

**Democratic Support**

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AMBITIOUS PLYMOUTH

Monday 14 April 2014

4 pm

Council House, Plymouth (Next to the Civic Centre)

Members:

Councillor Bowie, Chair

Councillor Mrs Beer, Vice Chair

Councillors Sam Davey, Gordon, Jarvis, Jordan, Martin Leaves, Mrs Nicholson, Parker, Stark, Stevens and Wright.

Members are invited to attend the above meeting to consider the items of business overleaf.

Co-opted Representatives:

Edith Bayley (Statutory)

Clare Hamon (Non-Statutory)

Tracey Lee

Chief Executive

AMBITIOUS PLYMOUTH

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for non-attendance by Ambitious Plymouth members and to note the attendance of substitutes in accordance with the Constitution.

2. DECLARATIONS OF INTEREST

Members will be asked to make any declarations of interest in respect of this agenda.

3. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

4. TRANSFORMATION PROGRAMME - GROWTH, ASSET AND MUNICIPAL ENTERPRISE (GAME) (OUTLINE BUSINESS CASE) (Pages 1 - 54)

The Ambitious Plymouth panel will be asked to consider the Growth, Asset and Municipal Enterprise (GAME) Outline Business Case in relation to the Transformation Programme.

5. EXEMPT BUSINESS

To consider passing a resolution under Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Panel is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

An introduction to Plymouth City Council's Transformation Programme

I Context

I.1 2002-12: A Decade of Improvement

The city of Plymouth has had an extra-ordinary journey over the past ten years. A decade ago, it had a reputation as a city of low aspiration with a lack of vision, weak financial and strategic planning, poor relationships between agencies, and service delivery arrangements that did not meet the needs of all of its citizens. An acknowledgement of the determined and sometimes inspired effort that was then made to improve the city came in 2010 when the Council was voted 'Highest Achieving Council of the Year' by the Municipal Journal. Behind that accolade, foundations had been laid by successive political administrations of a clear, ambitious vision for the city, sound financial management arrangements, the development of strong strategic partnerships and a determined focus on the improvement of service delivery. The Council has acknowledged and embraced its role as a key player in influencing the broader city and regional agenda, driving economic growth and making coherent contributions to broader policy-making.

I. Drivers for Transformation:

The Brilliant Co-operative Council with less resources

- I.1 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.
- 2.2 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



OUR OBJECTIVES Creating a fairer Plymouth where everyone does their bit

PIONEERING PLYMOUTH

We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.

GROWING PLYMOUTH

We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.

CARING PLYMOUTH

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.

CONFIDENT PLYMOUTH

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

- The Council provides and enables brilliant services that strive to exceed customer expectations.
- Plymouth's cultural offer provides value to the city.
- A Council that uses resources wisely.
- Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility.

- More decent homes to support the population.
- A strong economy creating a range of job opportunities.
- A top performing education system from early years to continuous learning opportunities.
- Plymouth is an attractive place for investment.

- We will prioritise prevention.
- We will help people take control of their lives and communities.
- Children, young people and adults are safe and confident in their communities.
- People are treated with dignity and respect.

- Citizens enjoy living and working in Plymouth.
- Plymouth's brand is clear, well known and understood globally.
- Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.
- Our employees are ambassadors for the city and the Council and they are proud of the difference we make.

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www.plymouth.gov.uk/ourplan



- 2.3 The economic, demographic and policy environment affecting public services is accepted as the most challenging in a generation. At the same time as an ageing 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, presenting 30% of the Council's overall net revenue budget.
- 2.4 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.

3 Review of existing transformation programmes

3.1 The Council commissioned Ernst and Young 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

3.2 Ernst and Young 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.

3.3 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:

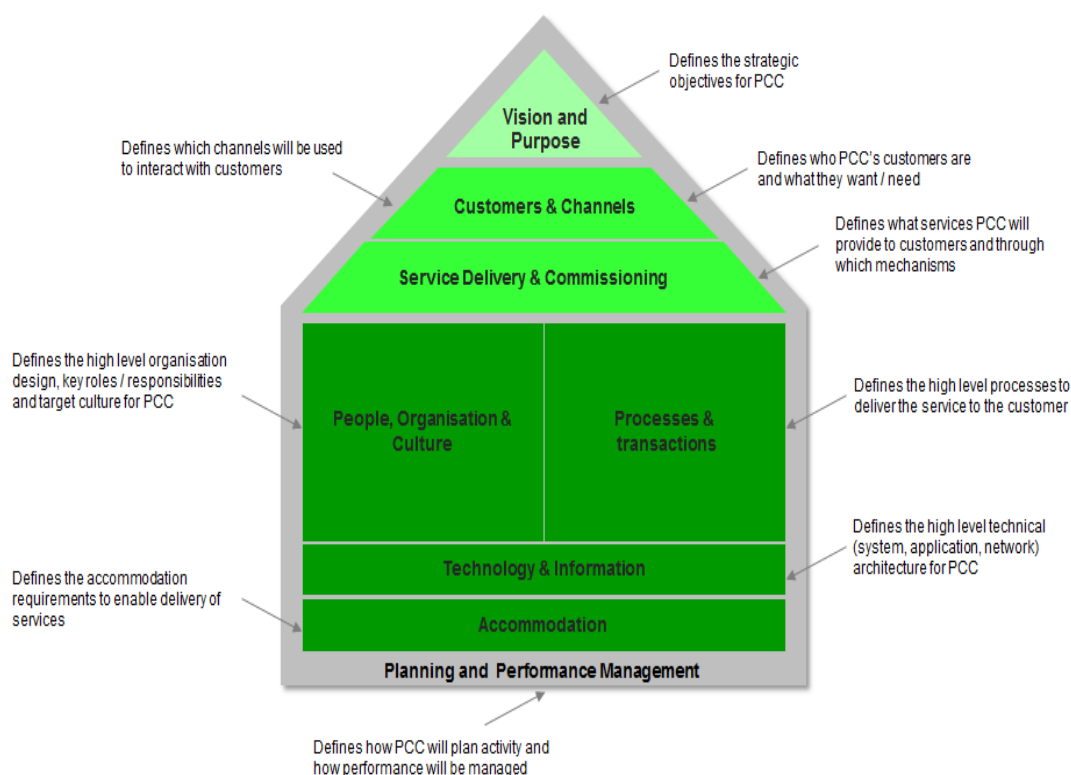
- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Redevelopment of the Civic Centre and future accommodation requirements (Cabinet approval September 2013)
- Modernising Adult Social Care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

3.4 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 outline business cases for the five programmes.

Vision and Direction: The Blueprint

3.5 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.

3.6 The components of the Blueprint are illustrated below:



3.7 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.

4 Governance and Oversight

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

4.2 Members

- The Members Transformation Board provides executive ownership and accountability for the Transformation Portfolio, chaired by the Cabinet Member for Transformation and comprising the individual Cabinet Members aligned to the five programmes
- The Transformation Advisory Group builds cross party dialogue, understanding and consensus on Transformation, and is chaired by the Cabinet Member for Transformation, comprising the Shadow Leader, Chair of the Co-operative Scrutiny Board and an additional ruling group Member.
- The Co-operative Scrutiny Board and Panels are aligned to the Transformation Board and Programmes that match their terms of reference

4.3 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 Owners 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 Owner, 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 Owner 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.

TRANSFORMATION PROGRAMME SUMMARY OF PROJECTS DELIVERING SAVINGS IN 2014/15

Growth, Assets and Municipal Enterprise



I. Programme Summary

As part of the challenge that Plymouth City Council has with its funding gap a transformation programme has been developed to address this funding shortfall.

A number of issues have been identified for the programme to address:

- The need to accelerate and co-ordinate economic Growth and housing delivery within the City whilst incentives remain
- Financial imperatives, reducing financial envelope in which to deliver services, whilst improving quality
- A range of services that were designed around service provision rather than customer need with varying degrees of service quality to the citizen
- Lack of customer data and skills to introduce commercialism across the Council thus not maximising revenue.

The total benefits of the GAME programme in 2014/15 are as follows:

£k	2014/15
Total Gross benefit	4,000
Total human cost	750
Total net benefit	3,250

In October 2013 five programme briefs were agreed that would deliver significant change and help address the funding gap. This summary outlines the proposal for the Growth, Assets and Municipal Enterprise Programme (GAME).

I.1 Strategic Case

There are three broad drivers for the proposed changes:

1. Brilliant Co-operative Council vision needs to be translated into practice
2. PCC faces a funding gap of £65m
3. Insufficient integration across key areas (engagement, intelligence, decision making, strategy and planning, and policy implementation)

I.2 Aim

The Case for Change for GAME is broken down into the two component parts (Growth/Assets and Municipal Enterprise).

The **priorities** will be to:

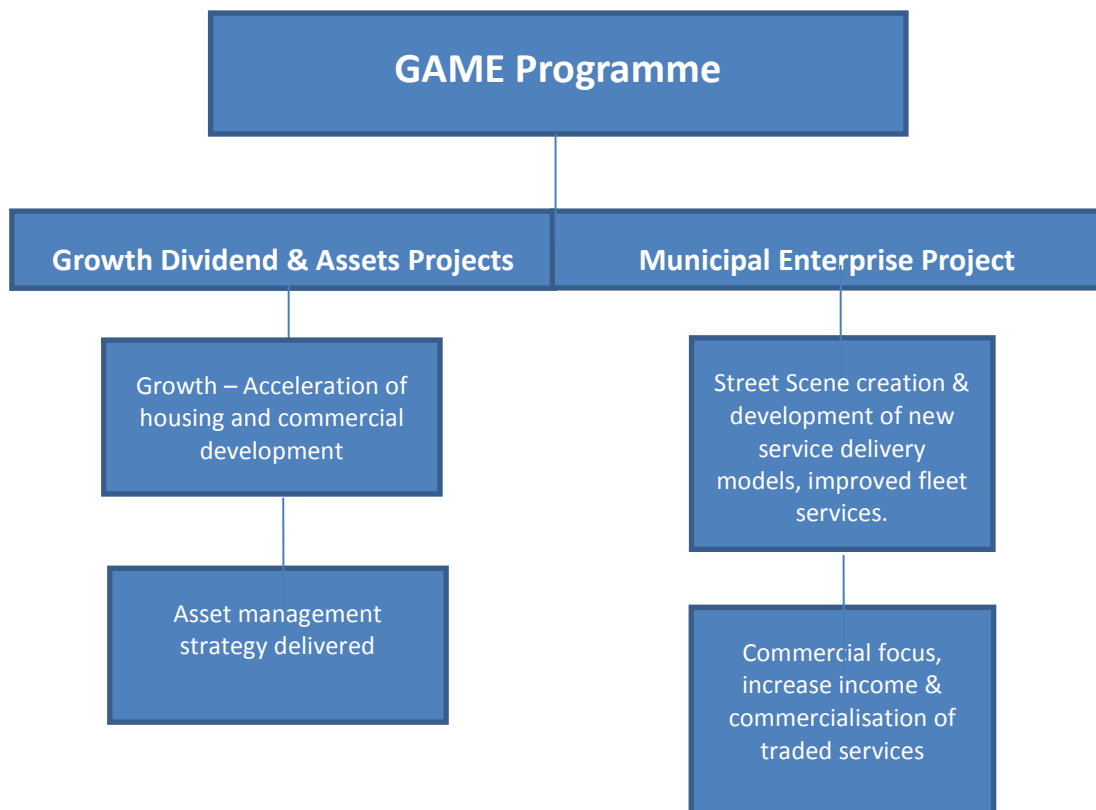
1. Accelerate housing and economic growth
2. Shape new Street Services functions to deliver key elements of the Municipal Enterprise (ME) agenda

3. Define & prioritise delivery areas for ME development
4. Maximise opportunities for commercialisation and income generation.

