per year and the also the cumulative position for information. By the end of the three year programme the Commercialisation project will have achieved financial benefit of £6.666m

	2014/15	2015/16	2016/17
	£m	£m	£m
Annual additional Financial Target	0.700	1.522	1.522
Cumulative Financial Target (in year requirement)	0.700	2.222	3.744

## 7.5 Meeting the targets

There has been some recent commercial activity that will contribute to the 2014/15 targets using the financial principles set out in section 7.3:

Activity	Net Benefit identified for 2014/15
Landfill gas contract renewal	Estimated £100k (£200k pa in a full year)
Solar Photovoltaic installations	Estimated £50k
<b>Total</b>	<b>Estimated £150k</b>

Note: Landfill gas is estimated due to the fact the contract has just been agreed, but the benefit is still being calculated. There will be fluctuations in energy generation from solar PV, hence the estimate.

Commercialisation Workstreams are being implemented to add to this current total and are mentioned in section 6.2 and listed in appendix 9.3. The expected incomes are estimated as a detailed cost/benefit analysis is not yet complete

Activity	Estimated further net benefit 2014/15
Advertising	£50k (£100-200k pa in a full year)
Opening Chelson Meadow to commercial customers	£30k
<b>Total</b>	<b>Estimated £80k</b>

## 7.6 Delivery costs

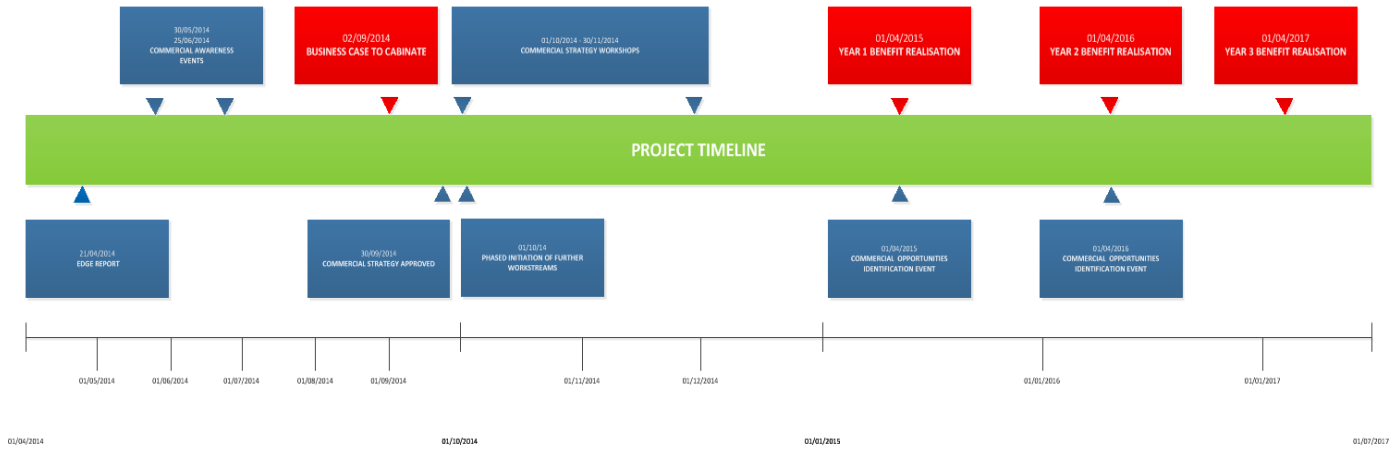
A step change is required in the Council's drive on commercialisation. The Council does not have commercial capability within its current workforce except for a few members of staff. Therefore it is necessary for the Council to resource this area. It is proposed that the approach to Commercialisation is led by the Strategic Commercial Manager under the Head of Commercial Services, a post that sits within Finance and has as yet to be filled. This will be recruited to forthwith and once appointed the Strategic Commercial Manager will be responsible for prioritising existing and identifying new Workstreams and delivering these. Any resources that he or she will identify to do this work will be financed through Transformation in the first 12 months, and offset against income gains from the services where the Workstreams lie, thereafter. Additional resources likely to be identified by the Head of Commercial Services as the Council currently lacks are: commercial finance, market research, business development, sales and marketing.

## 8. Management Case

### 8.1 Project Plan

Please note a full version of the project plan is located [S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\23. GAME\\_07 Commercialisation Project\03. GAME\\_07 Com Project Plan\01. Commercialisation Project Plans\20140703 v0.01 Commercialisation.mpp](S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\23. GAME_07 Commercialisation Project\03. GAME_07 Com Project Plan\01. Commercialisation Project Plans\20140703 v0.01 Commercialisation.mpp)

The figure belows shows the key milestones of the document



## 8.2 Key Milestones and Dependencies

Ensure both intra and inter dependencies are covered (both within and outside the project/programme).

Key Milestones	Description	Dependencies
21/4/14	Identification of Street Services commercial opportunities from review	Completed successfully
30/5/14	Commercial awareness event 1	Completed successfully
25/6/14	Commercial awareness event 2	Completed successfully
2/9/14	Submission of case to cabinet	Completion of strategic business case
30/9/14 provisional subject to specialist input	Draft Commercial strategy	Inputs from all levels of staff and specialist input
1/10/14 – Life of project	Phased initiation of Workstreams and actions	Project resource
Across October/November	Commercial strategy workshops	Inputs from staff to get commercialisation message across
1/4/15	Commercial opportunities identification events	Inputs from staff of all levels
1/4/16	Commercial opportunities identification events	Inputs from staff of all levels

### 8.3 Key Risk Analysis and Risk Management

Risk Reference	Description	Likelihood	Impact	Mitigation
<b>GAME_07_RSK_29</b>	Potential lack of opportunity due to large companies nationalising contracts	2	3	Deal with brokers and national companies not operating in Plymouth to sub contract work
<b>GAME_07_RSK_72</b>	There is the current lack of capacity within the service to engage and deliver the project objectives	4	4	The Project will be resourced adequately through recruitment
<b>GAME_07_RSK_73</b>	there is a lack of commercial capability across the council	4	4	The project is considering the Business development options alongside bringing in other external expertise to assist with certain work streams. Long term training through the POD programme will assist as well
<b>GAME_07_RSK_74</b>	The scale of benefits may not be available to reach project targets	5	4	Continuous acceptance of new commercial ideas and initiating as many new work streams as possible with the resource available will narrow the gap between the possible income and the target income
<b>GAME_07_RSK_75</b>	Delivery of commercialisation initiatives could impact on core service delivery	3	3	Communication between project and BAU to ensure that core service delivery is not affected. Needs to be dealt with at a planning stage.
<b>GAME_07_RSK_77</b>	Council in its current form may not legally be able to generate surpluses required	4	5	Ensure there is an understanding of legal position with respect to generation of surplus/profit, and pursue the ways to work within the legislation.
<b>GAME_07_RSK_78</b>	The ambitions of the commercialisation project may conflict with the Councils values and policies affecting income	4	3	Gain a greater understanding of the Councils policies and values to ensure no commercial opportunity is taken that could be in conflict

## 8.4 Quality Assurance

<b>Quality Responsibilities</b>	Responsibilities are shared between: Lee Pundsack – Project Manager Mark Turner – Project Executive Alex Hurth – Programme Manager Anthony Payne – Senior Responsible Officer Additional governance will be provided at various levels, including the project board, programme board and by Councillors		
<b>Quality Criteria</b>	<b>Quality Tolerance</b>	<b>Quality Method</b>	<b>Quality Check Skills Required</b>
The project must be implemented within the parameters of Plymouth City Council. Criteria for assessment will include:  -The level of net income uplift  -ability of staff to implement changes  -the ability of staff to own the project's products  -The increase in customers/sales	Quality tolerance for this product is low. It is essential that effective sustainable commercial solutions are implemented	The following methods will be used ensure quality: -Analysis of financial data -Review of the changes a maximum of six months after initiation of each new service/product to: <ul style="list-style-type: none"> <li>• Ensure that the service is running the product as intended</li> <li>• Ensure that the sales and marketing plans are effective</li> <li>• Fine tune the product if needed</li> </ul> -engagement and feedback with stakeholders	Quality checks will need to be undertaken by management, finance and frontline staff who have the required skills to identify potential problems and provide solutions

## 8.5 Change Management

A cooperative approach steps for change will be followed throughout the move towards new commercial activities:

1. Preparing for change      Understand the current situation, the case for change, the future vision, consider what needs to be different
2. Designing the change      involving others, working cooperatively, using co-design principles with stakeholders
3. Making the change      Use of change agents, monitoring progress, listening to feedback, use lessons learned, sharing success
4. Embedding the change      ensuring the change is sustained and does not revert back to previous state, develop and use ongoing measurements

The following will be applied within the change process:

- Strong positive leadership through change from outside the project team
- Robust stakeholder analysis
- Regular feedback and review e.g. engagement levels, workshop feedback, customer panels, change readiness survey etc.
- Relevant and tailored communications and engagement activity using the most appropriate mechanisms
- Consideration of co-design for change options
- Maximising opportunities for joined up and collaborative working between services, colleagues and partners

### 8.6 Communications and Engagement

This project will incorporate Plymouth City Council’s co-operative values, with the project being very much dependant on staff engagement and design. Commercialisation will communicate and engage with a variety of stakeholders as appropriate to ensure that any designs for commercialisation activities are fit for purpose and complement the council’s cooperative values right for the council.

#### Staff Engagement

Operating commercially is a new concept for many employees within the Council and as such, staff will be invited to co-design many elements of this project, specifically giving input with the commercial strategy and the generation and collation of commercial ideas. Workshops involving staff from across the organisation have already been held and engagement will continue throughout the project. As each Workstream develops it will become apparent which services will be affected by each commercial opportunity developed. Therefore service-specific staff engagement activities will also take place to gain input, feedback and suggestions on the commercial approach.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Affected Staff</b>	CMT		X		
	SMT			X	
	Trade Unions			X	
	Service management			X	
	Service staff			X	
<b>Non-affected Staff</b>	Council Wide Staff			X	
	Transformation Programme		X		

## Member Engagement

The project will need to utilise the democratic decision making processes available, and be aware of the importance of elected member/political engagement throughout the transformation process. This will involve existing opportunities for member engagement and information sharing. Furthermore elected members, where appropriate, will receive feedback from other engagement strands to aide broader understanding of how we are using a co-operative approach to engagement throughout the Transformation Programme. This list of elected member stakeholders may change to reflect the scope of the relevant project.

The relevant portfolio holders will be consulted of any commercial changes within their portfolio

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Elected Members</b>	Cabinet			X	
	Shadow Cabinet				X
	Member Transformation Board		X	X	
	Council's Scrutiny Function			X	
	Transformation Advisory Group			X	
	MPs				X

## Community Engagement

The main community that needs engagement from this project is the business community. The project will be forging links with businesses and business groups for exchanges of information and to ensure the services we wish to provide are appropriate albeit recognising the commercial nature of this project and the potential need for confidentiality.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Communities and Customers</b>	Communities of Identity			X	X
	Communities of Interest			X	X
	Communities of Geography			X	X
	Customers			X	X

## Partner Engagement

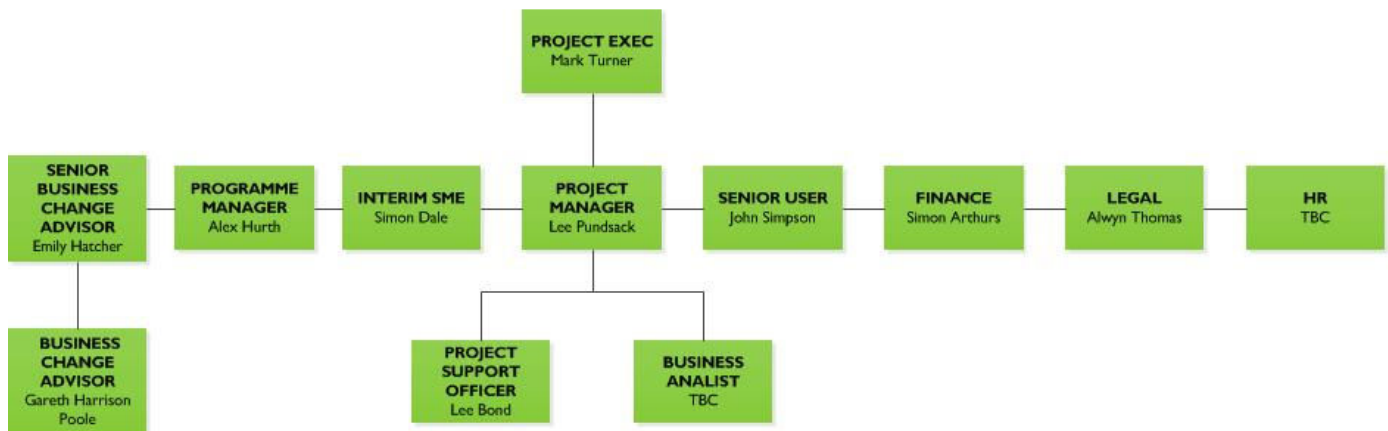
The Commercialisation Project carries the potential to directly and indirectly influence partner agencies. Therefore the project will need to ensure partners are informed of potential changes where relevant and appropriate. In specific cases partner agencies may be able to feed into decisions within the project, and therefore opportunities should be provided to canvas feedback on proposed changes. Several partners have already been identified as follows although recognising the commercial nature of this project there may be a need for some confidentiality.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Municipal Enterprise Related Partners</b>	Plymouth Community Homes			X	
	South West Devon Waste Partnership			X	
	AMEY			X	
	VCS			X	
	Alpha-Logic				X

Note: as the project develops the amount of partner stakeholders are likely to increase.