In order to deliver the funding gap the GAME programme proposes to deliver tangible financial benefits through opportunities created in increased revenue from growth, more effective use of its assets the development of commercial services. In addition the programme projects will identify new ways of delivering services at reduced cost and improvement in service delivery through new/agreed delivery approaches including the “bundling of services”.

1.3 Scope

The scope of the GAME programme can be structured according to the diagram below.



1.3.1 Out of scope

The following areas are not within scope of this programme, and will form parts of the transformation programmes indicated:

Plymouth Growth Dividend

- Facilities management (Co-operative Centre of Operations)

Municipal Enterprise

- Negotiation of contracts currently in the People (Integrated Health and Wellbeing) or Corporate Services (Co-operative Centre of Operations) departments.

I.3.2 Project List

The list of projects in this programme to date is:

1. Growth and Assets
2. Municipal Enterprises
 - a. Street Services Review
 - b. Waste Collection Re-organisation
 - c. Category Management – Buy Better
 - d. Commercialisation – Expansion of Commercial Waste Services & Other projects

I.3.3 Projects delivery savings in 2014/15

1. Growth and Assets
2. Street Services Review
3. Waste Collection Re-organisation
4. Category Management
 - a. Fleet Services
5. Commercialisation – Expansion of Commercial Waste Services & Other projects

2 Growth and Assets

2.1 Background

The GAME programme is required to return £4 million worth of benefits in 2014/15 of which £2.5 million will be delivered from the Growth & Asset Project. Table I shows the breakdown of this income stream. There is a high degree of confidence that these figures will be achieved.

Target Addressable Income	Target Addressable Income / £	Income generating Theme	Income Opportunities	Additional Income 2014/15- £k
New Home Bonus (NHB):	450 homes in 14/15 620 homes in 15/16 800 homes in 16/17	Income (Volume)	Increase in # of new homes and business sites > increase in NHB entitlement	1189
Council Tax:	13/14 - £85m 14/15 - £86.7m 15/16 - £88.4m 16/17 - £90.2 Average (14/15 - 16/17) - £88.4m	Income (Volume)	Increase in # of new homes > more homeowners > increase total value of council tax income	500
Business Rates (i.e., NNDR):	13/14 - £42.134m Rates retained NDRI from Jan 2013	Income (Volume)	Increase in # of business sites > more businesses > increase total value of business rates (i.e., NNDR) income	850
				2539

Table I: Breakdown of 2014/15 targets.

New Homes Bonus

The government confirmed on the 5th of Feb 2014 that our new homes bonus for FY 2014/15 will be £3,594,741. The Growth dividend was required to return additional income of £1.1 million on top of the existing baseline of £2.4m in 2013/14. Therefore this target is already met.

A pipeline of accelerated new developments is already in place to ensure that 2015/16/17 targets are met.

Council Tax

As a result of more new homes there is a clear correlation with more revenue from these new homes that the government have acknowledged as built or to be delivered in 2014/15 the target of £500k will be also be met. The sequential NHB payment and Council Tax go hand to hand, though Council Tax revenue will come direct from the occupiers of the new homes.

Our target has been defined taking into account issues such as the fact that student property developments do not incur council tax and that there will be inevitably a number of homes that will become vacant in the year.

Non Domestic Business Rates

Plymouth City Council currently get a % of Non – Domestic business rates which will be 46.2%. We have identified all Commercial properties that will or have delivered National Non Domestic Rates (NNDR) increases in the period used to measure the 2014/15 target.

To date we have identified £750K of new business rates to set against the 2014/15 target plus a current pipeline of another £100k in new commercial properties coming on stream 2014/15.

Additional NNDR will arise from the opening of the EfW plant. The actual level of NNDR expected has not yet been confirmed by the Valuation office and so has not been built in. However, we can project income for the last quarter of the 14/15 F/Y and that will add to the NNDR income which will in all probability take the overall received NNDR figure above the 850K expected income figure.

2.2 Project Definition

The project is expected to achieve the following outcomes within the FY 2014/15/16:

- Maximising government funding – increased sustainable income to PCC through the New Homes Bonus, uplift in NNDR and increased Council Tax income totalling £6.74 million
- Accelerated investment – in Plymouth City through a pipeline of private sector and PCC led regeneration projects, including the number of houses
- Wider growth benefits from acceleration – including from lower unemployment, reduced benefit dependency and improved health outcomes
- Asset governance – a structured asset governance structure that supports the strategic plan for assets; and facilitates the efficient and cost-effective management of existing assets
- Efficient, creative and effective use of assets – more proactive alignment of assets (accommodation, operational and non-operational) and estate with Plymouth's priorities, maximising their value, with the right buildings in the right places to deliver outcomes and support collaboration with partners. This will act as an enabler for the outcomes of the other programmes
- A less costly asset base – an asset base that costs PCC less money to run and maintain and maximise commercial opportunities.

2.2.1 Project Scope

The scope of this project is the Plymouth City Council sphere of influence and the neighbouring Council's where joint projects on the City boundaries require. We can only acquire income from NHB, NNDR and increased Council Tax within our Local authority boundaries.

2.2.2 Exclusions from scope

Facilities Management – This is contained within the CCO programme.

2.3 Outline Project Deliverables and/or Desired Outcomes

Other deliverables and desired outcomes are as follows:

450 New homes in 2014/15

620 New homes in 2015/16

800 New homes in 2016/17

2.4 Constraints

The constraints to this project are external which include developers appetite and the availability of funding streams to commence and complete housing and commercial developments.

2.5 Interfaces

2.5.1 Dependencies

In 2014/15 there are no planned dependencies that will influence delivery of targets but for future years there will be a need to consider unlocking PCC owned land and assets to drive faster growth,

2.6 Outline Business Case

2.6.1 Benefits

The net benefit is £2500k in FY 2014/15

2.6.2 Costs

The costs for this business change in 2014/15 is an additional 4 FTE planning and development fixed term contract staff to drive the acceleration of planning, surveying and development work plus project and programme support.

Net benefit is as below:

£k	2014/15
Growth and Assets (Income)	2890
Human Investment Costs	(390)
Net Benefits	2500

3 Municipal Enterprise

3.1 Background

This has a number of potential projects, the priority being the **Street Services** project which will drive:

- The development of the structure of the new Street Services department
- The review and analysis which will provide evidence to develop new operating delivery vehicles and ways of improving the quality of service delivering at reduced cost
- Identify new opportunities to commercialise services and generate additional income across the Council.

At the same time the following projects & activities will drive out significant benefits both in financial terms and service quality. These projects are:

- Street Services review
- The introduction of category management within Fleet Services
- The re-organisation of waste collection services
- The expansion of Trade Waste Services

- Commercialisation of Council Services

Street Services Review incorporating Waste Re-organisation projects

3.2 Project Definition

3.2.1 Project Objectives

- A review of Street Services division by Edge Public Solutions following the bringing together of the Transport/Highways/Environmental Services in Jan 2014 – Review delivered in March 2014.
- Deliver a new Street Service division through internal restructure activity. Completed by the end of March 2015. This will deliver £350k of savings in 2014/15.
- Deliver a new model for the service or services to be run concurrently throughout 2014/15.
- The re-organising of the Household waste collection service November 2014. This will deliver savings of £150k in 2014/15.

The ultimate outcome of this review is to identify a clear vision and design for the service together with detailed options and action plans to deliver this and reduce costs and/or increase income to deliver better value for money. The net revenue budget reduction will be achieved through a combination of improved efficiency, increased municipal enterprise, and modified service provision whilst maintaining an appropriate and defined quality and standard of service for the public aligned to the Service's vision.

We also see opportunities for new strategic cooperative models of delivery. An example is the investigation into the creation of a Green Space Trust.

3.2.2 Project Scope

The project scope is those services within the Place directorate.

3.3 Outline Project Deliverables and/or Desired Outcomes

In 2014/15 the project deliverables are:

- New Street Services Division which will deliver £350k through a management re-structure
- Waste Re-organisation of the whole City will deliver an in year saving of £150k based on savings associated with the reduction in routes and the various efficiencies gained from this.

3.4 Interfaces

3.4.1 Dependencies

- A dependency exists with the Customer Service Transformation Programme in relation to service reviews.
- A dependency exists with the Cooperative Centre of Operations programme in relation to the ICT Migration to Delt Services project for software initiation.

3.5 Outline Business Case

3.5.1 Benefits

The benefits for 2014/15 are a saving of **£500K**.

3.5.2 Costs

The costs of delivering this change in 2014/15 will be **£140k**.

3.5.3 Cost/Benefit Analysis

The net benefit is £360k in 2014/15.

£k	2014/15
Street Services Review and Waste Re-organisation (Savings)	500
Human Investment Costs	(140)
Net Benefits	360

3.6 Customer's Quality Expectations

The outcomes that are expected from the project are:

- All Street Services are delivered in a new co-operative way, at a lower cost than currently (2013/14 baseline)
- Improved Street Services to our citizens
- All appropriate operational Street Services are delivered by new or existing 'alternative service delivery vehicle(s), on a shared basis
- Services delivered through ASDV(s) meet our internal and external customers' needs.

Category Management – Fleet Services

4 Project Definition

4.1 Project Objectives

This project will achieve the introduction of Category Management within Plymouth Council with an objective to introducing:

- Category Management i.e. purchasing/commissioning more wisely and ensuring better demand management
- The establishment of one central team to buy/purchase fleet

- The examination/assessment of fleet/garage services with a view to delivering a financial benefit of £300k per annum from 2014/15 and moving this service provision to Category Management as the first service.

4.2. Project Scope

The project scope is Council wide and includes all departments that use Fleet services.

4.3 Outline Project Deliverables and/or Desired Outcomes

In 2014/15 the project deliverables are:

- A new process and organisation to manage fleet hire/purchases/demand throughout the council to be implemented in the summer of 2014
- The introduction of Category Management within Fleet services by Jan 2015
- A saving of £300k by 31st March 2015.

4.4 Interfaces

7.1 Dependencies

- A dependency exists with all service divisions that operate fleet or have a need for fleet within PCC
- Partners organisations that share fleet i.e. Schools
- A dependency exists with the Cooperative Centre of Operations where Category management will reside in the future.

4.5 Outline Business Case

4.5.1 Benefits

The benefits for 2014/15 are a saving of **£300K**.

4.5.2 Costs

The costs of delivering this change in 2014/15 will be **£100k**

4.5.3 Cost/Benefit Analysis

The net benefit will be £200k

£k	2014/15
Category Management – Fleet Services (Savings)	300
Human Investment Costs	(100)
Net Benefits	200

4.6 Customer's Quality Expectations

The outcomes that are expected from the project are:

- All Fleet Services are delivered in a new co-operative way, at a lower cost than currently (2013/14 baseline)
- Demand led fleet management with more efficient and greener fleet
- Services delivered through Category management.

Commercialisation – Expansion of Commercial Waste Services & Other projects.

5 Project Definition

5.1 Project Objectives

- To expand the current commercial waste service to double turnover and net profit within 3 years
- To raise an additional £400k net income in 2014/15 through other projects which include increased fees, new charges and improved commercial trading opportunities

5.2 Project Scope

The project scope includes Council, City and beyond our boundaries in the pursuit of new markets.

5.3 Outline Project Deliverables and/or Desired Outcomes

In 2014/15 the project deliverables are:

- Identify existing commercial arrangements with a view to expanding sales to existing customers
- Identify new opportunities for sales for commercial waste and deliver new income streams
- Ensure that the current service is working at maximum productivity and returning a larger income stream
- Deliver a minimum of £300k net profit uplift in 2014/15
- Maximise our commercial advantage from no VAT and the lower disposal costs to our competitive advantage
- The identification and delivery of a further £400k of additional income throughout 2014/15

4.7 Interfaces

4.7.1 Dependencies

- A dependency exists with the Fleet and Street Services projects in terms of best use of waste vehicles and resources
- The expansion of internal markets within PCC and with partners
- A dependency exists with Customer Service Transformation programme for the provision of customer contact channels.

Outline Business Case

4.8.1 Benefits

The benefits for 2014/15 are an additional income of £700k (£300k Commercial Waste expansion and £400k for other new income generation)

4.8.2 Costs

The costs of delivering this change in 2014/15 will be **£120k** which represents the resource to deliver the projects and give us the new commercial capability.

4.8.3 Cost/Benefit Analysis

The net benefit being £580k in 2014/15.

£k	2014/15
Commercialisation – Commercial Waste expansion (Income)	300
New commercial opportunities (Income)	400
Human Investment Costs	(120)
Net Benefits	580

4.9 Customer's Quality Expectations

The outcomes that are expected from the project are:

- All Commercial services delivered in a new co-operative way, at a lower cost than currently (2013/14 baseline) but also generating maximum income.
- Commercially focussed Council which maximises commercial opportunities and reduces the burden on the Council tax payer.



Outline Business Case

Programme Name:	Growth, Assets and Municipal Enterprise		
Date:	25/2/14	Version:	1.0
Programme Projects:	<ol style="list-style-type: none"> 1. Growth and Assets (GAME_08) 2. Municipal Enterprise <ol style="list-style-type: none"> (a) Street Services Review (GAME_09) (b) Expansion of Commercial Waste Services (GAME_07) (c) Waste collection re-organisation (GAME_04) (d) Category Management of Fleet services 		
Author:	Nigel Gooding		
Owner (SRO):	Anthony Payne		

I. Executive Summary

The Plymouth City Council has set the bar 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 Council faces a £65m funding gap which has the potential to increase over the next three years without significant intervention.

To close this gap 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.

In addition a number of issues have been identified:

- The need to accelerate and co-ordinate economic Growth and housing delivery within the City whilst incentives remain.
- Financial imperatives, reducing financial envelope in which to deliver services, whilst improving quality.
- A range of services that were designed around service provision rather than customer need with varying degrees of service quality to the citizen
- Lack of customer data and skills to introduce commercialism across the Council thus not maximising revenue.

In October 2013 five programme briefs were agreed that would deliver significant change and help address the funding gap. This outline business case outlines the proposal for the Growth, Assets and Municipal Enterprise Programme (GAME)

2. Vision

The **vision** of the Growth, Asset and Municipal Enterprise (GAME) programme is to deliver the key building blocks to enable Plymouth City Council to become “the Brilliant Co-operative Council”

The GAME Programme will:

- Be **pioneering** in developing and delivering quality, innovative brilliant services with our citizens and partners that make a real difference to the wealth, health and well- being of the residents of Plymouth through challenging economic times.
- Will **grow** Plymouth through accelerating housing and economic development creating new houses, sustainable jobs and making Plymouth an attractive place to do business, making us stronger and more confident as a result.

- Attract new investment into Plymouth by being known to be open for business and supportive of those who want to work with us in partnership in investing in our City. Whilst being commercial in our approach to the delivery and development of existing and new services.
- Put citizens at the heart of their communities and work with our partners to help us **care for Plymouth**. We will achieve this together by supporting communities, help them develop existing & new enterprises, redesign existing services which will in turn create new jobs, raise aspirations, improve health & educational outcomes and make it a brilliant place to live.
- By raising aspirations, improving education, increasing economic growth and regeneration, people will have **increased confidence in Plymouth**. With citizens, visitors and investors identifying us as a “vibrant, confident, pioneering, brilliant place to live and work” with an outstanding quality of life.

GAME is broken down into the three component parts (Growth, Assets and Municipal Enterprise).

Growth – The encompassing of existing and future economic and housing development within the programme to ensure delivery.

Asset – The development of an asset strategy that raises income and lowers cost.

Municipal Enterprise (ME) – An umbrella term for a range of activities/workstreams. This includes the review, development and delivery of the street scene service, the development of new delivery models and the new/enhanced commercial focus to existing and future service provision.

The priorities will be to:

- Accelerate housing and economic growth
- Shape new Street Scene Services functions to deliver key elements of the M.E agenda
- Define & prioritise delivery areas for M.E development
- Maximise opportunities for commercialisation and income generation.

The Programme Brief has been developed into this Outline Business Case that clearly sets out the case for change, and provides an initial indicative cost and benefit analysis.

The programme plans to deliver over **£13.8 million** worth of annual extra income/savings in the next 3 years at a cost of **£1.6 million**.

A number of “early projects” have been identified and will help support PCC’s short-term challenge and will be delivered as part of the programme as well as providing a strong basis for longer-term transformational change.

There is a clear alignment with the Customer and Service Transformation and People and Organisational Development Programmes as service delivery models change the interaction methods with our customers will be a vital outcome of the transition.

3. Strategic Case

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 outline business cases for the five programmes.

Customer and Service Transformation: This programme will transform the way the council interacts with customers to meet their demands and preferences, and transform the services that the Council decides to retain in-house. The scope of the programme includes:

- An assessment of currently available customer insight data and collection of required volume data, segmentation and geographical analysis, and service needs
- Design and delivery of customer access with transformed customer contact and channel shift
- Service reviews to define how to improve in-house and retained services through service quality, reduce costs and increase revenue
- The focus of activity for services to be provided elsewhere is driven by new service delivery models coming into existence

Co-operative Centre of Operations (CCO): Creating the business as usual strategic 'brain' for the Council, which uses the co-operative principles and intelligence to co-ordinate organisational decision making and activity. The scope of the programme includes:

- A leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting
- Directs the organisation; deciding what to deliver, how to do it and ensuring value is delivered
- Supports Service Transformation; setting up new delivery models for corporate and support services

Integrated Health and Well Being: The Council can engage with partners to deliver services at a lower cost, whilst also improving outcomes and customer satisfaction. The scope of the programme includes:

- Integrated approach to co-operative commissioning and provision
- Defining appropriate new delivery models for People (where not in-house)

Growth, Assets and Municipal Enterprise: The Council can become a more commercially-minded Co-operative Council. The scope of the programme includes:

- Generate additional income sources from the Growth Dividend
- Optimise the use of Council's asset base, to release properties surplus to operational requirements
- Deliver efficient in-house services and to realise opportunities to bring in additional income from trading services across the Council
- Defining appropriate new delivery models for Place (where not in-house)

There is an enabling programme that will support them.

People and Organisational Development: The programme will enable the Council to define and deliver the required workforce and accommodation capability change. The benefits of the delivery programmes will not be realised without this programme.

3.1 Case for Change

The Case for Change for GAME is broken down into the three component parts (Growth, Assets and Municipal Enterprise).

In order to deliver the funding gap, the GAME programme proposes to deliver tangible financial benefits through; opportunities created in increased revenue from growth; more effective use of its assets and the development of commercial services. In addition the programme's projects will identify new ways of delivering services at reduced cost and improvement in service delivery through new/agreed delivery approaches including the "bundling of services".

The GAME programme proposes the following gross increases in income/savings over the next 3 years.

£k	2014/15	2015/16	2016/17	Total
Growth Dividend	2,539	1,893	2,308	6,740
Income streams new/increases/contract renegotiation	400	1,222	1,222	3,666
Street Services review + Fleet	800	1,300	1,300	3,100
Commercialisation	300	300	300	1,473
	4,039	4,715	5,130	13,884

The Growth, Assets and Municipal Enterprise (GAME) programme has been constructed to bring together and **accelerate** a number of existing projects, initiatives and ideas into an overall programme that aims to develop PCC's commercial focus. This will underpin the move towards a more commercial approach to its services, use of assets and development of the local economy. The project will bring these initiatives together which will allow them to be developed, tested and expanded in a coordinated and focused manner.

The Programme Blueprint v1.0 identified a number of capability gaps in the ability to effectively identify and deliver enhanced commercial opportunities that exist. The Programme Blueprint v2.0 has identified the potential for a number of services to be delivered through alternative delivery models.

To that end the alignment of the GAME and the other transformation programmes will be vital. One example being the Customer and Service Transformation programme: GAME will support an early review of growth, assets and Street Services to establish a baseline position for customer interactions, an activity which will need to be undertaken regardless of delivery model.

Each of the three GAME component parts are explored in more detail in the following sections.

3.1.1 Growth

Plymouth has a well-known and ambitious growth agenda, comprising 33,000 homes, 42,000 jobs and an increase in population by around 50,000 to over 300,000 by 2031. However, historically the financial benefits of this growth have not been fully modelled into the City Council's own budgets in a structured way.

The programme will bring a structure to the delivery of these benefits by the creation of a Plymouth Growth Dividend (PGD). The PGD proposes that by **accelerating** commercial and

housing development from a development base it is proposed to increase income in three main areas: New Homes Bonus (NHB), National Non Domestic Rates (NNDR) and Council Tax.

The growth dividend is required to deliver **£6.7m** of annual benefits by 2017.

The proposal therefore is:

The creation of a Plymouth Growth Dividend - a performance related income stream for the council to address budget pressures through accelerating commercial and housing development activity including direct developments to drive 3 key income sources: Business Rates, New Homes Bonus and Council Tax receipts.

A new financial model

A series of government initiatives have sought to incentivise local authorities to prioritise growth and job creation. These include new financial incentives including the New Homes Bonus and localisation of business rates; as well as the traditional development gain from increased council tax, capital receipts, Section 106 and CIL.¹

By accelerating commercial and housing development from a development base it is possible to increase income in three main areas: New Homes Bonus, National Non Domestic Rates (NNDR) and Council Tax.

Elements of a Growth Dividend

In order to generate a sustainable and long term dividend from growth it will be essential to build a pipeline of development and programme of private sector stimulation that will deliver investment into the City within the **next 3 years**. It should be noted that the Council is equally incentivised for private sector and direct council development activity. It is anticipated that a proactive plan might contain some or all of the following elements:

- Focus on Major Redevelopment Schemes e.g. Derriford and City Centre
- Strategic Property Review interventions e.g. acquisitions fund and trading arm
- Surplus land review
- Get Plymouth Building
- The Plan for Homes
- Inward Investment strategy, business grants and incentives package
- City Deal and other major government interventions
- Maximising all available gap funding e.g. Growing Places
- Collaboration with regeneration agencies e.g. HCA
- Business Support, demand stimulation and accelerated growth programme
- Meanwhile uses
- Intensification and expansion of existing estate e.g. Tamar Science Park
- Direct Development schemes

¹ Noting that these do not represent revenue streams to the Council

- Enable the Plymouth Housing Development partnership to deliver more homes.
- Sherford
- Plymstock Quarry
- North Prospect

It should be noted that some of these developments will continue to deliver benefits beyond the three year period as not all units will be complete the imperative of the programme being to bring forward and accelerate schemes that are able to deliver within the 3 year period.

New Homes Bonus and Council Tax

The New Homes Bonus Scheme (NHBS) was introduced by the coalition government to reward and incentivise local authorities to build more homes. In addition to the uplift in council tax associated directly with new homes, central government will fund an additional grant for a six year period equivalent to the level of council tax uplift. Introduced in 2011, this funding is not ring-fenced and local authorities can decide locally how to spend it. Since its introduction, PCC have already received a total annual equivalent of £3.9m.