## 8.7 Framework and Methodologies

Commercialisation project structure:



This project employs Prince 2 project management methodologies.



**Other tools / methodologies / processes / standards / assurance**

1. Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.
2. Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up pack and subsequent documentation found in the Portfolio Office. See S:\Transformation\Portfolio Office
3. All documents pertaining to the standards, processes, tools, methodologies and assurance to be applied to all Programmes and Projects in the Transformation Portfolio will be found in the Portfolio Office Folder as shown above.

All files for specific Programmes and Projects will be filed by Programme and Project. See S:\Transformation\Programme and Project Folders

## 9 Appendices

### 9.1 Commercialisation Financial Principles

# FINANCIAL PAPER COMMERCIALISATION

Growth Assets & Municipal Enterprise 28/5/14

## Introduction

The Councils GAME Municipal Enterprise Transformation Programme sets out a number of areas for achieving financial benefits from an increased commercial focus to review contracts, drive down costs, achieve higher net income streams and also develop new net income streams.

Commercialisation supports the whole Council with GAME Municipal Enterprise being the obvious location to capture the Councils financial benefits arising from Commercial activity. Through the Transformation programme we hope to encourage more creativity, entrepreneurial behaviours, appropriate managed risk in addressing the challenges the Council faces as a whole, irrespective of which services these opportunities arise in.

It is certainly not the intention of these principles to disincentivise positive, entrepreneurial behaviours in addressing the challenges the Council faces as a whole

The purpose of this document is to define commercial activity and to set out the key principles for capturing financial benefits from commercialisation.

## What is Commercialisation in the context of Council Services (existing and new services)?

Commercialisation covers both expenditure and income and may arise as a result of Council working alone or with partners.

Expenditure

- Contract Review
- Demand Management

Income

- Increased turnover (net surplus/profit), through volume or changes to pricing/charging
- New income streams

Areas of activity include advertising, sales of goods and services, sponsorship, rentals (from existing assets or new capital acquisitions),

Commercialisation would exclude contributions, grants, donations, ring-fenced income e.g. S106/CIL, social care income/contributions from service users

Commercialisation and entrepreneurial spirit managed in the right way is an extremely positive and rewarding thing for staff and the Council as a whole.

## Principles

1. Corporate Management Team (CMT) and Transformation Programme Board (TPB) will agree and own these corporate principles.
2. Commercialisation may be achieved by cost reductions or increased income in commercial activities or a combination of both in order to improve net position.
3. Net commercialisation gains, over and above existing budget, will be captured towards the Council's GAME Municipal Enterprise target. This includes new activities, expansion of and charging for existing activities.
4. Staff generating ideas that result in tangible gains will be recognised and rewarded.
5. Commercialisation may occur as an ongoing benefit or a one off event
6. Any existing and agreed budget action plans to reduce cost or increase net income contained in current budget delivery plans will not be captured in GAME Municipal Enterprise Commercialisation. This will avoid double counting.
7. Commercialisation will apply to revenue, capital and external accounts where applicable
8. Any exceptions to the capturing commercialisation benefits within GAME Municipal Enterprise must be agreed by CMT with a clear rationale

### **A general financial principle**

Unplanned and unforeseen 'windfalls' or 'one offs' relating to increased income or cost reductions, irrespective of whether they come about from commercial activity or business as usual must be declared in the monitoring for CMT to discuss along with any proposals to utilise the windfalls in the context of the Councils overall financial position (in year budget, reserves and balances, future medium term pressures).

# 9.2 Equality Impact Assessment

Commercialisation Project



## STAGE I: What is being assessed and by whom?

What is being assessed - including a brief description of aims and objectives?

### **GAME \_07** Commercialisation Project :

The Commercialisation project is working towards achieving Plymouths 'Brilliant Co-operative Council' agenda, driving forward its values of being Pioneering Growing Confident and Caring, supporting the city in its growth.

The Councils desire to commercialise has been undertaken to try and help bridge the expected funding gap in 2015 as well as supporting and driving forward continual service improvements and money saving benefiting not only the Council but the people of Plymouth. The project aims to do this by creating a series of work streams that will develop a variety of services and schemes that will generate reliable revenue on a yearly basis. The project will continue to search out commercial opportunities in order to develop and deliver monetary and reputational gains to Plymouth City Council.

The project will operate to these core principles.

- Ensure that service structures are in place to enable a more commercial way of working, or if required to restructure accordingly.
- Review the services offered to our customers and diversify where possible and appropriate
- Review existing fees and charges for services provided to customers
- Consider alternative structures for business areas including the potential development of Local Authority Trading Companies (LATC), outsourcing or partnership working

Responsible Officer

Mark Turner

Department and Service

Transformation

Date of Assessment

21/07/2014

**STAGE 2: Evidence and Impact**

Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	<p>Age represents a significant issue in the provision of a universal waste collection service. In 2011/12 data, 33.1% of people were Plymouth are over 50, with 7.7% over 75.</p> <p>Over 75's are predicted to rise faster than any other group (19,000 in 2008 to 31,000 in 2028).</p> <p>While the attainment of a certain age does not provide de-facto access to the</p> <p>This project will not impact on young people unless they have other needs.</p>	<p><b>No</b></p> <p>Positive steps will be taken throughout involving service users, partner agencies and Members to ensure that policy documents are fit for purpose.</p> <p>We will aim to provide improvement to existing services as well as offering new services that can support elderly residents.</p> <p>Improved customer services and marketing, enabled by more effective and efficient services may enable more customers to access services.</p>	N/A	N/A
Disability	<p>Data for 2011 shows that 49,545 (20.6%) of people have declared themselves as having a limiting long term illness, against a national average of 18.2%.</p> <p>11,655 (6.7%) of people consider themselves</p>	<p><b>No</b></p> <p>We will contact partners to produce intelligence identifying legitimate service users; this will limit the number of households we contact asking them to reapply.</p> <p>Positive steps will be taken</p>	N/A	N/A

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
	<p>permanently sick or disabled against a national average of 5.5%.</p> <p>Around 30,000 people have a diagnosed mental health issue.</p> <p>The above average level of disability in Plymouth suggests that our assisted collection service will be placed under greater pressure than the majority of other Council schemes.</p>	<p>throughout involving service users, partner agencies and Members to ensure that policy documents are fit for purpose.</p> <p>We will build in positive links with partner agencies to add value to our communications and promote the welfare of service users</p>		
Faith, Religion or Belief	<p>As of 2011 Plymouth's breakdown in relation to religion was:            No faith: 30%            Hindu, Buddhist and Jewish combined less than 1%.            Christian 68%            Muslim/Islam 1.7%</p>	<p><b>No</b></p> <p>Commercialisation will support people irrespective of their faith, religion or belief.</p>	<b>N/A</b>	<b>N/A</b>
Gender - including marriage, pregnancy and maternity	<p>There were 3216 births in 2008/9. 7.4% homes are headed by a lone parent.</p>	<p><b>No</b></p> <p>Commercialisation will support people irrespective of their Gender or Marital status</p>	<b>N/A</b>	<b>N/A</b>

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
Gender Reassignment	Data for this area is limited. It is estimated that there are 10,000 transgender people in the UK. In Plymouth as of 2011 23 transgender people were registered with Plymouth Pride.	<b>No</b> Commercialisation will support people irrespective of their Gender	<b>N/A</b>	<b>N/A</b>
Race	As of 2011 Plymouth's BME community accounted for 7.1% of the overall population, significantly below the national average.	<b>No</b> Commercialisation will support people irrespective of their Race	<b>N/A</b>	<b>N/A</b>
Sexual Orientation -including Civil Partnership	No accurate data exists regarding the LGB community in Plymouth, but nationally the population is estimated at between 5 to 7 %. This would mean that around 12,500 people aged over 16 in Plymouth are LGB.	<b>No</b> Commercialisation will support people irrespective of their Sexual Orientation	<b>N/A</b>	<b>N/A</b>

<b>STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
Reduce the inequality gap, particularly in health between communities.	Commercialisation has no negative impact on the inequality gap between different communities.	<b>N/A</b>
Good relations between different communities (community cohesion).	We aim to support the creation of community capital by promoting cleaner, more attractive environments. However this priority will be primarily supported through the GAME Programme's	<b>N/A</b>
Human Rights	There are no implications for Human Rights. The service will remain universal, ensuring that all residents receive equitable and effective provision.	<b>N/A</b>

<b>STAGE 4: Publication</b>			
Director, Assistant Director/Head of Service approving EIA.		Date	



## 9.3 Commercialisation Workstreams SUMMARY

### **Introduction**

The gathering of commercial ideas across Plymouth City Council has been undertaken utilising methods including consultant reviews, management meetings and staff workshops. All ideas have been collated, giving a total of 120 commercial ideas. These ideas have been skimmed through to remove any obviously unfeasible actions and have been grouped into possible Workstreams and single actions. This document proposes the Workstreams, based on criteria including:

- Ease of implementation
- The size of possible net income
- The amount of data collected at this point
- The necessity of implementation due to future actions
- Where the action entails organic growth so the quicker the implementation, the greater the overall net income

### **Potential Workstreams:**

#### **Commercial Directories**

This Workstream will explore all of our services that can be offered to external customers. It will not create any new services or develop current ones.

The intension is to create and market a series of service directories compiled from the created list. These directories will be tailored towards:

- Schools
- NHS
- Emergency services
- Local businesses
- Care homes
- Other local authorities
- VCS /Third Sector

There currently exists a schools directory compiled by ELAFS, so the plan is to investigate and utilise their data gathering method, improve and inform if needed, and then utilise the method to produce the other directories.

#### **The Expansion of Trade Waste**

This Workstream is dealing with all aspects of waste from trade waste collections and waste disposal.

The commercial opportunities are:

- To increase the sales of trade waste collections
- To investigate and move into different waste collection streams
- Accept commercial customers at the HWRC
- Renegotiate the landfill gas contract
- Charge domestic customers for stone and soil
- Charge domestic customers for asbestos

#### **Advertising**

This Workstream is investigating the possibilities of new income from advertising across the council's assets.

An expression of interest soft market test is underway, with one company already interested in providing internet advertising.

The suggestions for advertising are too many to list here, but at the present no idea is off the table. The only advertising/sponsorship currently being undertaken is the sponsorship of flowerbeds, roundabouts and occasional events.

### **Renewable Energy Generation**

This Workstream will look at the possibilities of installing PV and wind turbines across the council's portfolio of land and commercial property. A desktop survey is currently being undertaken to identify possible sites for PV. Once this has been completed a surveyor will be brought in to ascertain the viability of these sites so procurement, planning and installation may begin.

Three forms of funding may be used for this Workstream:

- Upfront capital investment – Greater liabilities (maintenance etc.) and payback period of approx. 8 years.
- Loan – this could give an income each year but again the same liabilities.
- Rent the land – no liabilities but lesser income.

### **Weddings and celebration events**

This Workstream is looking into weddings and celebration ceremonies and is looking to implement the following:

- To centralise the booking and marketing of all PCCs wedding premises
- To gain links to other premises

This will not be solely for weddings but for all forms of celebrations and ceremonies.

### **Cemeteries and Crematoria**

This Workstream will be looking at the following:

- Creating a pet cemetery
- Creating a woodland burial site
- Memorialisation opportunities

A small piece of work has been done on this with the identification of potential sites. The Senior Manager has identified land suitable for woodland burials however this land would need to be purchased.

### **Online Shops and Trading**

This Workstream will look at the setting up of an online shop to sell:

- Museum shop items
- Tourist information centre (TIC) items

Discussions have taken place with the museum around this,

### **Street Services**

This Workstream will look at all the commercial opportunities around street services. All current possible commercial activities will be included in the commercial directory, but there is a large range of operations that could be improved and adapted for commercial customers.

**Catering Services**

This current Workstream will look at all catering opportunities within the council with the mind to improve and create new income streams. The schools catering company has just been set up and this could be adapted or resources used for other catering work providing it did not affect the schools arrangement.

**Security Services**

This Workstream will be looking at all security type services across the council from stewarding, CCTV , alarm monitoring and home call, to see if they can be offered to other customers or adapted to gain more from the assets.

**Commercial transport opportunities**

The introduction to category management – fleet services project will identify commercial opportunities within our transport and garage services. The Commercialisation project will assist in the implementation of these opportunities when appropriate.

There will be more commercial ideas gathering exercises in the future so this list will grow.

## 9.4 Commercialisation CASE STUDIES

### **OXFORD CITY COUNCIL**

*“Oxford City Council could definitely be described as an enterprising, commercially astute council. But, rather than going down the route of outsourcing or setting up an arm’s length company, we have chosen to develop a commercial culture among our own in-house employees in order to retain the benefits of direct service delivery.”*

- Jo Gardener [jgardener@oxford.gov.uk](mailto:jgardener@oxford.gov.uk)

### **BACKGROUND**

- OCC facing a potential short fall in budget. In 2011 a transformation / commercialisation project was undertaken to reduce expenditure by 20% and increase performance by 20 %

The project aimed to keep as much as possible in house providing training and development for its staff.

*“A partnership has been forged based on providing cost efficient services in return for investment and increased job security”*

### **OBJECTIVES**

- Reduce Expenditure of services by 20% (baseline not included in report)
- Increase Performance of Services by 20%
- Maximise Value from buildings and assets.
- Introduce modern working practises
- Raise income by producing in house “commercial packages” establishing Oxford Direct Services

### **AREAS OF FOCUS**

#### **Establishing a portfolio of marketable skills**

- Building maintenance
- Commercial Waste
- Grounds & environment
- Street scene
- Fleet & Workshop
- Highways and Engineering

#### **A marketing strategy to the following areas**

- Charities
- businesses
- Council residents
- health and voluntary sector bodies
- Landlords and letting agencies
- Housing associations

### **BENEFITS**

**By September 2012 turnover from new customers was £330k with a total increase in volumes for the full year of £1.24 million**

10 apse direct news

## In-house proud of Oxford's commercial culture

**Business Improvement Manager, Jo Gardner, explains how Oxford City Council has created a commercial culture among its integrated in-house team, which is on target to generate £6m turnover while improving front-line services**

Oxford City Council could definitely be described as an enterprising, commercially astute council. But, rather than going down the route of outsourcing or setting up an arm's length company, we have chosen to develop a commercial culture among our own in-house employees in order to retain the benefits of direct service delivery.

Like other authorities, Oxford had to make dramatic changes in response to reductions in central government funding. For us, this resulted in a choice in 2011 to introduce a programme of maximising resources as opposed to cutting jobs and services. An overall objective of reducing expenditure by 20% and also increasing performance by 20% was set. To achieve this target, we are taking a holistic council-wide approach, pursuing maximum value from buildings and assets, simplifying and automating processes and introducing effective modern, working practices.

While recognising that business benefits could be gained from establishing a separate arm's length company, the council was also keen to retain the benefits of in-house services. Keeping front line services is an integral part of the council while also creating a commercial culture has therefore been a vital strand of our transformation. Oxford Direct Services was established to bring in-house building maintenance, commercial waste, grounds and environment, streetscene, fleet and workshop, highways and engineering services together to effectively deliver front line services and to raise income by actively marketing these services to businesses, council residents and tenants, charities, health and voluntary sector bodies, landlords and letting agents as well as other councils and housing associations.

This additional emphasis on income generation meant an intensive period of outward facing activities, such as professional sales and marketing, communications, design and setting up a dedicated website as well as internal business process development, cost base analysis, tendering documentation and accessing transformation funding.

By September 2012, turnover from new customers alone was £330k, which supported an increase in volumes for the full year of £1.24m. Direct Services has maintained and improved its core provision for local people while its external business continues to grow and projected turnover for the current financial year is £6m. We are also planning to offer back office functions such as procurement and legal services to businesses on a commercial basis, which will be a further boon to income. Changes were achieved without

additional resources as capacity to provide commercial services came from increasing efficiency among existing front-line staff, with additional staff recruited only to meet demand for income-generating services – and thus paying for themselves.

This success is due to both the capability and vision of the authority's management and the co-operation of staff. A partnership has been forged based on providing cost efficient services in return for investment and increased job security. There have been no job losses, the number of high quality modern apprenticeships has been increased and the council believes in paying a 'living wage' to employees, which is good for the local economy. Because it has been possible to maintain or improve services and bring in income, this has supported investment, boosted morale and improved efficiency further – creating a virtuous circle of continuous improvement.

Direct Services' frontline employees have been trained in new skills to improve the council's offer to customers and this is helping empower both staff and citizens. Our new decentralised approach to customer interaction is not just on a commercial level, but aims to maintain and improve residents services overall, despite the tough financial climate in which we operate. Evidence that this is working is found in a very low level of customer complaints. Our front-line staff's dedication to the communities in which they work was most evident during their round the clock support during adverse weather events.

Overall, we believe our change programme is contributing powerfully to delivering Oxford City Council's vision, of 'Building a World Class City for Everyone'. The quality and level of services to residents and tenants has not just been maintained, but increased and we have managed to commit to infrastructure development, as witnessed by the council's ambitious house building programme and leadership on recycling and carbon reduction measures.

As we move forward, commercial activity is becoming increasingly the 'norm', rather than an add-on to Oxford's Direct Services. Commercial mindedness is becoming embedded in our management processes and systems and supports our medium term financial plan. We are proud to say that business acumen, marketing skills and competitiveness, which were once associated with commercial companies, are now part of the thinking among our in-house managers and staff and that residents are benefitting as a result.

Contact: [jgardner@oxford.gov.uk](mailto:jgardner@oxford.gov.uk)

## NORTH LINCOLNSHIRE

### BACKGROUND

Facing budget reductions from Central Government North Lincolnshire has started on an Entrepreneurial Journey to make its services commercially available to other organisations. They have introduced a service that supports their cooperate blueprint similarly to Plymouth City Council.

### OBJECTIVES

**North Lincolnshire Council** state in their strategic marketing plan that they endeavour to be a responsible

**NEIGHBOUR:** - *We manage the risks associated with our activities and protect the environment. We focus on the needs of the community: one council putting our customers first*

**SERVICE PROVIDER:** - *We aim to satisfy our customers by meeting and exceeding their requirements. We closely consult all stakeholders, and fully comply with our regulatory, legislative, contractual and other obligations.*

**EMPLOYER:** - *We actively encourage and support our employees to gain skills and qualifications that will meet our needs. We safeguard our employees, subcontractors and premises, and develop highly motivated and skilled teams through strong leadership and effective training*

- Maximise Value from buildings and assets.
- Introduce modern working practises
- Raise income by producing in house “commercial packages

## **AREAS OF FOCUS**

Establishing a portfolio of marketable skills

- Building Cleaning services
- Building Project Management and Design
- Arboriculture & Hard & Soft Landscaping
- IT and Digital Services
- Building Maintenance Management
- Vehicle Repair and Maintenance
- Waste and Recycling Services
- Pest Control Services
- Carbon & Energy management
- Procurement Consultancy Services
- Human Resources
- Legal Services
- Media Relations And Graphic Design
- Emergency and Temporary Support for the Clerking of Meetings
- Healthy Workplace Award scheme
- Venue Hire and Catering
- Marketing and Advertising Opportunities

### **Aylesbury Vale District Council**

#### **Thinking commercially to tackle budget pressures**

Archived press release

Date Published: 09/12/13

#### **Aylesbury Vale District Council is becoming smarter, leaner and more efficient as it aims to save £2.4 million next year.**

Members of the council’s cabinet will be looking at initial budget proposals put forward to meet the big savings required for 2014/15 and the following years.

The council faces the challenge of balancing the books in a year that will see central government funding reduce significantly.

By April 2015, the government grant settlement will have reduced by almost half meaning a cut of more than £5.5 million since 2010. This means that the council will only have £219 to deliver services to each home, compared to £310 in 2010. That’s a drop of around 30 per cent.

Despite the financial challenges the council remains ambitious and is working hard to protect key services. Every service is currently being reviewed to see where money can be saved and new income generated.

By thinking commercially to balance its reduced budget in 2014/15, the council has identified a number of key savings including:

- Additional rental income from NHS and GP Clinical Commissioning Group in 66 High Street and the Gateway, together with reduced energy and cleaning costs, will save £274,200
- Restructuring of the Development Management service, including the introduction of the Householder Extension Local Development Order, will save £250,000
- Restructuring of the senior management team will save £100,000

Councillor Neil Blake, Leader of the Council, said: “We have to build on what we’re doing – becoming a more commercial council. I believe that operating as a business is the only way we can survive and evolve. We need to do things because they make business sense – not just because that’s the way we’ve always done things. This might mean dropping services that aren’t widely used and charging for others. There’s no doubt that we’ll have to make major changes in the New Year.”

The income the council receives from its residents – the average Band D property owner pays £133.69 a year, that’s £2.62 every week – is spent on a range of services including recycling and waste, parks and open spaces, street cleansing, planning, leisure and community safety.

The government has offered a grant to councils that freeze their council tax and is worth the equivalent of a one per cent increase. Cabinet members will be asked to consider whether to accept this grant or increase council tax by 1.99 per cent (5p per week) from 1 April 2014.

## WEST LINDSEY DISTRICT COUNCIL

The Entrepreneurial Council. West Lindsey Council facing increased demand on its service provision in increasingly challenging financial circumstances realised that its current operational model was unsustainable.

Their new model is based upon the following core principles being / undertaking.

- Entrepreneurial - looking creatively at all resources
- Commercial (sits under entrepreneurial) - how do we become more cost conscious in the solutions we propose and the way we use that money
- Co-production – Less hand outs, different approaches, different relationship with our communities

West Lindsay in order to step forward and alleviate the financial pressures that it faced had to undergo a radical rebrand in order to realise its objectives. It exploited commercial opportunities to bridge its funding gap and increase its quality of service provision. Delivering 20 % reduction in Net Expenditure over the last three years.

This breaks down to approximately 98% from efficiencies and rationalisation the remaining 2% being generated from income from the commercialised services. The transformation programme at WLDC forecasts that a further 23% can be saved from services with a breakdown of savings swinging from a majority off efficiency driven savings to increased revenue generation. Approximately 37% from further efficiencies approximately 63% from income achieved while delivering social outcomes.

WLDC has had successes in other key areas outside of increased revenue to date it claims to have

- Increased Entrepreneurialism
- Increased commercial Awareness
- No compulsory redundancies to date
- No significant reductions in service to our customers

- High satisfaction with our approach to community Engagement/Localism
- Improved outcomes for the community
- No use of reserves or New Homes Bonus to set a balanced and sustainable budget

## BACKGROUND

- One of 7 districts within Lincolnshire
- Lincolnshire County Council
- 440 Square miles
- 90,000 residents
- 42,000 properties
- 16th most sparsely populated council in England
- 37 Councillors – Conservative controlled

West Lindsey District Council through its prior to its transformation programme operated upon the following

1. The base Revenue Account and budget - approximately £43.8 million gross expenditure
2. A Capital Programme - spend for 2012-13 of approximately £3 million
3. Earmarked Reserves - approximately £6 million
4. General Fund Balance - approximately £6 million
5. Physical assets on the assets register – £14.4 million (2010 valuations)
6. Section 106, Community Infrastructure Levy – (funds available to be confirmed)
7. New Homes Bonus – estimated at £1.2m earmarked for empty homes project.
8. No borrowing

## OUTCOMES

WLDC Has achieved the following successes over the period of the programmes existence.

- 20 % reduction in Net Expenditure over the last three year
- Approximately 98% from efficiencies and rationalisation, 2% income
- A further 23% reduction in the pipeline
- Approximately 37% from further efficiencies
  - Approximately 63% from income achieved while delivering social outcomes
  - Increased Entrepreneurialism
  - Increased commercial Awareness
  - No compulsory redundancies to date
  - No significant reductions in service to our customers
  - High satisfaction with our approach to community engagement/Localism
  - Improved outcomes for the community
  - No use of reserves or New Homes Bonus to set a balanced and sustainable budget



**PLYMOUTH CITY COUNCIL**

Subject: Creating a Brilliant Co-operative Street Service Project Strategic Business Case  
Committee: Cabinet  
Date: 2 September 2014  
Cabinet Member: Councillors Vincent, Coker and Lowry  
CMT Member: Anthony Payne (Strategic Director for Place)  
Author: Tom Cox, Project Manager  
Contact details: Tel: 01752 306984  
E-mail: tom.cox@plymouth.gov.uk  
Key Decision: Yes  
Part: I

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**Purpose of the report**

This report presents a strategic business case to progress the creation of a 'Brilliant, Co-operative Street Service'.

The Street Services Department was created through the amalgamation of the Council's Transport & Infrastructure and Environmental Services Divisions in 2013. It is currently divided into the following service areas:

- Street Scene Services comprising Waste Collection, Street Cleansing, Grounds Maintenance and Parks & Open Spaces
- Fleet and Garage Services
- Parking and Marine Services
- Living Streets and Network Management
- Waste Disposal and Contracts

Service provision is generally of a high standard. For example the Council maintains over 950 acres of green space each year, equivalent to the size of four Central Parks, providing clean and attractive community spaces which contribute significantly to the quality of life enjoyed by citizens. However, a range of opportunities and challenges provide impetus for change:

- The introduction of co-operative principles requires that services work in different ways, moving from an officer led approach to a model that promotes co-design and co-production.
- A review of the Street Services management structure has identified the potential to create a more cohesive and co-operative department. For example the management restructure will create management roles with specific responsibilities for community engagement, ensuring that customer need is at the forefront of service provision and that Street Services is transparent and accountable in its approach.
- Implementing a more cohesive management structure will also reduce the financial footprint of the department, with an internal review identifying potential savings of at least £480k per annum.
- Feedback from Partners and customers provides a pathway towards a 'brilliant' Street Services.
- The potential to improve performance management within the department has been identified. For example the introduction of vehicle tracking systems will allow supervisors to use their time

more effectively, with a greater focus of providing an 'on the ground' presence, so reinforcing good practice.

- Plymouth City Council faces a £64.5 million funding gap over the next three years, requiring that services are re-designed to cost less or generate additional income.
- Community groups and Partners have expressed an interest in playing a greater role in the provision of services. While some elements of delivery may need to be outsourced, by engaging with local organisations the Council can develop different ways of working, saving money, increasing standards and building community capital.