As more homes are built and occupied, PCC's council tax base also increases, bringing in sustainable new income. Assuming that the level of council tax remains at £1,269.55 for a Band D property, every 1% increase in the council tax base (equivalent to c.1,000 additional properties) will generate an additional £850k for PCC through increased council tax. This is a year on year increase in the income stream to PCC. Combining the financial benefit from increase council tax, and the Government's New Homes Bonus scheme provides a growth dividend to Plymouth through increased home building.

The programme NHBS & Council Tax income assumptions for the next three years are as follows:

	2014/15	2015/16	2016/17	Total
NHBS income	£1,188k	£743k	£ 958k	£2890k
New Council Tax income	£500k	£650k	£850k	£2000k
No of new homes	450	620	800	1970

National Non Domestic Rates (NNDR)

In 2013/14 the system of funding local government was changed, with local authorities retaining a higher percentage of National Non Domestic Business Rates (NNDR), and sharing the risk and opportunities with central government. For Plymouth City Council they retain 50% of localised business rates, which means that for any net growth in the amount collected they will retain 50%.

The level of NNDR a business pays for a property is based upon a nationally set Multiplier (currently

47.1p in the £; and 46.2p in the £ for small businesses) and the Rateable Value of a property. PCC can influence the total NNDR income for Plymouth City in two main ways, which in reality would go hand-in-hand with each other.

- Support and drive and increase in the amount of occupied business space within Plymouth City.
- Support and drive the wider economic growth, which will result in an increase in rateable value of business space in Plymouth City.

Whilst previously, there was no direct financial benefit to PCC of achieving these, the new financial system allows PCC to financially benefit from any investment. The figure 1 below outlines the estimated financial benefit to PCC of any growth.

The programme budget assumptions for the next three years have already identified the following NNDR growth funding to Plymouth City Council from the business rates expected from known commercial projects such as North Yard.

	2014/15	2015/16	2016/17	Total
NNDR	£850k	£500k	£500k	£1850k

Promoting Growth

PCC have a good record of promoting growth, and a healthy pipeline of opportunities however the added financial pressures linked to current incentives means that this workstream **“Growth Dividend”** will be the vehicle to **accelerate** this activity over the next three years.

In order to generate a sustainable and long term dividend from growth it will be essential to build a pipeline of development and programme of private sector stimulation that will deliver investment into the City. This will involve a much more coordinated and integrated commitment to developing investor relationships. PCC itself is equally incentivised for direct development activity.

The programme provides a driver for developing the prioritisation and acceleration of growth projects for delivery in 2014/15 but equally important and providing acceleration and “horizon scanning” for 2015/16/17 pipeline growth opportunities that will deliver within the timeline of the programme.

Enabling Growth

The diagram below outlines the opportunity for “Growth” The current **baseline** position can be delivered within existing resources but the opportunity for increased revenue is substantial if resources are invested in enabling that growth. The potential “pipeline” schemes would need additional resource to deliver them.

The new GROWTH schemes, unlike other project workstreams within GAME which require more traditional project managers, will require specialist subject matter experts to enable delivery. These include specialists which have skills in the following areas.

- Regeneration expertise

- Planning
- Surveying expertise
- Legal expertise for unlocking large scale developments

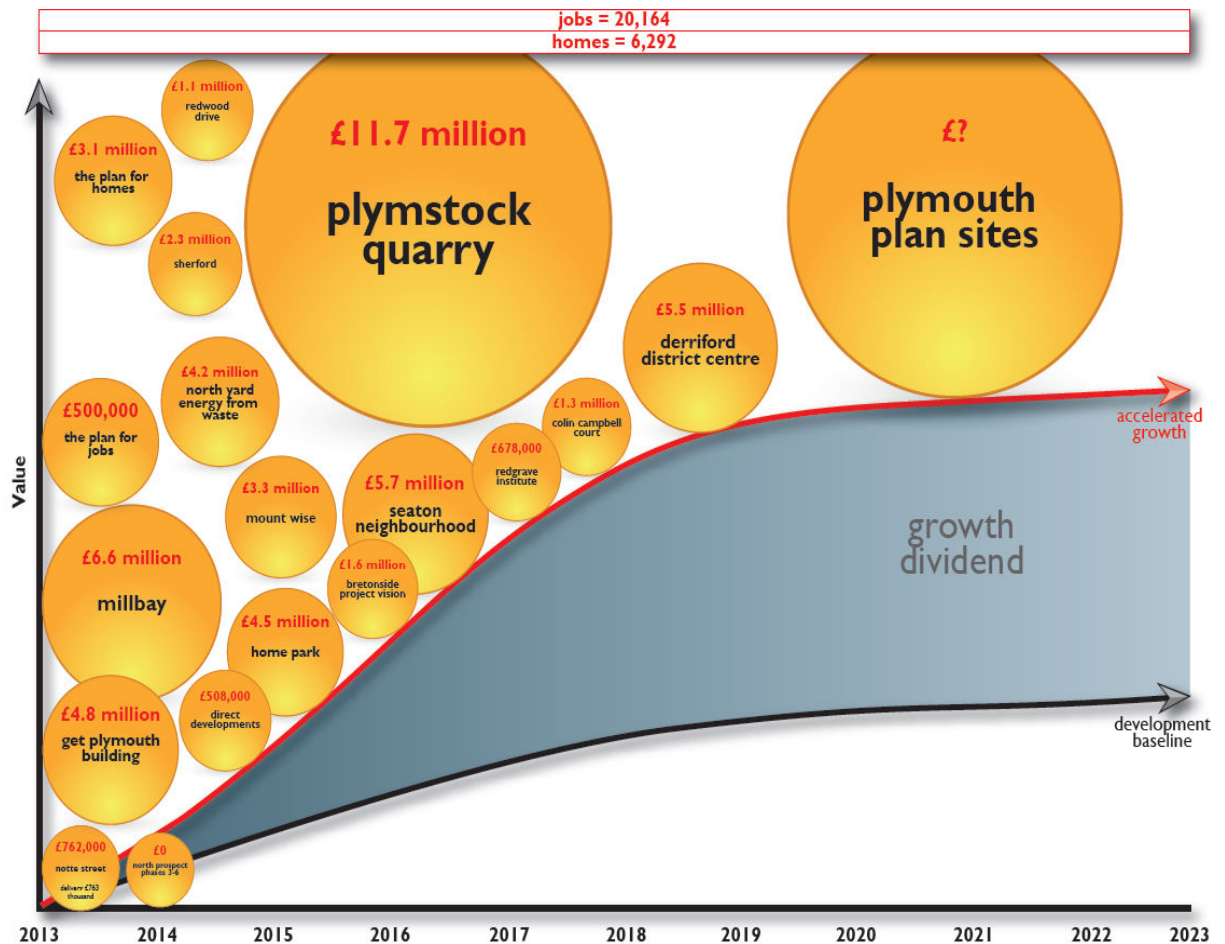


Figure 1: Growth opportunities through acceleration

3.1.2 Assets

Plymouth City Council is fortunate to own a substantial estate comprising of circa 2467 property interests within the corporate and commercial estate.

	Commercial Estate	Corporate Estate	Total Estate
Number of Buildings	1767	700	2,467
Capital Value of Buildings	£136m	£351m	£487m
Gross Annual Running Cost			£13.7m
Gross Annual Income Stream	£6.73m	£.700k ²	£7.43m

² CCG, PCHT, AMEY

The size of PCC's estate should enable it to utilise its assets strategically to support and drive the growth agenda. However, there will also be opportunities for PCC to occupy less space itself, to deliver and support services. In doing so, PCC can reduce the cost of running its Corporate Estate. Depending on the assets vacated, this may provide an opportunity to organically grow the Commercial Estate, if and when commercial opportunities arise which are worth producing to restock the estate against increased income potential.

The Commercial Estate

The Commercial Estate comprises of an extensive and diverse range of properties and more than 1,800 interests and tenancies including retail, industrial and office properties, business centres, market stalls and benches, ground leases, development land and leisure assets. According to current estimates, this brings in £6.7m of income to PCC; the Commercial Estate supports 326 businesses and 2,670 jobs.

Within the Commercial Estate, 35% of property interests accounts for 85% of the total income with the top three tenants accounting for £1.2m (18%) of the annual rental income.

	Rents payable	Risk rating
Prudential assurance	£580k	Low
Marine Developments Limited	£342k	Low
Sainsbury's PLC	£240k	Low

However, there are significant variations within the Commercial Estate in terms of return achieved on assets, and the occupancy levels in some assets. A combination of the strong covenant of PCC and the ability to access capital funds at a comparable low rate (30-year PWLB is currently 4.15% could, subject to the achieved yield on a property acquisition exceeding this figure.

In addition, the Council could utilise capital receipts from the disposal of assets to create an income stream. For example £10m of capital receipts from land sales could be re-invested in Plymouth commercial property acquisitions to create an income stream of circa £900,000 per annum based on a 9% property yield. In this way the Council could increase the size of its Commercial Estate and generate an additional sustainable net income source. A paper is currently being worked-up to take these initiatives forward as part of the Strategic Property Review.

The Corporate Estate

PCC's Transformation Programme is reviewing how PCC interacts with its customers (through the Customer and Service Transformation programme) and its staff (People and Organisation Development programme). Both programmes are likely to significantly change the assets required in the future from changing delivery models and new ways of working.

PCC has recently introduced a Corporate Landlord model, and in tandem with the accommodation element of the Transformation Programme, could release assets with more services co-locating and the development of shared facilities with other partners within Plymouth such as the co-location of PCC, Clinical Commissioning Group and NHS at Windsor House.

The GAME programme Asset Management workstream delivery is driven from the output of two other programmes. The Customer & Service Transformation and the People and Organisation Programme whose strategic decisions will form the "future state" of accommodation asset need. The GAME programme is ideally placed to be the guardian of the Council wide asset portfolio.

The development of the specification for corporate asset usage will be derived from the other Transformation programmes and feed into the Asset Project as outlined in figure 2 below.

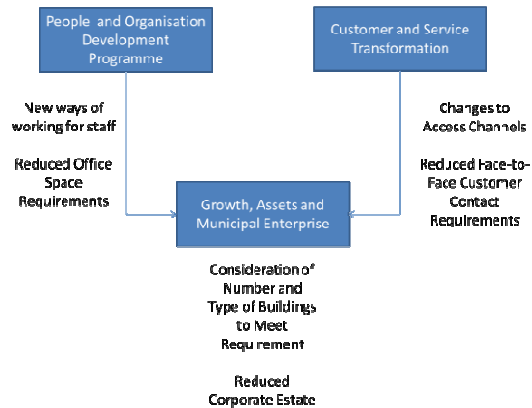


Figure 2: Links with other programmes.

The outputs of the change programme present a significant opportunity to strategically reduce the size of assets that PCC occupies directly. This in turn will deliver a saving on the running costs of its Corporate Estate as summarised below:

Percentage Reduction in Size of Corporate Estate	Estimated Saving in Costs of Running Corporate Estate
5.0%	£685k
7.5%	£1.02m
10.0%	£1.37m
15.0%	£2.05m
20.0%	£2.74m
25.0%	£3.43m

In addition, there is a significant multi-million pound liability related to building repairs where assets have not been historically maintained. By strategic rationalisation of assets, PCC can avoid this liability, although there may be a negative impact on the ability to dispose of any assets.

Any Corporate Assets that become surplus to operational requirements should be reviewed to see if they could add value to the Commercial Estate prior to disposal.

Enabling the Asset project

To enable the **acceleration** of this project and subsequent delivery of a plan through the programme that delivers reduction in operating costs, increase in income and releases surplus assets and supports the Growth project the project has additional the need for an additional resource to accelerate this area of work and deliver the project. (See 4.4.1).

3.1.3 Municipal Enterprise

This project has a number of potential projects contained within.