In response to these drivers the Creating a Brilliant Co-operative Street Service project proposes three workstreams:

- A management restructure, creating a more effective, efficient and transparent model of working across the department. This workstream is already underway, with a provisional completion date of 01/10/2014
- A review of service provision, providing an understanding of existing capacity and cost in the context of statutory, strategic and stakeholder requirements
- Following from the review, the development of service provision, optimising opportunities to work with Partners to provide some services in different ways while focusing on core services that are retained within the Council to make them 'brilliant'

This will realise the following benefits:

- A leaner, more performance focused management structure with the capacity to embrace co-operative values and so achieve 'brilliant' service standards
- A locality based service structure, promoting responsibility and accountability and encouraging joint working between voluntary organisations, the community and the Council. This will be built into role profiles, with a senior Officer given specific responsibility for embedding this working model
- Better performance and intelligence management systems that again support the services in becoming 'brilliant'
- Closer engagement with the Community and Partners to enable different ways of providing services. This carries the potential to save money while improving services and creating more cohesive communities. Specific savings will become clear as the project develops
- A reduced financial footprint for the service, with a predicted saving of around £1.1 million over three years, based on an implementation date of October 2014, achieved through a management restructure with further savings possible through different ways of working and the alignment of support functions. Please note that the specific savings achieved through the management restructure will be clear once the Consultation period has been completed

Other Councils have successfully achieved efficiencies and improved outcomes through an innovative approach. Some examples include:

- Darlington Council have encouraged public giving to maintain parks and worked with charities to increase capacity
- Sheffield and Manchester are working with the National Trust to develop an endowment model for public parks. This will explore how to raise money through donations, public health and ecosystem services such as flood management and biodiversity
- The Bristol Parks Forum and Bristol Council will offer horticultural training for low-skilled people without full-time employment, providing routes into employment while improving the maintenance of Bristol's parks

While these ideas have not been explored within the context of local needs they demonstrate the potential for Councils to operate in different ways, therefore evidencing the value of this project in exploring options for Plymouth City Council to respond to the challenges that it faces.

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### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The following, taken from the Business Case, demonstrates the alignment of the project with the Corporate Plan.

#### **Democratic**

This project recognises the findings of the Fairness Commission, and in particular its identification of the value of a Systems Leadership approach. Where possible the project will seek to devolve decision making processes away from officers, seeking input from all appropriate stakeholders. A range of forums will be used to facilitate this, including briefings with Councillors, 'Have Your Say' and other community forums, and meetings with Partner agencies such as Plymouth Community Homes.

Alongside this it will consult with the Community, Councillors, Staff and Partners to shape an understanding of 'brilliant' service provision, ensuring that resources are focused on the things that matter most to Plymouth's citizens.

The management restructure will embed a more democratic approach, aligning staff more closely to ward areas and creating clearer lines of accountability. This will help to ensure that the service is open and responsive to feedback.

#### **Responsible**

The project proposes to promote a more responsible approach for staff and members of the community. For example it will improve education around waste by working with Partners in the Voluntary and Community Sector, so improving recycling and waste minimisation. It will also increase enforcement capability by working more closely with the partners, enabling the Council to more effectively hold people to account who act in an irresponsible manner. It will embed a 'don't walk by approach' within the department, ensuring that the Community receives a 'joined-up' service within which individual officers act in a more responsible manner as representatives of the wider Street Services team.

#### **Fair**

Commissioning will be fair, providing opportunities for organisations across the city to work in partnership with the Council and access resources. Furthermore the commissioning approach will recognise the needs of the community, considering value for money in terms of quality and community impact as well as cost.

The project will consult with the Community and wider stakeholders throughout, ensuring that all sections of the community have a voice in any changes that are made. Within this it will ensure that actions do not unfairly impact on marginalised groups, and that services operate in a fair manner.

#### **Partners**

Partnership working sits at the heart of this project. It will actively seek outsourcing and co-production opportunities to develop different ways of working where appropriate.

Within this the project will value the Council's ability to support the development of Partners, particularly within the Voluntary and Community Sector. For example through Project Octopus Council staff are engaging with a range of smaller community groups to identify their resource needs and understand how they can be empowered to play a larger role in supporting local communities.

---

**Implications for Medium Term Financial Plan and Resource Implications:**

**Including finance, human, IT and land:**

- This project requires an investment in human resources, communications resources and IT resources amounting to around £50k, although additional resources may be required through the project
- The project aims to realise savings of at least £200k in the first year and £480k in each of the following two years through a management restructure. Additional savings will be realised through the delivery of services in different ways; the benefits that this will realise are being identified through the project

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

This project has a number of implications:

- It will improve the Council's links with the community, promoting better education, clearer responsibilities for service users and staff, and the development of community capital

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**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes

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**Recommendations and Reasons for recommended action:**

As the management restructure element of this project is currently underway the project therefore recommends that Cabinet:

- Agree this business case
- In accordance with the business case, provide consent for Officers to undertake a review of existing services to develop an understanding of cost, effectiveness and legal, strategic or customer requirements that may shape any decision about how a service is delivered, and concurrently develop an understanding of what 'brilliant' looks like for stakeholders
- In accordance with the business case, provide consent for Officers to explore the potential for services to be delivered in a different manner
- In accordance with the business case, give delegated authority to the Strategic Director for Place, as the Senior Responsible Officer of the GAME Board, in consultation with the Cabinet Members for Environment, Transport and Finance (as appropriate), for approving alternative methods of service delivery identified through the project.
- In accordance with the business case, provide consent for Officers to develop services retained within the Council, using co-operative principles to attain 'brilliant' outcomes

Specific actions relating to service provision will be placed before Members and the Community prior to change occurring, ensuring that this project retains its democratic focus.

The Council's reason for these recommendations is based on the project's ability to realise:

- A saving of around £1.1 million over 3 years through a management restructure; this is underway and due to be completed in October 2014
  - Additional savings achieved by integrating support functions
  - Additional savings achieved through the implementation of alternative service delivery methods, through commissioning or co-production with Partners
  - 'Brilliant' service standards, achieved through better performance management and intelligence that will enable Street Services to focus on Community priorities
  - A more co-operative approach, including a more responsive and accountable management structure that will enable stakeholders to more effectively influence provision
  - The development of community capital, with communities from across the city empowered to take ownership of their environment and given opportunities to use their skills to make Plymouth a more attractive and vibrant place within which to live, work and visit
- 

### **Alternative options considered and rejected:**

1. Do Nothing
    - The Council will not optimise the opportunities presented from a co-operative working model, with cultural and structural barriers limiting different models of service provision
    - In turn services will not be optimally efficient, placing additional pressure on other sections of the Council to meet the £64.5 million funding gap that it faces over the next three years
    - While services will continue at their current level, the opportunity to push standards and develop a better managed, performance orientated department will be missed
  2. Retain all existing services 'in-house' and seek to develop them to a 'brilliant' standard
    - While improvements to service provision can be made within the Council this 'silo' approach will not address the potential to develop different ways of delivering services, which can improve outcomes for customers while potentially reducing costs
  3. Immediately look to outsource services
    - Outsourcing provision prior to an effective review of services may limit the potential benefits realised by the Council, instead handing these benefits to private sector providers
    - This approach will also mean that the Council misses the opportunity to develop capacity in the Voluntary and Community Sector. This in turn will negatively impact on community capital, with the project providing an opportunity to bring people together and give them ownership of their local environment
- 

### **Published work / information:**

'Coping with the cuts? Local government and poorer communities'  
<http://www.jrf.org.uk/sites/files/jrf/local-government-communities-full.pdf>

Responding to the challenge: alternative delivery models in local government  
<http://www.grant-thornton.co.uk/Documents/Alternative-Delivery-Models-LG.pdf>

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
EDGE Report: Review of Street Services Plymouth City Council	Yes									

**Sign off:**

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	.36		ALT	Off	1050							Proc	
Originating SMT Member: Simon Dale													
Has the Cabinet Member(s) agreed the content of the report? Yes													



### Strategic Business Case

<b>Programme Name:</b>	Growth, Assets and Municipal Enterprises		
<b>Date:</b>	29/07/2014	<b>Version:</b>	0.06
<b>Projects:</b>	Creating a Brilliant Co-operative Street Service		
<b>Author:</b>	Tom Cox		
<b>Owner (SRO):</b>	Anthony Payne		





## Document Control

**VERSION HISTORY: (version control e.g. Draft v0.01, v0.02, v0.03 Base line @ v1.0)**

Version	Date	Author	Change Ref	Pages Affected
0.1	15/06/2014	Tom Cox	n/a	n/a
0.2	19/06/2014	Tom Cox	General update	all
0.3	15/07/2014	Tom Cox	Additional information on restructure	all
0.4	30/07/2014	Tom Cox and Dalvinder Gill	Update re business architecture	all
0.5	30/07/2014	Tom Cox and Simon Arthurs	Feedback from Simon Arthurs re finance	all
0.6	08/08/2014	Tom Cox	Update following general guidance from Portfolio Office	all
0.7	21/08/2014	Tom Cox	Further updates following additional information from Finance, Legal and Simon Dale	all
0.8	21/08/2014	Tom Cox	Additional feedback from Democratic Support	all

**FILE LOCATION: (Final version base lined @ v1.0, v2.0, v3.0)**

Location	File Address	Date
Transformation Folder	S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\25. GAME_09 CABCSS\04. GAME_09 CABCSS Business Case\02. FBC	21/08/2014

**QUALITY REVIEWERS: (General QA and accuracy)**

Name	Position	Signature	Date
Subject Matter Expert			
Portfolio Office			
Business Technical Architect			
Programme Accountant			

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**Preface: Transformation background and overview**

**An introduction to Plymouth City Council’s Transformation Programme**

**Drivers for Transformation:**

**The Brilliant Co-operative Council with less resources**

On its adoption of a new Corporate Plan in July 2013, the council set the bar still higher, to become a Brilliant Co-operative Council. This ‘Plan on a Page’ commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

The Corporate Plan was developed using the principles of a Co-operative Council. It is a short and focused document, but does not compromise on its evidence base, and was co-developed with the Cabinet of the Council, before being presented in person by members of the Corporate Management Team to every member of staff throughout the council at a series of 74 roadshows. The positive results of this commitment to strong communications and engagement were evidenced by 81% of council staff responding to the workplace survey conducted in October 2013 agreeing that they understand and support the values and objectives set out in the Corporate Plan.

## OUR PLAN THE BRILLIANT CO-OPERATIVE COUNCIL

**CITY VISION**  
**Britain’s Ocean City**

One of Europe’s most vibrant, waterfront cities where an outstanding quality of life is enjoyed by everyone.

**CO-OPERATIVE VALUES**  
One team serving our city

**WE ARE DEMOCRATIC**

Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.

**WE ARE RESPONSIBLE**

We take responsibility for our actions, care about their impact on others and expect others will do the same.

**WE ARE FAIR**

We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.

**WE ARE PARTNERS**

We will provide strong community leadership and work together to deliver our common ambition.

**OUR OBJECTIVES** Creating a fairer Plymouth where everyone does their bit

PIONEERING PLYMOUTH	GROWING PLYMOUTH	CARING PLYMOUTH	CONFIDENT PLYMOUTH
We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.	We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.	We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.	We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.

**THE OUTCOMES** What we will achieve by this plan

<ul style="list-style-type: none"> <li>■ The Council provides and enables brilliant services that strive to exceed customer expectations.</li> <li>■ Plymouth’s cultural offer provides value to the city.</li> <li>■ A Council that uses resources wisely.</li> <li>■ Pioneering in reducing the city’s carbon footprint and leading in environmental and social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>■ More decent homes to support the population.</li> <li>■ A strong economy creating a range of job opportunities.</li> <li>■ A top performing education system from early years to continuous learning opportunities.</li> <li>■ Plymouth is an attractive place for investment.</li> </ul>	<ul style="list-style-type: none"> <li>■ We will prioritise prevention.</li> <li>■ We will help people take control of their lives and communities.</li> <li>■ Children, young people and adults are safe and confident in their communities.</li> <li>■ People are treated with dignity and respect.</li> </ul>	<ul style="list-style-type: none"> <li>■ Citizens enjoy living and working in Plymouth.</li> <li>■ Plymouth’s brand is clear, well known and understood globally.</li> <li>■ Government and other agencies have confidence in the Council and partners: Plymouth’s voice matters.</li> <li>■ Our employees are ambassadors for the city and the Council and they are proud of the difference we make.</li> </ul>
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#Plymouth

[www.plymouth.gov.uk/ourplan](http://www.plymouth.gov.uk/ourplan)

The economic, demographic and policy environment affecting public services is accepted as the most challenging in a generation. At the same time as an aging population is placing increased demand on health and social care services, the UK is facing the longest, deepest and most sustained period of cuts to public services spending at least since World War II. The Council’s Medium Term Financial plan identified in June 2013 funding cuts of £33m over the next three years which, when added to essential spend on

service delivery amount to an estimated funding shortfall of circa £64.5m from 2014/15 to 2016/17, representing 30% of the Council's overall net revenue budget.

The Council has shown remarkable resilience in addressing reduced funding and increased demand in previous years, removing circa £30m of net revenue spend from 2011/12 to 2013/4 through proactive management and careful planning. However the Council has acknowledged that addressing further savings of the magnitude described above while delivering the ambitions of the Corporate Plan will require a radical change of approach.

### **Review of existing transformation programmes**

The council commissioned a review in June 2013 to:

- Examine the Council's financial projections and provide expert external validation of our assumptions about costs and income in the medium term
- Review the Council's existing transformation programmes and provide a view as to whether they will deliver against the Corporate Plan
- Provide advice as to how the Council might achieve the maximum possible benefit through a revised approach to transformation

This review validated the Council's current Medium Term Financial Plan based on projections and assumptions jointly agreed, and judged it to be robust, taking into account the complex financial landscape and changing government policy.

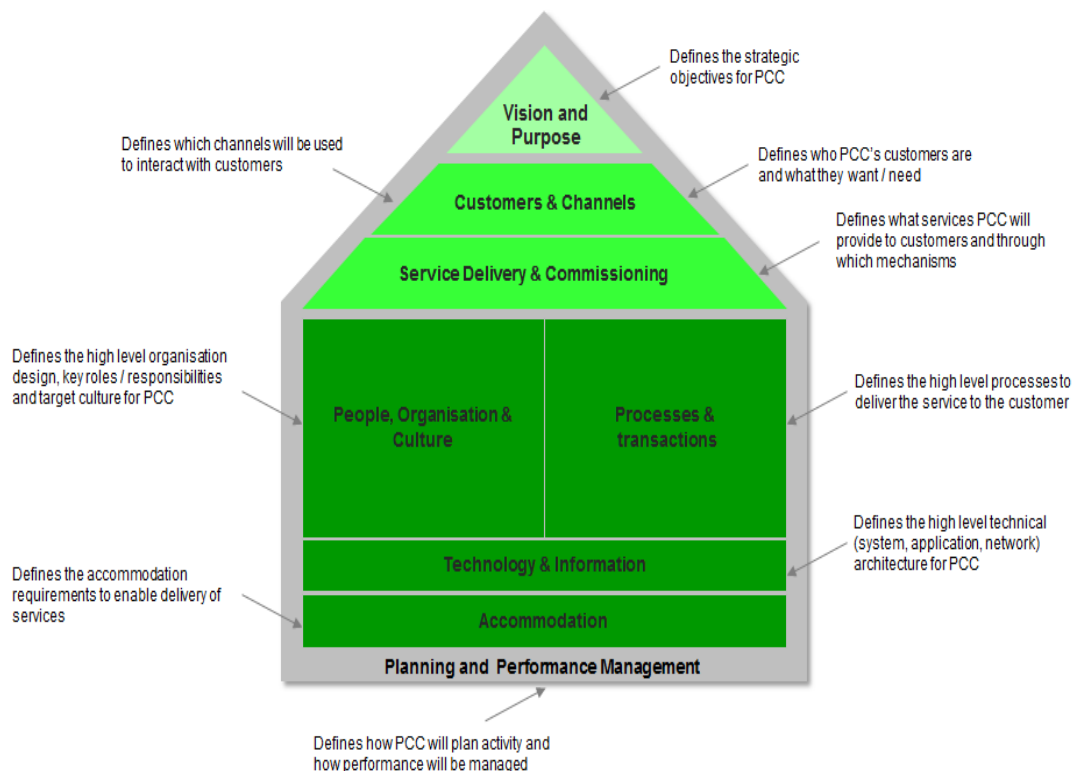
The Council has initiated a number of far-reaching and ambitious change programmes over 2012-13 to address the twin aims of addressing financial constraints and improving service delivery. These include:

- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Modernising Adult Social Care Provision (Cabinet approval January and August 2013)
- Co-location with Clinical Commissioning Group at Windsor House (Cabinet approval January 2013)

In addition to feedback and advice about individual programmes underway, the Council received advice from various sources that has been carefully considered, and which has informed the overall design of the Transformation Programme.

### **Vision and Direction: The Blueprint**

The Council has responded to concerns that, despite strong support for the Corporate Plan from both officers and members, there was a lack of clarity about how the Corporate Plan translates into practical action and a danger that the Council might be attempting to 'do the right things, but in the wrong way'. After significant consultation with Members and over 100 staff from all levels and disciplines within the organisation, the Council's vision for the Brilliant Co-operative Council has been translated into a Blueprint which describes the capabilities which the Council will need in the future. These capabilities will be commissioned by the council and will result in services being delivered by the Council and a variety of other organisations operating across the public, community and voluntary and private sectors. The components of the Blueprint are illustrated below:



To inform the development of the main components of the Blueprint, a number of principles have been developed co-operatively with Members, senior officers and staff to ensure that the values set out in the Corporate Plan guide how the Blueprint is developed.

### **Governance and Oversight**

The Council has also responded to advice that governance and oversight arrangements for transformation projects would benefit from being strengthened. Whilst ensuring that the council's existing constitutional arrangements for decision making are unaffected, a number of bodies have been put in place to ensure a co-ordinated approach is taken to oversight of the Transformation programme. The detail of the transformation governance arrangements were considered by the council's Audit Committee on 13 March 2014 and can be summarised as follows:

#### **Members**

- The Co-operative Scrutiny Board and Panels are aligned to the Transformation Board and programmes that match their terms of reference

#### **Officers**

- The Transformation Portfolio Board co-ordinates the delivery of the Blueprint, prioritises decisions within and between programmes, ensures effective engagement, ensures overall resourcing and delivery of the programme and recommends Programme Business cases and exceptions. It is chaired by the Chief Executive and comprises Senior Responsible Officers for the Programmes, the Transformation Director, engagement leads, finance and HR Responsible Officers and the Head of the Portfolio Office

- Programmes are led by a Senior Responsible Officer, who is accountable for the successful delivery of the programme, achieving desired outcomes and realising expected benefits and is responsible for chairing the Programme Board and leading the Programme
- Each project within the five Programmes is led by a Project Executive who is accountable to the Senior Responsible Officer for the successful delivery of the Project, and chairs the Project Board.
- The Portfolio Office provides co-ordination and support across all the programmes and projects and ensures that sufficient capacity and capability is in place to deliver the overall programme.

## I. Executive Summary

This business case presents a strategic case for change within the Street Services department. While specific actions have been identified that will support the project in achieving its goals, at its core this document outlines an approach based around co-operative values that will enable services to become 'brilliant' by engaging with stakeholders, exploring different forms of delivery and driving forward standards within the Council. Further actions will be therefore result from the work undertaken in the project in line with this vision.

The Street Services Department was created through the amalgamation of the Council's Transport & Infrastructure and Environmental Services Divisions in 2013. It is currently divided into the following service areas:

- Street Scene Services comprising Waste Collection, Street Cleansing, Grounds Maintenance and Parks & Open Spaces
- Fleet and Garage Services
- Parking and Marine Services
- Living Streets and Network Management
- Waste Disposal and Contracts

Service provision is generally of a high standard. For example the Council maintains over 950 acres of green space each year, equivalent to the size of four Central Parks, providing clean and attractive community spaces which contribute significantly to the quality of life enjoyed by citizens. However, a range of opportunities and challenges provide impetus for change:

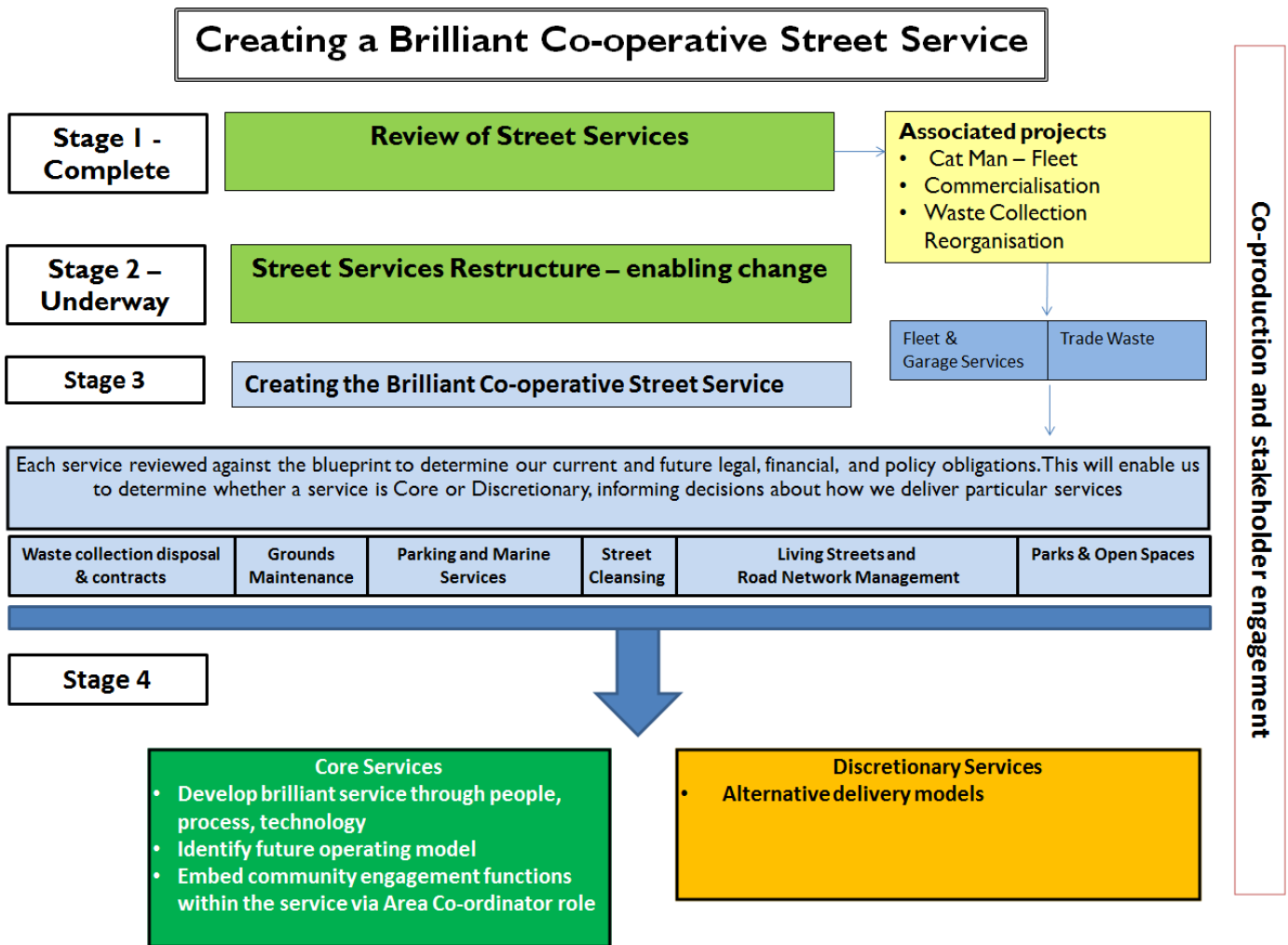
- The introduction of Co-operative principles requires that services work in different ways, moving from an officer led approach to a model that promotes co-design and co-production
- A review of the Street Services management structure has identified the potential to create a more cohesive and co-operative department. For example the management restructure will create management roles with specific responsibilities for community engagement, ensuring that customer need is at the forefront of service provision and that Street Services is transparent and accountable in its approach
- Implementing a more cohesive management structure will also reduce the financial footprint of the department, with an internal review identifying potential savings of at least £480k per annum
- Feedback from Partners and customers provides a pathway towards a 'brilliant' Street Services
- The potential to improve performance management within the department has been identified. For example the introduction of vehicle tracking systems will allow supervisors to use their time more effectively, with a greater focus of providing an 'on the ground' presence and so reinforcing good practice
- Plymouth City Council faces a £64.5 million funding gap over the next three years, requiring that services are re-designed to cost less or generate additional income
- Community groups and Partners have expressed an interest in playing a greater role in the provision of services. While some elements of delivery may need to be outsourced, by engaging with local organisations the Council can develop different ways of working, saving money, increasing standards and building community capital



In response to these drivers the Creating a Brilliant Co-operative Street Service project proposes three workstreams:

- A management restructure, creating a more effective, efficient and transparent model of working across the department. This workstream is already underway, with a provisional completion date of 01/10/2014
- A review of service provision, providing an understanding of existing capacity and cost in the context of statutory, strategic and stakeholder requirements
- Following from the review, the development of service provision, optimising opportunities to work with Partners to provide some services in different ways while focusing on core services that are retained within the Council to make them 'brilliant'

These workstreams will run sequentially and integrate with other projects within the GAME Programme to ensure a continued focus on achieving 'brilliant' outcomes.



The project will align closely with the Council's Corporate Plan by:

- Being *democratic*, making services more transparent and accountable, for example by embedding community engagement within the roles of staff across the department
- Being *responsible*, utilising a co-operative approach to ensure that service provision is sustainable while at the same time creating a management structure that is responsive to Community and Partner input

- Being *fair*, developing services that promote the welfare of citizens irrespective of their location in the city. The project will engage with traditionally marginalised members of the community to ensure that their voice is heard equally where change is planned
- Being *Partners*, supporting others to realise their full potential, enabling them to play an enhanced role in making Plymouth the best that it can be

Alongside this the project will align with a range of other plans and projects. It will recognise and incorporate the findings of the Fairness Commission, for example by supporting a Systems Leadership approach through a greater emphasis on locality working. It will utilise partnership work currently being undertaken to enhance enforcement within the city. It will also link with wider work being undertaken across the Transformation Programme, for example in the development of a Corporate Centre of Operations, that will enable a more effective and efficient approach to business support.

A significant communication campaign will be implemented, focusing on consultation exercises with the community, Partners, Members and staff, with their feedback shaping the approach taken.

The scope of this project incorporates the whole of Street Services, including support and IT functions. A holistic approach is required to ensure that services are effectively joined up, and to push forward standards and efficiencies in a coherent manner to create a uniformly 'brilliant' service. Different options for service delivery will be considered, although stakeholders will be consulted prior to any change.