The priority being the new **Street Scene** service which will drive:

- The development of the structure of the new Street Scene Service
- The review and analysis which will provide evidence to develop new operating delivery vehicles and ways of improving the quality of service delivering at reduced cost.
- Identify new opportunities to commercialise services and generate additional income across the Council.

At the same time the following projects & activities will drive out significant benefits both in financial terms and service quality.

- The introduction of category management within Fleet Services
- The re-organising of waste collection services
- The expansion of Trade Waste Services
- Commercialisation of Council Services

The financial challenge for this range of projects is a challenging £7.14m over the next three years.

k	2014/15	2015/16	2016/17	Total
Income streams new/increases/contract renegotiation	400	1,222	1222	2,844
Fleet Services Category Management	300	0	0	300
Street Services review	500	1300	1300	3,100
Commercialisation	300	300	300	900
Totals	£1,500	£2,822	£2,822	£7,144

£k	2014/15	2015/16	2016/17	Total
Income streams new/increases/contract renegotiation	400	1,222	1222	2,844
Fleet Services Category Management	300	0	0	300
Street Services review	500	1300	1300	3,100
Commercialisation	300	300	300	900
	1,500	2,822	2,822	7,144

Street Services review

Phase I

In order to deliver the response to the challenge an “early project” and key starting point is to review our current service provisions.³ Phase I of this workstream commenced in December 2013 with the appointment of EDGE Public Solutions to provide PCC with the following outputs:

Outputs

- I. Identify short/medium/long term efficiency & income opportunities
- II. Explore opportunities for longer term delivery models which align to aspirations of Corporate strategy (Commercialisation/Mutual/Co-operative)

The following services are in scope under the review

- Street Services
- Street Scene (Parks/ Grounds/ Street cleaning)
- Living Streets & Networks (Highways/Amey)
- Waste Services
- Parking & Marine
- Garage/ Fleet
- High level review of Cemeterise and Crematoria - Commercial plan

This will report in March 2014 and quickly work streams will be established to deliver the improvements in Customer Service and the delivery of service within the new financial envelope leading to Phase 2.

Phase 2

The ultimate outcome of this review is to identify a clear vision and design for the service together with detailed options and action plans to deliver this and reduce costs and/or increase income to deliver better value for money. The net revenue budget reduction will be achieved through a combination of improved efficiency, increased municipal enterprise, and modified service provision whilst maintaining an appropriate and defined quality and standard of service for the public aligned to the Service’s vision.

We also see opportunities for new strategic co-operative models of delivery. An example is an investigation into the creation of a Green Space Trust.

These plans will be worked through and ready for delivery in the Summer of 2014.

³ This will report in March/April 2014.

The introduction of Category Management in Fleet Services

There is significant opportunity for financial savings and better utilisation of the existing fleet of Plymouth City Council vehicles and fleet.

The current issues are:

- Large fleet size of over 300 vehicles, some owned, leased and on short term hire (Some vehicles have been on short term hire over three years) with no centralised demand management
- No single approach to procurement of vehicles and plant which results in an inconsistent procurement approach to fleet, maintenance and spares. Including ad-hoc hire through a range of arrangements
- Perceived underutilisation of vehicles and fleet with no vehicle tracking
- Over utilisation of short term hire and expensive vehicle hire solutions with reference to procurement process
- No single point of control for fleet services
- No unified budgets across the Council
- Expensive ancillary services including, repairs, maintenance and fuel purchase arrangements.
- An increasing elderly fleet which does not benefit from the benefits of modern fuel consumption/carbon outputs
- Multiple supplier base.

In addition it is recognised that there are a number of key practices that prevent the Council from maximising the value it can obtain by buying as a single organisation.

- Issues with compliance with existing arrangements and significant level of spend awarded directly to suppliers with no competition
- Spend is fragmented with an excessive number of suppliers and contractors
- Benefits not maximised from economies of scale by aggregating Council-wide spend with limited collaboration between Service Areas
- Little focus on demand management – savings targets do not encourage reduction in overall spend
- Limited focus on supplier relationship and contract management – relationships can be tactical and not geared towards continuous improvement
- Procurement is generally reactive with limited time to plan and challenge

Initial Transformation benefit savings have set aside £300k savings in 2014/15/16/17 these from savings from the internal Plymouth City Council fleet management. However additional significant savings have been identified by EDGE Public Solutions amounting to £410k in 2014/15 and a potential income stream of £105k.

A number of other public sector organisations have a fleet management portfolio and have expressed a wish to develop a category management approach to fleet services. A move towards such an approach for Plymouth City Council and potentially the inclusion of partners would leverage economies of scale and have financial and customer benefits.

The benefits that a category management approach to fleet and vehicle management can bring are:

- **Savings:** Category management will leverage expertise and customer insight into all fleet services as a means of driving value from deals made and improved supply management.
- **Vendor Risk Management:** A deeper understanding of the commercial and operational risks associated with a particular supplier can be gained by benchmarking against other similar suppliers.
- **Consolidation of Spend:** When managing by category, consolidation opportunities can become apparent as well as opportunities to look at different delivery models.
- **Match supply to demand:** By understanding demand for fleet services, supply can be met in the most cost effective way and ensure that assets are being utilized using technology such as vehicle tracking.
- **Cashable savings through being responsive to customer demand:** Category management will manage customer demand in a more proactive way using targeted procurement routes and fleet optimisation to “just in time” delivery standards. Thus reducing vehicle downtime and sweating the reduced asset pool we manage.
- **Reduction or elimination of avoidable spend:** Through greater visibility and control and improved utilisation of internal resources.
- **Increased focus on key make or buy decisions:** Achieving optimum balance between internal and external service provision – make sure we focus on what we are best at.
- **Improved efficiency of sourcing, ordering and payments:** Increased framework coverage will reduce tactical buying; concentration of transactions with fewer suppliers allows greater benefits from e-procurement.
- **Securing increased value and innovation in the supply chain:** Through better supplier relationship management and establishing strategic partnerships where appropriate.
- **Ensures arrangements meet business requirements and support service improvement across the organisation:** The strategic sourcing process ensures that sourcing strategy addresses the business requirements.
- **Supports improved compliance with EU / UK procurement legislation and reduces risk:** Consolidated spend through smaller number of contracts and reduction in direct award without competition.

This project therefore proposes to introduce Category fleet management by grouping together fleet and vehicle related products, across the Council and mapping them onto a supplier market. Under category management, decisions about what products and services are bought, which suppliers are used and what contracts the council enters into, are made on a category-by-category basis with a view to optimising quality and maximizing savings across the Council as a whole.

The expansion of the Commercial Waste Service

The initial work in the Summer of 2013 undertaken by Ernst & Young (EY) identified an opportunity to develop extra and new incomes streams from Commercial Waste collection. EY reported that PCC has less than 10% of the total Plymouth wide market despite favourable trading conditions such as no VAT of charges and on the introduction of energy for waste plant in December 2014 a reduced cost for disposal.

This work and now work supported by EDGE Public Solutions in Feb 2014 has enhanced this initial snapshot of the financial opportunity to bring forward a clear project that will deliver significant rises in income and give the Council a commercial capability and a significant player in the Commercial Waste market place within Plymouth and surrounding areas.

The Council has a significant competitive advantage in the “price per tonne” disposal rate plus the addition of no VAT the opportunities to “tool up “ for commercial waste expansion using our price competitive rates gives us a great commercial opportunity.

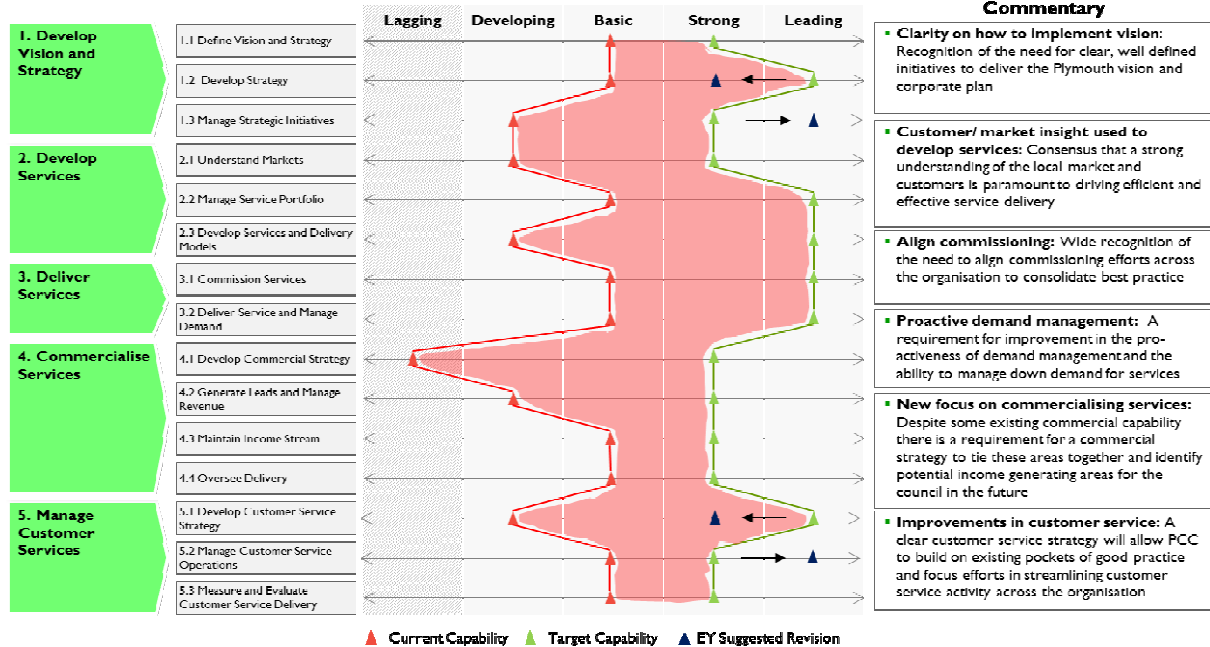
The project will do the following:

- Identify existing commercial arrangements with a view to expanding sales to existing customers.
- Identify new opportunities for sales for commercial waste and deliver new income streams.
- Ensure that the current service is working at maximum productivity and returning a larger income stream.

The project will also improve the capability across the Council in operating in a commercially driven way.

Commercial Focus, Procurement, Commercialising Income Sources including charging and trading services

In the Summer of 2013 the work of Ernst Young analysed the capability of the Council in enabling Commercialisation of services across Plymouth. Figure 2 below indicated the outputs of the analysis.



Addressing these capability gaps will form the basis of some of the first activities within the GAME programme, and will provide a strong basis for transforming Street Scene and commercialising income sources across PCC.

This workstream will deliver a **capability** to the Council that will:

- Deliver a new Commercial capability that delivers an uplift of the GAME net income/benefits of £5.1 million pounds 2014 – 2017 across all current or future commercial activities.
- Improve commercial decision making and entrepreneurship - The Commercial Strategy delivers the capability to change culture/process across the Council and partners ensuring 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 and ensure profitable management of projects and contracts, from inception to completion.
- Give a single view and control to all 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 future shape of commercial, category and sales management structures within the Council.
- Develop a capability in deal negotiations strategy to mitigate commercial risk, and lead/manage execution via direct negotiation with customer, and/or indirectly across internal cross functional teams, to assure profitable outcomes.
- Manage in life customer contracts to maximise profitability and mitigate risk.

- Develop a standard set of KPIs as commercial governance to proactively manage performance, and design and drive improvement programmes as needed with business partners to address identified gaps.
- The ability to identify a range of partners and commercial advantages they can bring in provision of services.