Other projects within the GAME portfolio, notably Waste Collection Reorganisation, Commercialisation and Introducing Category Management, will contribute to the creation of a 'Brilliant, Co-operative Street Service'. Therefore they are considered in scope of this project, although the workstreams that they incorporate will not be duplicated.

In developing this project a range of alternative options have been considered and discounted; these are discussed in more detail in section 4:

1. Do Nothing
  - The Council will not optimise the opportunities presented from a co-operative working model, with cultural and structural barriers limiting different models of service provision
  - In turn services will not be optimally efficient, placing additional pressure on other sections of the Council to meet the £64.5 million funding gap over the next three years
  - While services will continue at their current level, the opportunity to push standards and develop a better managed, performance orientated department will be missed
2. Retain all existing services 'in-house' and seek to development them to a 'brilliant' standard
  - While improvements to service provision can be made within the Council this 'silo' approach will not address the potential to develop different ways of delivering services, which can improve outcomes for customers while potentially reducing costs
3. Immediately look to outsource services
  - Outsourcing provision prior to an effective review of services may limit the potential benefits realised by the Council, instead handing these benefits to private sector providers

- This approach will also mean that the Council misses the opportunity to develop capacity in the Voluntary and Community Sector. This in turn will negatively impact on community capital, with the project providing an opportunity to bring people together and give them ownership of their local environment
4. Undertake a management restructure to embed a more ‘co-operative’ approach within the department. Following from this, review service provision and where suitable explore alternative ways of delivering services, or develop those services retained to a ‘brilliant’ standard through the implementation of co-operative values
- Savings will be achieved in-house, with additional savings possible through Partnership working
  - A stronger, more co-operative relationship with Partners, supporting Plymouth’s growth in a more holistic manner
  - Improved service delivery, making use of the additional skills and passion embedded in the community and through the development of staff

This business case recommends that option 4 is followed, providing the following benefits:

- A leaner, more performance focused management structure with the capacity to embrace co-operative values and so achieve ‘brilliant’ service standards
- A locality based service structure, promoting responsibility and accountability and encouraging joint working between voluntary organisations, the community and the Council. This will be built into role profiles, with a senior Officer given specific responsibility for embedding this working model
- Better performance and intelligence management systems that again support the services in becoming ‘brilliant’
- Closer engagement with the Community and Partners to enable different ways of providing services. This carries the potential to save money while improving services and creating more cohesive communities. Specific savings will become clear as the project develops
- A reduced financial footprint for the service, with a predicted net saving of at least £1.1 over three years achieved through a management restructure with further savings possible through different ways of working and the alignment of support functions. Please note that details for the management restructure may change as a result of the consultation process

Creating a Brilliant Co-operative Street Services	2014/15 £k	2015/16 £k	2016/17 £k	Total £k
Management Restructure (predicted saving)	200	480	480	1,160
Service Review Savings	n/a	To Be Confirmed	To Be Confirmed	To Be Confirmed
Total Gross Benefit	200	480	480	1,160
Investment	50	£0	0	50
Net Benefit Realised	150	480	480	1,110

An additional consultant resource will be allocated to this project, working alongside internal staff to increase the capacity of the project to implement change.

Risks around this approach are considered in more detail in section 8.3. However, the core risk identified in this project is that the Council fails to optimise the opportunities presented by a co-operative approach, which will help it to address its £64.5 million funding gap over the next 3 years. This provides a significant impetus for change.

The project therefore asks that Cabinet:

- Agree this business case
- In accordance with the business case, provide consent for Officers to undertake a review of existing services to develop an understanding of cost, effectiveness and legal, strategic or customer requirements that may shape any decision about how a service is delivered, and concurrently develop an understanding of what 'brilliant' looks like for stakeholders
- In accordance with the business case, provide consent for Officers to explore the potential for services to be delivered in a different manner
- In accordance with the business case, give delegated authority to the Strategic Director for Place, as the Senior Responsible Officer of the GAME Board, in consultation with the Cabinet Members for Environment, Transport and Finance (as appropriate), for approving alternative methods of service delivery identified through the project.
- In accordance with the business case, provide consent for Officers to develop services retained within the Council, using co-operative principles to attain 'brilliant' outcomes

The project is committed to a democratic approach. As noted all changes to service provision will be presented to the relevant Cabinet Member for approval.

## **2. Case for Change**

### **2.1 Current situation**

The Street Services department currently operates to a generally high standard, with customer feedback consistently rating services positively. For example, 87% of respondents to a city wide survey conducted through the Plymouth Plan's sofa sessions rated waste collection services as 'excellent'.

However, a range of opportunities have been identified to drive the Street Services forward to achieve 'brilliant' standards of provision. For example feedback canvassed through Project Octopus, an umbrella body for Voluntary and Community Sector organisations in Plymouth, suggests that opportunities for partnership working have not always been fully embraced within the department.

Alongside this an internal review has identified the potential to improve management and supervision structures. For example:

- Waste Collection and Disposal functions each carry a management post. Bringing these together in a single Waste Manager position will promote cohesive service provision, ensuring that these functions are fully integrated.

- The city's street cleaning and grounds maintenance services are co-ordinated across 7 geographical areas, with each area overseen by a Street Scene Supervisor. This is an unnecessarily high level of division given Plymouth's size. A reduction in areas to four will promote a more co-operative approach. These areas will comprise 6 or 7 wards, have average populations of 65,000 and be co-terminus with ward boundaries, unlike now, so as to foster even stronger relationships with Elected Members, in communities, with business, partners and with the third sector and voluntary and community sector, in line with our Co-operative Commissioning vision to establish Customers as Innovators, Asset Holders, Resources and Community Developers.

This in turn suggests that efficiencies can be realised within the management team without impacting on service provision.

Improvements in performance management and supervisory processes have also been identified. For example there are countless paper based processes which do not optimally contribute to service delivery. This is exemplified by the production of statistics that do not link to corporate planning, agreed outcomes or service standards. A more focused understanding of what data is required and its link with performance outcomes will therefore help push the service towards a 'brilliant' standard of delivery.

Finally, there is a strong will from within the Voluntary and Community Sector and Partners to take a larger role in the delivery of services. These organisations carry unique skills and have access to opportunities that the Council cannot pursue, notably community focused funding options. By working co-operatively to support and develop capacity the Council can ensure that services are produced in the best possible way and that they are responsive to the needs of stakeholders. A co-operative approach will also promote links with internal partners such as Adult Social Care and Planning to promote innovative solutions such as Timebanking. Therefore, by taking a joined-up approach the influence of Street Services can extend beyond its traditional remit, helping the wider Council to achieve 'brilliant' standards of service.

## **2.2 Benefits and Capabilities**

### **2.2.1 Management Restructure**

Through the management restructure workstream this project will realise a range of tangible short, medium and long term benefits:

- The development of a management structure that supports Co-operative Values. In particular, the proposed structure will support more accountable and responsible services, based around stronger engagement with localities. A senior Officer will have specific responsibility for embedding this within the department
- Broader spans of control will lead to faster decision-making, improved cross-functional working, increased employee empowerment, cost savings driven out through better performance and accountability, career and succession planning in order to retain talent and support improvement, fewer 1 – 1 reporting arrangements and a fewer number of role profiles across the organisation.
- The stimulation of new ways of working, invigorating the Department to accelerate integration and provide a platform to support, engage with and ultimately, deliver the Transformation Programme using Co-operative values

Alongside this the management restructure will reduce the financial footprint of Street Services. Savings are predicted to be around £480k per annum, with first year savings of £200k from the point of implementation in October 2014.

### **2.2.2 Service Review**

The proposed review of services will carry a number of longer term, strategic benefits. It will deliver:

- An in-depth and holistic understanding of service provision, providing oversight of legal, strategic and customer requirements that will inform decisions made on service delivery
- A strategic vision of what “brilliant” looks like for Street Services in Plymouth and alignment to the blueprint. Within this feedback from across the community will be collected and valued
- The people, processes, and technology needed in the future to deliver a “brilliant” service
- A stronger understanding of how co-operative values can inform the way that the Council works

### **2.2.3 The Development of Service Provision**

Outcomes from this workstream will be defined following the completion of the service review. However, the expectation in proposing this project is that it will achieve:

- Improved relationships with the Community and Partners, utilising and supporting their unique skillset, knowledge and networks to provide services in different ways while at the same time building community capital
- A reduced financial footprint through the implementation of alternative delivery mechanisms
- ‘Brilliant’ standards for services that are delivered both internally and externally, based on an accurate understanding of the needs of stakeholders

In developing service provision in a co-operative manner this project will embrace wider outcomes, recognising the capacity of Street Services to significantly impact on the quality of life of citizens. For example in investigating the potential to develop Timebanking and ‘Friends of’ groups the Council will promote opportunities for people to develop skills and form relationships. This will provide forums to challenge social isolation and low aspiration, helping Plymouth to grow as a space and as a community.

### **2.2.4 Learning from other Councils**

The benefits that the project hopes to achieve are supported by work being undertaken in other Councils which demonstrates the capacity of innovative solutions to achieve benefits in relation to efficiency and effectiveness. Some examples include:

- Darlington Council have encouraged public giving to maintain parks and worked with charities to increase capacity
- Sheffield and Manchester are working with the National Trust to develop an endowment model for public parks. This will explore how to raise money through donations, public health and ecosystem services such as flood management and biodiversity
- The Bristol Parks Forum and Bristol Council will offer horticultural training for low-skilled people without full-time employment, providing routes into employment while improving the maintenance of Bristol's parks

Alongside this many other local authorities are seeking to empower the Community to play a more significant role in service provision. For example Newcastle City Council have explicitly stated that:

‘(m)aintaining... standards will require individuals to take personal responsibility for supporting their neighbourhoods, with the council focusing on those services which only the council can do such as street lighting’

### **3. Strategic Case**

#### **3.1 Scope**

This project incorporates a management restructure and review of service provision across all of the department’s service areas:

- Street Scene Services comprising Waste Collection, Street Cleansing, Grounds Maintenance and Parks & Open Spaces
- Fleet and Garage Services
- Parking and Marine Services
- Living Streets and Network Management
- Waste Disposal and Contracts

The development of alternative delivery vehicles for service delivery will form a key element of this review. Therefore the commissioning and co-production of services with VCS and Partners is considered in scope, as is the potential for the Council to cease providing services which cannot be produced in different ways and which do not meet core objectives.

Services that are retained will be reviewed and developed to a ‘brilliant’ standard through a co-operative approach involving the community and other stakeholders.

Although not included in this Business Case this project does not preclude changes that might follow the design and delivery of a "new Brilliant Co-operative Street Service", for example, possible consolidation or rationalisation of support or back office functions that are being considered under the Co-operative Centre of Operations Transformation Programme. The review also retains the possibility of exploiting or leveraging opportunities across or between services in future. Alignment with other elements of the Transformation Agenda, for example the Corporate Centre of Operations, will support the achievement of these goals, with business architecture promoting a ‘joined up’ approach.

This project fits within a wider GAME portfolio incorporating the following projects:

- Waste Collection Reorganisation
- Commercialisation
- Introducing Category Management – Fleet Services

These projects will all support the creation of a brilliant, co-operative Street Services, and therefore it is essential that the programme takes a ‘joined-up’ approach. However, specific workstreams from other projects will not be duplicated.

## **3.2. Strategic Fit**

### **3.2.1 The Corporate Plan**

A key driver for the Creating a Brilliant Co-operative Street Services project is Plymouth's Corporate Plan to become a 'Brilliant Co-operative Council'. A co-operative approach can enable the Council to work in different ways, producing savings while at the same time engaging with stakeholders and improving services. Therefore this project will be:

#### **Democratic**

This project recognises the findings of the Fairness Commission, and in particular its identification of the value of a Systems Leadership approach. Where possible the project will seek to devolve decision making processes away from officers, seeking input from all appropriate stakeholders. A range of forums will be used to facilitate this, including briefings with Councillors, 'Have Your Say' and other community forums, and meetings with Partner agencies such as PCH.

Alongside this it will consult with the Community, Councillors, Staff and Partners to shape an understanding of 'brilliant' service provision, ensuring that resources are focused on the things that matter most to Plymouth's citizens.

The management restructure will embed a more democratic approach, aligning staff more closely to ward areas and creating clearer lines of accountability. This will help to ensure that the service is open and responsive to feedback.

#### **Responsible**

The project proposes to promote a more responsible approach for staff and members of the community. For example it will improve education around waste by working with Partners in the VCS, so improving recycling and waste minimisation. It will also increase enforcement capability by working more closely with the partners, enabling the Council to more effectively hold people to account who act in an irresponsible manner. It will embed a 'don't walk by approach' within the department, ensuring that the Community receives a 'joined-up' service within which individual officers act in a more responsible manner as representatives of the wider Street Services team.

#### **Fair**

Commissioning will be fair, providing opportunities for organisations across the city to work in partnership with the Council and access resources. Furthermore the commissioning approach will recognise the needs of the community, considering value for money in terms of quality and community impact as well as cost.

The project will consult with the Community and wider stakeholders throughout, ensuring that all sections of the community have a voice in any changes that are made. Within this it will ensure that actions do not unfairly impact on marginalised groups, and that services operate in a fair manner.

#### **Partners**

Partnership working sits at the heart of this project. It will actively seek outsourcing and co-production opportunities to develop different ways of working where appropriate.



Within this the project will value the Council's ability to support the development of Partners, particularly within the Voluntary and Community Sector. For example through Project Octopus Council staff are engaging with a range of smaller community groups to identify their resource needs and understand how they can be empowered to play a larger role in supporting local communities.

### 3.2.2 Other Alignments

Alongside this the Creating a Brilliant Co-operative Street Service project aligns with a number of other plans and strategies:

- The Fairness Commission Report. This emphasises the need for a Systems Leadership approach, devolving decision making where possible to empower the Community
- Partnership work undertaken to improve enforcement capacity
- The wider GAME and Transformation Programme. For example we will link in with work undertaken in CCO and POD, ensuring that opportunities for a more cohesive approach are realised. Support from Business Architecture will help us to achieve this

### 3.3 Assumptions

This project assumes that:

- There is capacity within the Community and Partners organisations to support the implementation of alternative service delivery methods. This is supported by consultation sessions held through the Project Octopus group and in direct contact with other organisations
- There is support from stakeholder groups, particularly Staff and Councillors
- Institutional change can be achieved within the Council, embedding a co-operative approach

### 3.4 Strategic Risks

The core strategic risks for this project are:

- Service provision is disrupted, either through changes to management or the implementation of new methods of working, creating negative outcomes for customers and damaging the Council's reputation.
- Alternative methods of service delivery are not implemented, limiting the savings achieved through the project. However, learning from other local authorities demonstrates the potential to successfully implement change in this regard. Furthermore initial contact with partners has identified strong support for the co-production of services
- The new management structure does not have sufficient capacity or the right personnel to operate in the required manner. This will be mitigated by the introduction of new performance management and reporting mechanisms, as well as a robust recruitment and selection process that will ensure staff have the required skills

### 3.5 Constraints and dependencies

This project faces the following dependencies:

- Support is required from Partners, particularly in the VCS, to develop alternative service delivery models
- Support is required from the Community to understand what 'brilliant' services will look like
- The project is dependent upon support from Councillors, particularly in relation to the potential handover of Council services to Partners

- Support is required from staff, particularly in adapting to co-operative working methods
- Given the scope of the work, an additional consultant is requested to support the part time Business Architect, ensuring that provision is joined up across the service

Furthermore the following constraints are relevant:

- A thorough review of existing provision will be delayed until after the completion of the management restructure, in recognition of the challenging process that many of the management team will be going through

### **4. Options Appraisal**

The recommendations proposed in this business case have been identified through the following options appraisal:

#### **4.1 Option One - Do Nothing**

As noted in section 2.1 the public perception of Street Services is generally positive. Therefore maintaining the current approach taken by the Council will continue to see services operate effectively, although the department will not fully embrace opportunities to further engage with customers and Partners.

This option carries a range of benefits:

- Project costs of around £50k will be avoided
- Service provision will continue at current levels, and potential disruptions will be avoided
- Potential conflict with staff will be avoided
- The Council will retain control of services, providing clear lines of accountability for the public and Members
- Savings of around £2.9 million, integrated into Street Service's 2014/15 budget, will be achieved

However, there are a range of challenges involved in taking this approach:

- The Council will not optimise the opportunities presented from a co-operative working model, with cultural and structural barriers limiting different models of service provision
- While services will continue at their current level, the opportunity to push standards and develop a better managed, performance orientated department will be missed

The following dependencies are involved in this option:

- Street Services will not be optimally efficient, placing additional pressure on other sections of the Council to meet the £64.5 million funding gap over the next three years

The following risks are associated with this option, emphasising the need to take an alternative approach:

Description	Likelihood	Impact	Mitigation	Residual Risk
Street Services are not organised or managed in a manner that supports partnership working	Medium	High	A 'do nothing' approach will maintain existing relationships, with barriers in place to prevent the development of more meaningful partnership working. Potential savings will not be realised	High
The failure to adopt a 'brilliant, co-operative' agenda means that service provision will not be optimally customer focused	Medium	Medium	A 'do nothing' approach will not challenge existing standards, meaning that the service will miss the opportunity to become 'brilliant'	Medium

A financial breakdown is not included for this option as it maintains existing spending. The budget for the Service in 2014/15 has been set at around £31 million, with savings of £2.9 million proposed from the previous year's budget.

#### **4.2 Option Two - Retain all existing services 'in-house' and seek to development them to a 'brilliant' standard**

Action can be taken to implement savings and improve service standards within existing operational paradigms. This will mitigate the cost involved in implementing a larger co-operative strategy, and maintain stability within the service.

However, the savings of £2.9 million planned in the 2014/15 Street Services budget suggest that efficiencies within existing working methods may have been achieved.

This option carries a range of benefits:

- Savings will be achieved, with the £480k benefits of the management restructure combining with the £2.9 million saving targeted from the 2013/14 budget
- The current institutional approach will continue, minimising change within the department
- Service standards will improve, although the lack of community engagement will make it difficult to ensure that resources are focused in the best way

The following dependencies are involved in this option:

- As savings will not be optimised, other services will be face increased pressure to realise savings to meet the Council's £64.5 million funding gap

In addition, this option will involve the following constraints:

- The Council has adopted a co-operative working model, requiring that services work in partnership and in a democratic manner

The following risks are associated with this option:

Description	Likelihood	Impact	Mitigation	Residual Risk
Street Services are not organised or managed in a manner that supports partnership working	<b>Medium</b>	<b>High</b>	This approach will maintain existing relationships, with barriers in place to prevent the development of more meaningful partnership working. Potential savings will not be realised	<b>High</b>
The failure to adopt a 'brilliant, co-operative' agenda means that service provision will not be optimally customer focused	<b>Medium</b>	<b>Medium</b>	While standards will be improved, the approach will not fully challenge existing standards, meaning that the service will miss the opportunity to become 'brilliant'	<b>Medium</b>

The following financial information is relevant to this option:

Retain Services In-House	2014/15 £k	2015/16 £k	2016/17 £k	Total £k
Management Restructure (predicted saving)	200	480	480	1,160
Service Review Savings	n/a	Will not be achieved	Will not be achieved	No contribution
Total Gross Benefit	200	480	480	1,160
Investment	50	£0	0	50
Net Benefit Realised	150	480	480	1,110

Details are included for project management investments. Please note that savings for the management restructure element are provisional, and will be updated following the completion of the Consultation period.

### 4.3 Option Three - Immediately look to outsource services

Outsourcing provision prior to an effective review of services may limit the potential benefits realised by the Council, instead handing these benefits to private sector providers

This approach will also mean that the Council misses the opportunity to develop capacity in the Voluntary and Community Sector. This in turn will negatively impact on community capital, with the project providing an opportunity to bring people together and give them ownership of their local environment.

Benefits for this option include:

- Potential savings realised by using Private Sector and VCS organisations to provide services more efficiently. The extent of the possible savings would only be clear following commissioning processes

However, this option includes the following constraints:

- Without understanding existing provision, and the potential efficiencies that can be realised, the Council is not well placed to enter into commissioning processes

In addition, there are the following dependencies:

- This option would require interest from Partners in providing services. While initial scoping has identified the potential to move forward in this regard the capacity of Partners has not been confirmed

The following risks are relevant to this option:

Description	Likelihood	Impact	Mitigation	Residual Risk
Street Services are not organised or managed in a manner that supports partnership working	Medium	High	This approach would support partnership working, although as services may not be commissioned to or co-produced with local organisations full value for the community may not be realised	High
The failure to adopt a 'brilliant, co-operative' agenda means that service provision will not be optimally customer focused	Medium	Medium	Service standards may be improved through this approach. However, commissioning out services does not always result in an better outcomes for the community, so this remains a risk	Medium

A financial breakdown is not included for this option as the benefits of outsourcing are currently unknown. Additional resources would be required to support the commissioning process.

#### **4.4 Option Four - Review existing provision alongside a management restructure, paving the way for the implementation of alternative methods of service delivery**

A management restructure is currently underway. This will create a leaner, more co-operative Street Services department, with joined-up services and an approach that is open, responsive and accountable.

Building on this, this option proposes to implement a review of existing service provision. This will provide an understanding of the statutory and strategic requirements that shape Street Services, alongside financial information, service structures and existing customer feedback mechanisms.

This data will then inform a further process of service rationalisation, with alternative forms of service delivery sought that will improve services, build community capital and produce efficiencies. Services that are kept ‘in-house’ will be developed to a ‘brilliant’ standard, using feedback from stakeholders to ensure that services focus on outcomes that matter most to Plymouth’s community.

This approach carries a range of benefits:

- An understanding of data processes and stakeholder needs will enable better performance management within Street Services
- Optimal savings will be achieved by taking an innovative approach to service provision where appropriate
- The Council will effectively engage with Voluntary and Community Sector organisations, building community capacity
- A more co-operative approach will be taken, resulting in better services for customers

This approach carries a range of dependencies:

- Engagement from Partners will be required to identify new ways of working
- Engagement from stakeholders is necessary to understand what brilliant looks like
- Additional resources will be required to promote a joined-up approach, particularly in relation to architectural functions

Alongside this there are a range of constraints:

- Certain services may be required to remain ‘in-house’, limiting the extent of engagement with Partners

The following risks are associated with this option:

Description	Likelihood	Impact	Mitigation	Residual Risk
Street Services are not organised or managed in a manner that supports partnership working	<b>Medium</b>	<b>High</b>	This approach would support partnership working, optimising engagement with the community	<b>Low</b>
The failure to adopt a ‘brilliant, co-operative’ agenda means that provision will not be optimally customer focused	<b>Medium</b>	<b>Medium</b>	Customers will be at the forefront of service design in this approach, ensuring ‘brilliant’ provision	<b>Low</b>

The following financial information is relevant to this option:

Creating a Brilliant Co-operative Street Services	2014/15 £k	2015/16 £k	2016/17 £k	Total £k
Management Restructure (predicted saving)	200	480	480	1,160
Service Review Savings	n/a	To Be Confirmed	To Be Confirmed	To Be Confirmed
Total Gross Benefit	200	480	480	1,160
Investment	50	0	0	50
Net Benefit Realised	150	480	480	1,110

Key savings within this option will be identified through the project. However, other local authorities have successfully worked with Partners to reduce costs and improve outcomes; the project is therefore confident that this approach will realise benefits in Plymouth. Investment is required in project management resources. Figures for the management restructure element are provisional, and will be finalised following from the completion of the Consultation period.

## 5. Recommendation

This business case recommends that option four is adopted. This means that, as the management restructure is underway, the project recommends that Cabinet:

- Agree this business case
- In accordance with the business case, provide consent for Officers to undertake a review of existing services to develop an understanding of cost, effectiveness and legal, strategic or customer requirements that may shape any decision about how a service is delivered, and concurrently develop an understanding of what 'brilliant' looks like for stakeholders
- In accordance with the business case, provide consent for Officers to explore the potential for services to be delivered in a different manner
- In accordance with the business case, give delegated authority to the Strategic Director for Place, as the Senior Responsible Officer of the GAME Board, in consultation with the Cabinet Members for Environment, Transport and Finance (as appropriate), for approving alternative methods of service delivery identified through the project.
- In accordance with the business case, provide consent for Officers to develop services retained within the Council, using co-operative principles to attain 'brilliant' outcomes

Please note that these are high level recommendations. This business case seeks approval to investigate the potential for change within Street Services; additional oversight from Members will take place throughout the project ensuring that change is implemented through democratic processes.

## 6. Benefits Realisation

As this project proposes a review of existing provision the full benefits that it will achieve will become clear through its lifespan. However, the following benefits will be realised through existing actions

- A saving of around £1.1 million over 3 years through a management restructure
- Additional savings in personnel costs achieved by integrating support functions
- Additional savings achieved through the implementation of alternative service delivery methods, through commissioning or co-production with Partners
- 'Brilliant' service standards, achieved through better performance management and intelligence that will enable Street Services to focus on community priorities
- A more co-operative approach, including a more responsive and accountable management structure that will enable stakeholders to more effectively influence provision. In particular, the new Street Service structure will support locality working, promoting responsibility and accountability. A senior member of the team will be given responsibility for supporting this working model
- The development of community capital, with communities from across the city empowered to take ownership of their environment and given opportunities to use their skills to make Plymouth a more attractive and vibrant place to within which to live, work and visit

## 7. Financial Case

A management restructure is currently underway, which proposes to achieve efficiencies of £200k in 2014/15 rising to £480k in the following two years. As the Consultation period is ongoing elements of the restructure are open to change. Redundancy costs are expected to be met by the Council's contingency fund, and therefore should not reduce the savings achieved.

A further element of this project is a review of current provision across Street Services. This will pave the way for decisions around the use of alternative delivery vehicles and the need to continue to support certain services. These decisions are planned to be implemented from 2015/16, and therefore additional savings will be articulated around this process as details become clearer. However, learning from other Councils emphasises the potential scope of savings, for example Barnet London Borough Council predicts to realise benefits of £165 million over 10 years through a commissioning approach.

Creating a Brilliant Co-operative Street Services	2014/15 £k	2015/16 £k	2016/17 £k	Total £k
Management Restructure (predicted saving)	200	480	480	1,160
Service Review Savings	n/a	To Be Confirmed	To Be Confirmed	To Be Confirmed
Total Gross Benefit	200	480	480	1,160
Investment	50	£0	0	50
Net Benefit Realised	150	480	480	1,110



At this stage of the project the investment required relates specifically to human resources. A Project Manager and Project Management Apprentice have been assigned, each on a .5 FTE basis. Alongside this a Business Analyst will lead a review of service provision on a full time basis over an initial three month period. Additional support will be provided by external consultants, recruited to provide additional capacity and ensure that opportunities for change are optimised. Therefore a provisional investment of £50k has been attributed to the project.