As PCC's commercial capability increases, the opportunities to generate additional income through services provided to residents, local businesses or other organisations will increase. This could contribute significantly over time to the financial challenge.

The workstream has committed to raising an extra £2.84 million over three years through:

- Reviewing current charges
- Reviewing services we currently provide but do not charge for but may wish to charge for in the future
- The opportunity to expand the services we offer as commercial operations
- Reviewing existing procurement operations to identify opportunities to increase income and reduce the financial burden on Plymouth City Council for subsidised services

Within this total income sources, there is a distinction between those services that PCC charges for and those that can be commercially traded. Whilst the distinction will not be clear-cut in all cases, the categorisation is useful as there is a different approach to maximising the income.

There are a number of early opportunities for Plymouth City Council to commercially trade services, and maximise the profit that is generated from these services. These services are generally different from services that are charged for, and share the following characteristics:

- Are not statutory and there are other organisations that can provide a similar service.
- PCC have full freedom about what price can be charged.

A number of areas have been identified as having the potential to be improved commercially:

- Cemeteries and Crematoria
- Commercial portfolio (links to Growth and Assets)
- Education Learning and Family Services
- Services to schools (links to expansion of Transaction Centre)
- Parking & Maritime Services

3.2 Aim

The aim of the Growth, Assets and Municipal Enterprise programme is to define, develop and implement a strategy and set of initiatives to refocus Plymouth City Council as a “Commercially Minded Co-operative Council”, delivering quality services and bringing forward investment and encourage/accelerate growth and regeneration.

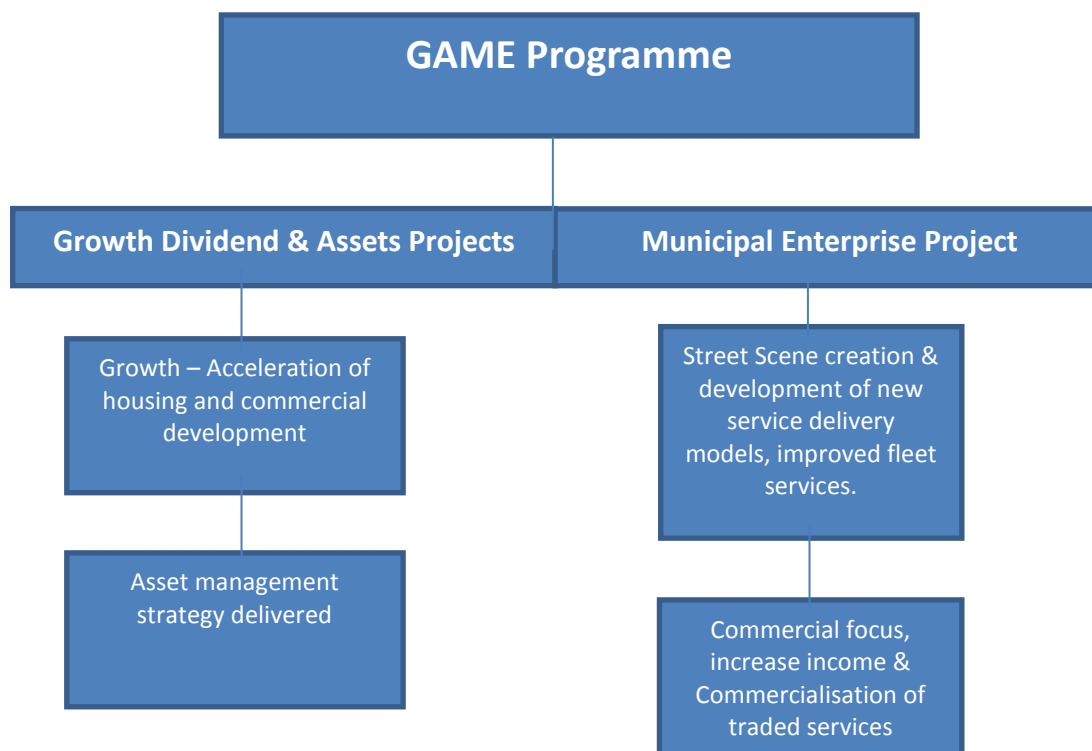
The programme will provide a strong set of projects and opportunities that will bring in additional, new and sustainable income streams to Plymouth and PCC, whilst ensuring a strategic approach to asset planning, and effective management and utilisation of PCC's assets.

The Blueprint has established that a range of PCC functions could be delivered alternatively in the future. Part of the aim of the GAME programme is to consider which functions within Place and Corporate Services could be delivered using alternative delivery mechanisms and to determine, design

and delivery those mechanisms.

3.3 Scope

The scope of the GAME programme can be structured according to the diagram below.



3.4 Out of scope

The following areas are not within scope of this programme, and will form parts of the transformation programmes indicated

Plymouth Growth Dividend

- Facilities Management (Co-operative Centre of Operations)

Municipal Enterprise

- Negotiation of contracts currently in the People (Integrated Health and Wellbeing) or Corporate Services (Co-operative Centre of Operations) departments

3.5 Outcomes

The outcomes of the programme include:

	Growth, Assets and Municipal Enterprise
--	--

<p>Pioneering Plymouth We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.</p>	<ul style="list-style-type: none"> • Generate additional income sources from the Growth Dividend • Optimise the use of Council's asset base, to release properties surplus to operational requirements • Deliver efficient in-house services to realise opportunities to bring in additional income from trading services across the Council • Defining appropriate new delivery models for Place(where not in-house) • Growing partnerships within the City
<p>Growing Plymouth 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>	<ul style="list-style-type: none"> • Supporting the building of new houses to support the population. • Growing a stronger economy but creating a range of jobs and new business opportunities within the City. • Growing Plymouth's economy and making it an attractive place to live, work and do business.
<p>Caring Plymouth 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>	<ul style="list-style-type: none"> • By developing more employment opportunities, thus reducing benefit dependency and improved health outcomes. • By developing efficient, well run, joined up targeted services delivered to residents and businesses making Plymouth a brilliant place to live and work.
<p>Confident Plymouth We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally</p>	<ul style="list-style-type: none"> • Citizens and businesses choose to live and work in Plymouth as a default • Improved service delivery and pioneering approach improves service delivery and makes Plymouth best in class

3.6 Assumptions

It is assumed that the programme briefs will align to the co-operative values of the Council and these in turn will guide senior officers and Members decisions to ensure that the scope of the programmes are co-operative where appropriate.

A series of standards and behaviours that make PCC distinctively co-operative will be used to evaluate the most appropriate combination of delivery models. The strategic principles and design features have been applied to guide the development the future state of the Council.

It is assumed that all services within the Council are to be considered for their potential to be delivered using new delivery models.

The development of the Blueprint has involved the engagement of members and staff to establish the gaps in capability and will involve further engagement with Members to inform the focus of the programmes. Each of the transformation programmes will help to address the current gaps in capability. The requirements of each programme will be defined with minimal disruption to business as usual activity where ever possible.

ICT, TUPE and other governance arrangements relating to new delivery models will be determined in the outline business cases. Any defined requirements on future technology capability will be linked to the service level agreement and requirements for (DELT) Shared Services.

It is assumed that the programme briefs will be used to provide a high-level overview of the programme and to help determine the scope and requirements with the Senior Responsible Owner (SRO) and Transformation Portfolio Board. There is further work required in the outline business cases to define structure, roles and skills of each programme and these will build on the programme briefs with the addition of a case for change, options appraisal, an updated programme of work including an implementation and resource plan, cost and benefit analysis, risk analysis.

An all-party group through the Member Portfolio Board will sign up to the principles of this programme in order to future-proof against any major political change.

4. Options Appraisal

This Outline Business Case does not include any detailed appraisal of options, but outlines that the only other option currently being considered (Do Nothing) does not present a viable and sustainable future for PCC.

As part of each workstream, options will be developed against a set of criteria including:

- Finance & Control

4.1 Financial Case

4.1.1 Cost-Benefit Analysis

The cost-benefit analysis will be developed alongside the consideration of options as these develop. There will be a further analysis of the benefits in Phase 2 following the outcome of the Street Services review.

The programme plans to return a gross benefit of **£13.8 million** by the end of the 3 years at a cost of **£1.6 million**.

4.1.2 Cost and Benefits Analysis

Cumulative benefits				
Benefit £k	2014/15	2015/16	2016/17	Total
Growth Dividend	2,500	4,400	6,700	13,600
Income streams new/increases/contract renegotiation	400	1,600	2,800	4,800
Street Services review + Fleet	800	2,100	3,400	6,300
Commercialisation	300	600	900	1,800
Subtotal Benefit £k	4,000	8,800	13,900	26,700
Costs £k	2014/15	2015/16	2016/17	Total
Direct Costs	(500)	(300)	(300)	(1,100)
Indirect Costs	(300)	(300)	(100)	(700)
Subtotal Costs £k	(800)	(600)	(400)	(1,800)
Net Benefit £k	3,200	8,200	13,500	24,900

4.2 Expected Costs

4.2.1 GAME Programme Development

The programme has in advance appointed a full-time programme manager to develop this OBC into a FBC, and to manage the implementation of the programme to 2016/17. It is assumed that the cost till the end of 2013/14 will be funded through the Transformation Portfolio Office. Costs for 2014/15 onwards are included within this OBC. The programme manager will oversee the programme and co-ordinate the activities of specialist resources within Growth, Assets and Municipal Enterprise supporting tactical projects and strategic development.

The expected cost over three years for delivering the programme is £1.8m. In addition an allocation of £100k has been made in the model for additional support to develop the OBC into a FBC by funding the Environmental/Street Scene review.

It is also assumed that appropriate resources from across PCC will be made available on an ad-hoc, part-time basis including from Finance, Planning, Policy, HR, Legal.

Non Financial

As Plymouth City grows and develops, there will be considerable wider benefits to the City and PCC including:

- Increased investment in Plymouth
- Increased sustainable income streams from new homes and from charged and commercialised services
- More efficient use and increased revenue from corporate and commercial estate
- Improvement in the quality delivery of front line services at reduced cost
- Increased employment opportunities, reduced dependency on benefits and increased local economic activity
- Enhanced reputation for Growth and opportunity

5. Management Case

5.1 Programme Plan

The programme plan sees 3 phases of activity. Phase 3 being implementation.

5.2 Risk Analysis

Appendix C outlines the key risk to the programme and the subsequent mitigation.

5.3 Interdependencies

The key internal programme interdependencies are with the Blueprint, the People and Organisational Development programme, the Co-operative Centre of Operations programme, the Health and Well Being Programme and the Customer Service Transformation programme.

The Blueprint will drive the way in which the Council operates in the future, and as such it is vital that any options and recommendations made in the outline business case are compliant with this document. Ownership of the Blueprint will remain with the Portfolio Office, and the GAME programme team will engage with them to ensure that they are updated with the status of the Blueprint, and the implication of any changes to the programme. Version 1.0 of the Blueprint is expected to be approved by Cabinet in mid-November.

The People and Organisational Development programme is a cross-cutting programme that will identify capability gaps and development needs across the organisation arising from the Blueprint, and provide initiatives to ameliorate these issues. The interdependency arises when considering staff needs within the Place and Corporate Services Directorates. This programme will need to agree ways of engaging with staff, with the POD programme, to ensure optimal recommendations are delivered.

Ownership of staff engagement as part of the GAME programme will remain the responsibility of the GAME programme.

The Co-operative Centre of Operations programme will redesign PCC's internal directing and managing services, and will include key functional areas such as strategy, commissioning and finance. Direction provided by some of these functions is likely to influence certain aspects of procurement and provision, which will have to be agreed with this programme.