## 8. Management Case

### 8.1 Project Plan



### 8.2 Key Milestones and Dependencies

Please note that the following milestones are provisional, and may change through the project.

Key Milestones	Description	Dependencies
21/03/14	Initial contact with Project Octopus re VCS engagement	Interest from the VCS is required to make this a meaningful process. This has been achieved, with a high level of interest expressed in relation to joint working
01/05/14	Initiation of Management Restructure	Completion of new role profiles. These have been successfully completed and distributed
01/10/14	Completion of Management Restructure	Outcomes from the consultation process. This is currently ongoing
06/10/14	Completion of Business Analyst investigation into current provision	Securing a Business Analyst resource. This has been successfully completed

28/11/2014	Completion of the design of the new Street Services structure	Support from services to ensure that information is accurate and to input into the design process
31/03/2015 onwards	Implementation of alternative delivery vehicles, with specific dates to be decided in conjunction with Partners	Continued support from Partners to enable different working methods

### 8.3 Key Risk Analysis and Risk Management

Description	Likelihood	Impact	Mitigation	Residual Risk
There is a reputational risk to PCC if Street Scene services are impacted (temporarily during migration, but in particular if the new services or delivery mechanisms are not adequate)	Low	High	Robust planning involving frontline staff and experienced managers at all levels will inform decisions made in the project	Low
There is insufficient capacity or enthusiasm within the VCS or Private Sector to support the creation of Alternative Service Delivery Vehicles	Low	High	Initial contact with Partners has indicated strong support for closer partnership working. Funding and resources are in place to incentivise Partners	Low
Street Services are not organised or managed in a manner that supports partnership working	Medium	Medium	A robust recruitment process will be implemented, ensuring that the right staff will be in place to implement change. To support this, effective performance management and reporting structures will be implemented	Low
The management restructure is delayed, limiting the savings achieved	Medium	Medium	The restructure remains on track. Any delay will incur a minor reduction in the savings achieved	Low

## 8.4 Quality Assurance

<b>Quality Responsibilities</b>	Responsibilities are shared between: The Project Manager The Project Executive The Programme Manager The Senior Responsible Officer Additional quality assurance will be provided at various levels, including the project board, programme board and by Members		
<b>Quality Criteria</b>	<b>Quality Tolerance</b>	<b>Quality Assurance Method</b>	<b>Quality Check Skills Required</b>
<p>The project must be implemented within the parameters of Street Services performance targets, ensuring that service provision is maintained at all times. Success will be measured against savings and stakeholder feedback. Criteria will include:</p> <ul style="list-style-type: none"> <li>-Continued implementation of services</li> <li>-Customer feedback via the Contact Centre and other forums</li> <li>- Monitoring of savings achieved</li> </ul>	<p>Time: there is some tolerance in relation to time as services can continue in their existing form. However, any delay to implementation will impact on the savings achieved. This is not currently quantifiable, but will be as the project develops.</p> <p>Cost: there is some tolerance in relation to cost; as the project is generating a significant saving there is scope to put in place the right resources to ensure implementation. Any reduction in savings will be placed before the Programme Board for consideration.</p> <p>Quality: there is no tolerance in relation to quality. As Street Services are highly visible it is essential that customers continue to receive an effective service. This will be monitored via feedback from the Contact Centre and in community engagement events. As the project aims to improve</p>	<p>Quality assurance methods will be developed through the project depending upon the actions taken. For example if services are commissioned out then adequate monitoring processes will need to be implemented.</p>	<p>The skills required for effective oversight already exist within the Department. The Assistant Director for Street Services and Strategic Director for Place will lead the quality assurance process.</p>

	<p>standards any reduction in satisfaction would be considered outside of tolerances</p> <p>Scope: the project proposes to establish the scope of potential changes to Council provision. Therefore there is significant tolerance in relation to its scope, although a minimum level of change needs to be achieved to ensure that targets are met. Therefore some change must be realised for this element to remain in tolerance</p>		
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**8.5 Change Management**

Street Services is a high-profile department that plays a central role in promoting Plymouth as a positive environment for residents, visitors and workers. While the ‘Creating a Brilliant Co-operative Street Service’ project aims to enhance outcomes for the community by creating more responsive, joined up and responsible services the potential impact on service provision and stakeholders needs to be recognised and planned for.

Street Services management are currently going through a restructure process which will realign the service, creating a leaner, more responsive department that will be better placed to implement a co-operative approach. Co-operative values have been integrated into role profiles, ensuring that successful candidates have the required skill set to support institutional change.

Frontline staff are not currently affected by the project. However, the proposal to investigate alternative delivery vehicles may impact on them at a later stage, and the potential for this to occur will inevitably cause concern. To this end the project will implement briefing sessions to ensure that staff are continually updated about potential changes to Street Services, and the opportunities and challenges that could arise from this.

Further development opportunity will be provided for staff and managers around the Council’s co-operative values, linking them to practice to ensure that a co-operative approach is at the forefront of service provision and there is widespread and shared understanding on what becoming a brilliant cooperative Street Service actually means for everybody involved.

This project will also involve changes in the Council's relationship with Partners. Through the Project Octopus group, co-ordinated by the Zebra Collective, contact has been initiated with VCS organisations to identify their capacity and explore potential opportunities for joint working. This will develop into more specific actions as the project develops with support provided where necessary to help smaller organisations access appropriate support.

Changes to service providers may impact on the Community. The impact of any change to service provision will be assessed by putting the customer at the heart of the considerations. Opportunities for citizens to engage in or start their own VCS groups, for example 'Friends of' groups, will be encouraged, widening potential partnership opportunities and building community capital.

Members will be fully briefed through the lifetime of the project, ensuring that democratic processes are adhered to and enabling Members to respond to changes that occur within their ward.

Underpinning these processes, the project has informally agreed a number of cooperative commitments that will shape its approach to change. These commitments are expected to stand throughout the project (through the preparation, design, implementation and embedding phases) and beyond:

- Co-design opportunities will be provided to stakeholders wherever possible and appropriate.
- Feedback will be sought from any person or organisation potentially affected by change. In particular, the project will be proactive in giving a voice to marginalised community groups
- Feedback loops will always be closed, ensuring that those who provide feedback are aware of its impact
- The project will seek to learn lessons and best practice from Partners, reflecting on their experience of relevant / similar changes
- The project will monitor and measure the effectiveness of the change, using performance management processes and intelligence to embed co-operative values in practice

### **8.6 Communications and Engagement**

This project will impact on a wide range of stakeholders, including the community, staff, Partners and Members. Therefore a broad communication campaign will be required and is being developed, promoting opportunities for engagement, consultation and where appropriate co-design.

At this stage in the project community input is required to understand existing standards of provision and ways in which Street Services can more effectively prioritise its resources. A range of events have been organised in conjunction with the Plymouth Plan, enabling feedback to be collected from across the city. Further sessions will be run, along with the dissemination of information to 'close the loop', making clear how data is used.

Later in the project, when decisions have been made about specific service provision, additional communication will be necessary to update the community on changes, emphasising the rationale behind the decisions made and the positive impact that the project will make.

The project recognises that staff may be concerned about changes to service provision. Therefore staff will be briefed throughout the project, with opportunities for two way conversations to capture their feedback. In addition staff input will be key to understanding existing provision and identifying improvements. Workshops will be run to empower staff to shape the future of services, matching sessions run successfully by GAME’s Commercialisation project.

Effective communication with Partners is required to develop alternative methods of service delivery. This will take place through a range of forums, including Plymouth’s Project Octopus group, bringing together Voluntary and Community groups from across the city. Direct contact will be made with organisations such as Groundworks to explore potential opportunities. Through these dialogues Street Services will gain an understanding of the work being undertaken by Partners, and even where co-production or commissioning does not take place this will still enable the Council to promote and support groups that are contributing to Plymouth’s environment.

Members will be briefed throughout the project. As the initial proposals made are high level the project recognises that additional contact will be necessary to ensure that appropriate decisions are made, and that democratic, co-operative principles are adhered to. Input from Members into the design of alternative models of service delivery and the development of ‘brilliant’ service standards will also be sought.

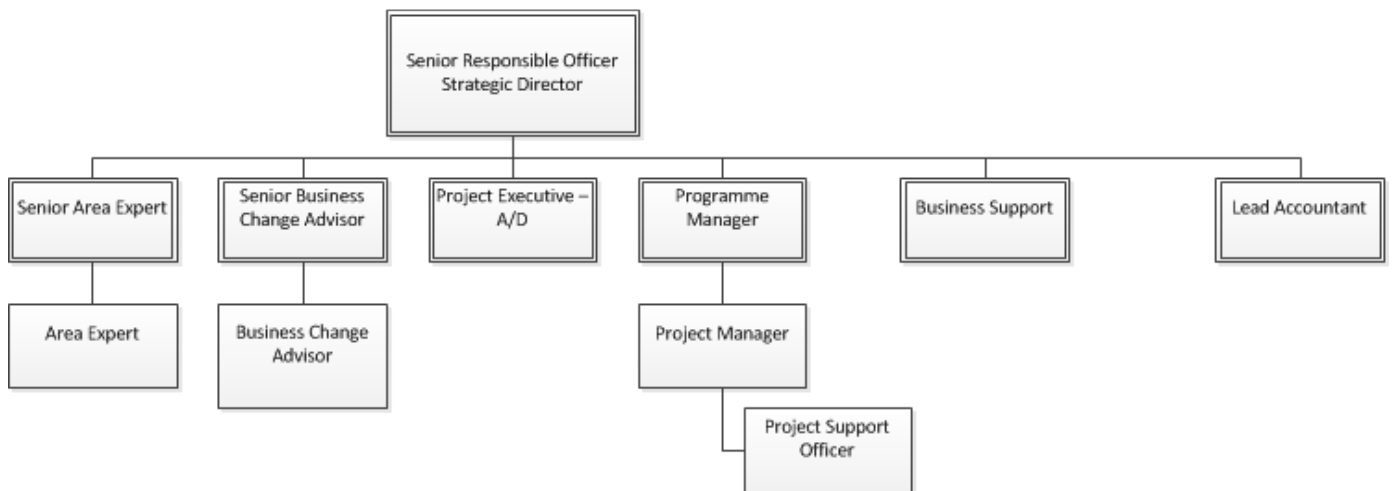
Taken together, examples of the communication approach that the project will take include:

- All Member briefings, providing opportunities for Members to input into the project
- Community engagement sessions
- Briefings for staff
- Meetings with the Voluntary and Community Sector through Project Octopus

A Communications Engagement Breakdown is included in the Appendices, item 9.1.

## 8.7 Framework and Methodologies

### 8.7.1 Governance Structure



## 8.7.2 Methodology

This project employs Prince 2 project management methodologies.

### **Other tools / methodologies / processes / standards / assurance**

1. Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.
2. Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up pack and subsequent documentation found in the Portfolio Office. See S:\Transformation\Portfolio Office
3. All documents pertaining to the standards, processes, tools, methodologies and assurance to be applied to all Programmes and Projects in the Transformation Portfolio will be found in the Portfolio Office Folder as shown above.

All files for specific Programmes and Projects will be filed by Programme and Project. See S:\Transformation\Programme and Project Folders

## 9. Appendices

### 9.1 Communication Engagement Plan

This project is founded on co-operative principles. Furthermore, communication with Partners and staff is integral to the development of new ways of delivering services and in driving forward service standards. Therefore an effective communication campaign is key to the creation of a brilliant, co-operative Street Service. A more detailed communications breakdown is included in the Appendix, section 9.3. Please note that the communication approach will become more detailed as the project develops.

#### Staff Engagement

Managers will face significant change through the management restructure. This will pave the way for a new departmental model that will support a co-operative approach. Therefore managers require support not only in relation to the restructure process, but in developing skills and knowledge to enable them to effectively engage with Partners and the Community and implement change.

Frontline staff will not be impacted upon initially, but may face change as services come to be delivered in different ways.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Affected Staff</b>	CMT		X		
	SMT		X		
	Trade Unions			X	
	Frontline Staff		X	X	
<b>Non-affected Staff</b>	Council Wide Staff			X	

#### Member Engagement

Members will be updated on the progress of the project on a consistent basis, particularly where decisions are required in relation to the way that services are delivered. Alongside this they will be consulted on service provision, with their input supporting Street Services in understanding what a 'brilliant' service might look like.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Elected Members</b>	Cabinet			X	
	Shadow Cabinet				X
	Member Transformation Board		X		
	The Council's Scrutiny Function			X	
	Transformation Advisory Group			X	
	MPs				X



## Community Engagement

Community engagement is essential within this project, with input from communities across the city required to enable the project to quantify what a 'brilliant' service might look like and enable different ways of working.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Communities and Customers</b>	Communities of Identity			X	X
	Communities of Interest			X	X
	Communities of Geography			X	X
	Customers			X	X

## Partner Engagement

It is essential the project effectively engages with Partners to open opportunities for the development of alternative methods of service delivery. Resources such as 'Project Octopus' have been utilised to achieve this, and engaged will continue throughout the project. Joint-working or commissioning relationships will result in partners becoming responsible for provision, changing the context within which they are engaged with.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
<b>Municipal Enterprise Related Partners</b>	Plymouth Community Homes			X	
	South West Devon Waste Partnership			X	
	AMEY			X	
	VCS			X	
	Universities			X	
	Large Employers			X	
	NHS			X	

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