The Customer Service Transformation programme will redesign the Council's customer service offering, as well as transforming services that PCC choose to retain in-house. There are likely to be interfaces between the services transformed by the Customer programme and the services within the scope of this programme, and the change to the customer front door is also likely to affect the way customers access services covered in the scope of this programme.

The Asset Project within GAME will have a particular interdependency with the POD and Customer-Centric Council programmes. Changing ways of staff working across PCC will alter the asset requirements to support council staff. Similarly, changing how PCC engages with its staff, will have a fundamental impact on the number, location and type of assets that PCC will require in the future.

PCC has committed to create a public sector shared services company ('DELT') for its ICT function. There is interdependency between the DELT programme and GAME as harnessing ICT to change the shape of the service will play a significant part of the programme.

There will need to be a link between trading services to schools and the Co-operative Children and Young People's Service of the Integrated Approach to Health and Well Being Programme.

Other interdependencies will be identified during a stakeholder mapping exercise.

5.4 Programme Organisation

The programme will be governed by a Programme Board using the standard Terms of Reference as set out by the Portfolio Office.

The purpose of a Programme Board is to ensure there is a continued and focused effort on driving the programme forward to ensure delivery of transformation outcomes, aligned with the Values of the Co-operative Council approach in accordance with the approved Programme Business Case. The Senior Responsible Owner, accountable for the successful delivery of the Programme, is appointed by the Transformation Portfolio Board acting as Sponsoring Group for the Programme.

5.4.1 Growth & Assets

A Growth & Assets Project Board will be chaired by the Assistant Director of Planning and Assistant Director for Economic Development and including relevant staff from Economic Development, Strategic Planning and Finance so as to ensure that there is better coordination on modelling of the growth dividend, and the assumptions behind future projections, better coordination with Finance on various statutory and other returns to government which will affect NNDR, New Homes Bonus, and a clear drive and focus on delivering the projects that are crucial to achieve these accelerated levels of commercial and housing development supported by sufficient capacity from transformation costs.

- Project Board Chairs
- Professional support from members

The Growth Dividend Fund is a unique project as the financials benefits and outcome are based upon successful developments. These have long time lags and introduction periods. The project accelerates the development pipeline and with dedicated additional resources can deliver the GROWTH & Asset element of the GAME programme.

It is proposed that these two projects will be supported initially by:

Growth Fund – Project Manager – Re-generation expertise, Subject Matter Expert (Planning, redevelopment)

Business Analyst support – Modelling future schemes

Asset Project – Subject Matter Expert – Support commercial/corporate activity which not only supports transformation of owned portfolio but also the release of assets for the **Growth Fund**. (Surveyor expertise)

Resources will be scaled up and down over the life cycle of the project depending upon need.

5.4.2 Municipal Enterprise Project Board

- Project Board Chair
- Project Manager (Practitioner level) for Municipal Enterprise –
 - i. Initially by a Subject Matter Expert (Client side expert in Street Scene)
 - ii. Business Analyst (Practitioner level) for the **Street Scene review and restructure**.
 - iii. The **Commercialisation** workstream will be supported from expertise from the new Head of Commercial but in the interim supported by an Interim Commercial Director.

5.4.3 GAME Programme Team

- Business Change Manager
- Business Change Specialists
- Dedicated legal resource (Delivery phase for Growth)
- Benefits Owners
- Representatives of the Portfolio Office
- Engagement Leads
 - i. Community
 - ii. Partners
 - iii. Members
 - iv. Staff
- Finance Strategic Support
- Commercial Expertise
- People and Organisation Development Link
- Legal representative

6. Guiding Principles and Methodologies

The programme will use the Portfolio lifecycle, strategies, standards and methods put in place by the Transformation Portfolio Office (TPO).

7.1 Quality Management

Quality Management Strategy and Plan – Portfolio Office

7.2 Portfolio level Benefits Management

Portfolio Level Benefits Management Strategy will be used

7.3 Risk Management Strategy

Corporate Risk Management Strategy

7.4 Methodologies

The programme will follow the management guidance and standards defined by the TPO for processes, tools, methodologies, document management, templates and assurance.

Management of Portfolio, Managing Successful Programmes (MSP) and PRINCE2 methodologies will be used as tailored specifically for Plymouth City Council Transformation Portfolio.

Equality Impact Assessment

The Transformation Portfolio Office has written an Equality Impact Assessment on behalf of the Transformation Portfolio.

Any other tools / methodologies / processes / standards / assurance

Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.

Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up Pack and subsequent documentation from the Portfolio Office.

Programme documents

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.

All files for specific Programmes and Projects will be filed by Programme and Project.

8. Appendices

Appendix A – Risk Log

1. Basic Risk information		2. RISK ASSESSMENT INFORMATION			3. RISK RESPONSE INFORMATION
Risk Ref No.	Risk Description	Likelihood Rating (A - E)	Consequence Rating (1 - 5)	Level of Inherent Risk	Current Controls / Risk Reduction Measures
GAME_RSK_1	Changes in national policy related to NNDR & NHB changing funding regimes post 2015.	3	4		The programme will control by delivering revenue throughout the life cycle and ensuring acceleration of schemes to maximise revenue whilst existing schemes are valid, whilst lobbying to maintain.
GAME_RSK_2	The development market is uncertain and therefore development gain cannot be guaranteed.	3	4		The programme prioritises schemes based upon those projects that will be delivered within the lifespan of the programme.
GAME_RSK_3	The nature of development is such that there is a 2/3 year lag as development projects are worked up from initiation.	3	4		Accelerate deliverable GROWTH projects within the current pipeline and dedicate resources to ensure acceleration
GAME_RSK_4	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)	4	4		<ul style="list-style-type: none"> Thorough planning and risk analysis, particularly around switch-over, to pre-empt problems Public communications preparing customers for changes
GAME_RSK_5	That the deliverables and review of services does not take place in order to deliver improvements in quality, savings and new operating models	2	3		As part of the programme, consultants and an interim AD have been commissioned to deliver the review and implement thereafter
GAME_RSK_6	The Place directorate is currently facing significant budget challenges and reduction to overall capacity and therefore resources may not exist to deliver change	3	4		The early identification and recruitment of transformation resources will support the programme & programme development.

- **Transformation Portfolio Board** – which will ensure appropriate alignment and sequencing of activities within the programmes
- **DELT** will impact the ICT available to the new organisation. The P&OD Programme will be dependent on having technology available to support a collaborative workforce

In addition, the P&OD Programme will be mindful of key external factors that may influence any changes to service provision – particularly with key partners, political changes and trade unions.

5.5 Programme Organisation

The P&OD programme will be governed by a Programme Board using the standard Terms of Reference as set out by the Portfolio Office.

The purpose of a Programme Board is to ensure there is a continued and focused effort on driving the programme forward to ensure delivery of transformation outcomes, aligned with the Values of the Co-operative Council approach in accordance with the approved Programme Business Case. The Senior Responsible Owner, accountable for the successful delivery of the Programme, is appointed by the Transformation Portfolio Board acting as Sponsoring Group for the Programme.

5.6 Guiding Principles and Methodologies

The programme will use the Portfolio lifecycle, strategies, standards and methods put in place by the Transformation Portfolio Office (TPO).

5.6.1 Quality Management

Quality Management Strategy and Plan – Portfolio Office

5.6.2 Portfolio level Benefits Management

Portfolio Level Benefits Management Strategy will be used

5.6.3 Risk Management Strategy

Corporate Risk Management Strategy

6 Methodologies

The programme will follow the management guidance and standards defined by the TPO for processes, tools, methodologies, document management, templates and assurance.

Management of Portfolio, Managing Successful Programmes (MSP) and PRINCE2 methodologies will be used as tailored specifically for Plymouth City Council Transformation Portfolio.

7 Equality Impact Assessment

The Transformation Portfolio Office has written an Equality Impact Assessment on behalf of the Transformation Portfolio.

8 Any other tools / methodologies / processes / standards / assurance

Plymouth City Council Transformation Portfolio Lifecycle has been developed to assure the safe delivery of the projects and programmes in the Transformation Portfolio.

Governance is applied across the Projects and Programmes in accordance with the Transformation Start-up Pack and subsequent documentation from the Portfolio Office.

9 Programme documents

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.

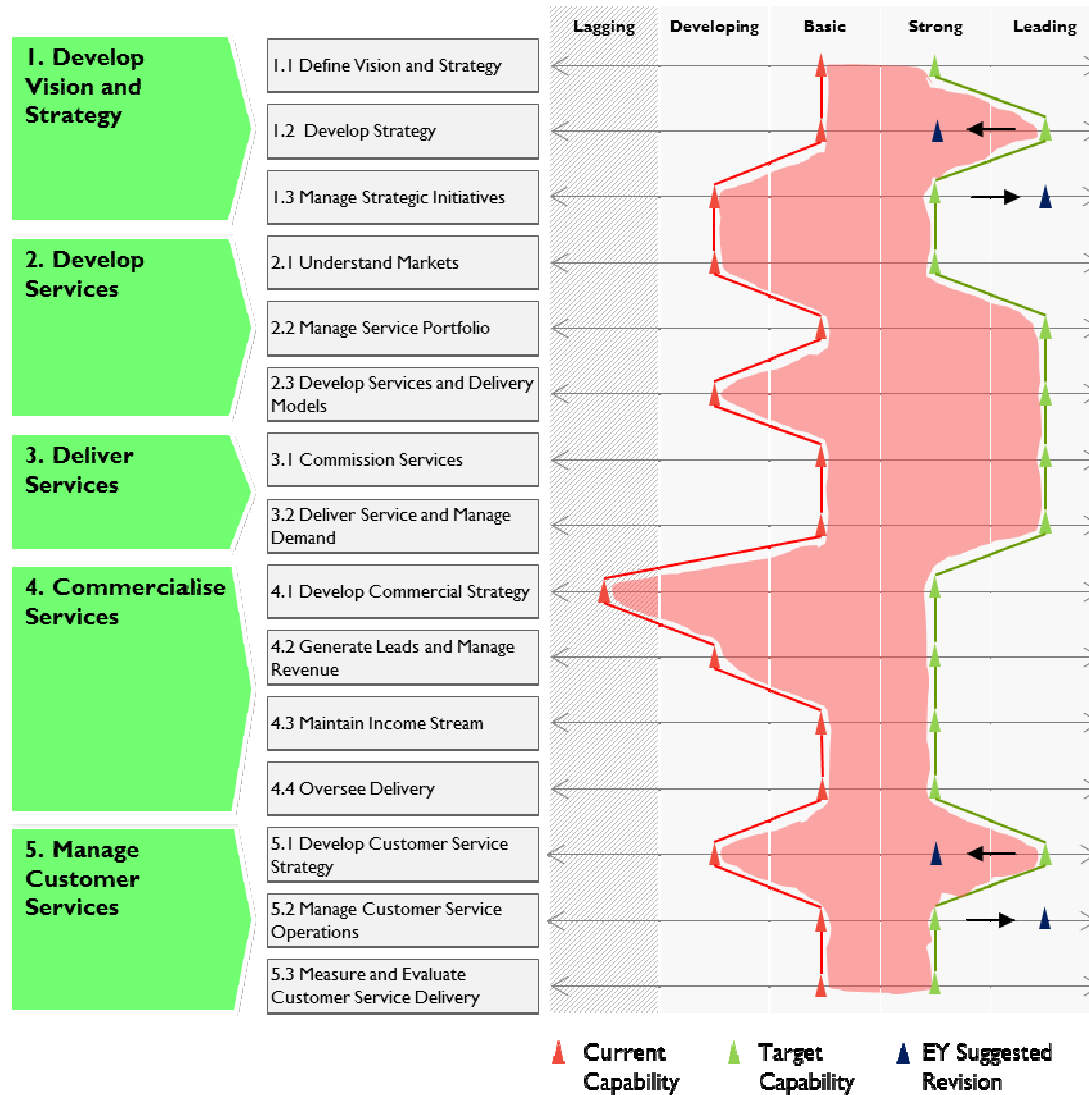
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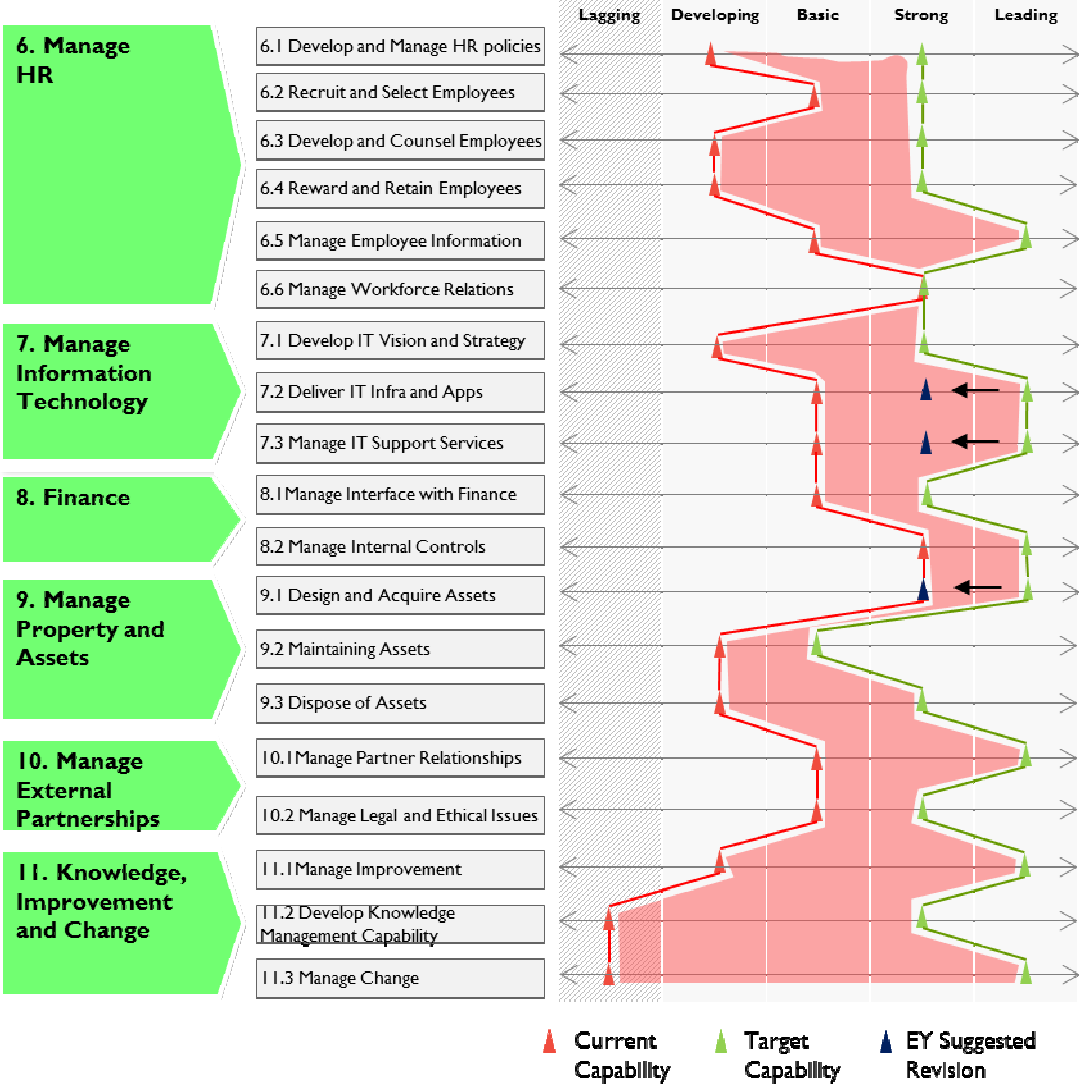
All files for specific Programmes and Projects will be filed by Programme and Project.

10 Appendices

Appendix A – Capability Assessment

- A capability assessment of the current and target organisation was undertaken in a Team Plymouth Event in October. The complete capability assessment is applicable to the POD programme





The Blueprint has been guided by the Strategic principles that were developed co-operatively with Members, senior Officers and staff



Our approach to developing the Strategic Principles has been value-led and they are woven throughout the principles – we have been **Democratic** by engaging a cross section of staff and Members, we have been **Fair** by being transparent in the exercise we are performing, we have been **Responsible** by being proactive in changing the way we would do things to meet financial challenges and we will be using **Partners** to deliver or commission services

Blueprint Component	Strategic Principles – By 2017 / 18 we will...
Vision & Purpose	<ul style="list-style-type: none"> ...be a co-operative council delivering our values ...work with our customers, communities and partners as one joined up team to serve our city
Customer & Channels	<ul style="list-style-type: none"> ...know our customers' needs and preferences and proactively manage their expectations ...make it easier and faster for customers to interact with the council ...ensure customers and communities are informed and able to influence the council's decision making ...have a consistent and accurate view of the customer demand on our services
Commissioning and Service Delivery	<ul style="list-style-type: none"> ...use customers, communities and partners to deliver or commission services ...prioritise, stop, change and grow services so that they fit within our financial budget ...support partners to develop capability to help us commission from them
People, Organisation & Culture	<ul style="list-style-type: none"> ...be a leaner, more flexible organisation employing a creative, empowered and resilient workforce ...have the right organisation structure, capacity, skills and knowledge to deliver our priorities ...deliver change effectively and have a positive culture of collaboration, commerciality and improvement
Process & Transactions	<ul style="list-style-type: none"> ...have removed all unnecessary processes ...have become outcome and cost focussed through simplified, standardised and clearly communicated processes
Technology and Information	<ul style="list-style-type: none"> ...understand what technology and information we need to deliver against our business needs ...treat information as an asset and protect it ...have more integrated information (e.g. customer, management) with partners, facilitating better co-operative working
Accommodation	<ul style="list-style-type: none"> ...have the right buildings in the right places to deliver our outcomes and support collaboration with partners ...align assets and buildings with our priorities, maximising their value for the city
Planning and Performance	<ul style="list-style-type: none"> ...jointly plan how we use our people, money and assets with our partners and communities ...drive organisation and personal accountability and performance using a data led mentality, measuring the right things

APPENDIX B (page 1 of 3)

BRIEFING GOVERNANCE ARRANGEMENTS

- TRANSFORMATION

David Trussler



In local government, decisions can be taken by the Council, the Cabinet, individual portfolio-holders, Committees and officers. There is a specific legal power to delegate ward-based decisions to ward members, but this has not been implemented at Plymouth City Council. Which decisions are implemented by whom, is determined by the general law, the Council's constitution and the Leader's scheme of executive delegations.

In complex areas of operation, the individual decision makers often find it useful to take the views of others in making decisions and to ensure a coordinated approach across the authority. One such complex area of operation will be the Transformation Project which is referred to in outline in the budget which was recently approved by Council.

The bodies which will support decision makers (but which can have no decision making powers of their own) will include:

- **Members Transformation Board**
 - Purpose: Executive ownership and accountability for Transformation Portfolio
 - Chaired by Executive Member for Transformation
 - Individual Executive members aligned to Programmes
 - Joined by Portfolio Board members as needed but will likely include Chair (CX), SROs and Portfolio Manager (Transformation Director)
 - Receive Portfolio Highlight Report from Transformation Portfolio Board
 - Pre-Cabinet approval of Programme Business Cases
 - Monthly Frequency
- **Transformation Advisory Group**
 - Purpose: Build cross-party dialogue, understanding and consensus on Transformation
 - Executive Member for Transformation (Chair), Shadow equivalent, Chair of Co-operative Scrutiny Board. Additional Labour member (flexible)
 - Supported by Transformation Director
 - Receive Portfolio Highlight Report

- Monthly frequency
- Scrutiny Committees
 - Portfolio level scrutiny: CCSB
 - Programmes: Aligned to Scrutiny Boards with joint meetings where necessary

There is top level officer consideration of transformation through the Transformation Portfolio Board

- Transformation Portfolio Board
 - Purpose:
 - Coordinate the delivery of a Blueprint for the future of the organisation
 - Recommend prioritisation decisions between and within Programmes, reflecting council objectives
 - Ensure engagement strands (political, community/customer, staff and partners) are fully supporting and driving the Transformation Portfolio and Programmes
 - Ensure (financial and human) resources are available to deliver Portfolio
 - Ensure Portfolio benefits are delivered
 - Recommend Programme Business Cases and Exceptions
 - Escalation path for Programmes
 - Performance management (by exception) of Programmes
 - Membership of the Transformation Portfolio Board comprises
 - Chair: Chief Executive
 - Portfolio Manager: Transformation Director
 - SROs for each Programme
 - Four Engagement leads
 - Political:
 - Staff:
 - Community/Customers:
 - Partners:
 - SI51 Officer
 - HR Director
 - Head of Portfolio Office

Programmes will be led by a Senior Responsible Owner of the Council who is accountable for successful delivery, achieving desired outcomes and realising expected benefits.

Their role in leading the Programme includes:

- Personal accountability for delivery of the programme outcomes and associated benefits
- Chairs the Programme Board and leads the Programme
- Owns the Programme Vision and provides strategic direction
- Manages the relationship with key stakeholders, ensuring strong and continued support for the programme
- Maintains alignment of the Programme to the overall Portfolio
- Secures the investment required to set up and run the programme and achieve the desired benefits
- Accountable for the running of programme governance arrangements in accordance with relevant Portfolio Office standards
- Owns the Programme Business Case
- Authorises the Programme Manager to carry out each stage of the Programme
- Appoints and authorises Project Executives to manage Projects within the Programme

Programmes comprise of Projects which are tasked to deliver new capabilities required and specified in the Programme/Project Business Case by the SRO. Projects are led by Project Executives.

The Project Executive

- Manages the relationship with key stakeholders
- Chairs the Project Board
- Owns the Project Vision and provides direction
- Is accountable to the Programme SRO for the overall success of the Project
- Authorises the Project Manager to carry out each stage of the project
- Is accountable for the project's governance arrangements in accordance with relevant standards
- Owns the project Business Case (where it is required)
- Ensures Risks and Issues are properly managed and resolved

The Transformation Portfolio Board is supported by the Portfolio Office.

- The Portfolio Office is an organisational capability, delivered through a Portfolio, Programme and Project Office (P3O) construct which provides:
 - Portfolio Alignment, Prioritisation and Planning
 - Blueprint aligned Portfolio of Programmes
 - Prioritisation of Programmes and Projects
 - Portfolio mapping & planning (outcomes, outputs, inputs, dependencies)
 - Portfolio financial strategy and planning
 - Portfolio resource strategy and planning
 - Portfolio level change control
 - Support for Engagement streams strategy & planning
 - Governance support: through education, training, & coaching.
 - Transparency: supporting high quality decision making through relevant and timely information provision and transmission.
 - Leadership roles: through ensuring leaders of change are in place who understand their roles and are given training and coaching support to deliver them
 - Delivery support: ensuring there is the right amount and type of specialist capability in place - including people in Programme and Project Management, Business & Technical Architecture, Business Analysis & Design, Change Management, Subject Matter Expert roles – with the right experience, knowledge, skills and behaviours.
 - Assurance: through constructive and consultative support of Programme and Project teams across the Portfolio, Programme and Project lifecycle.
 - Quality, Reusability and Traceability: ensuring that best practice models, products, processes, standards and tools are in place and being used consistently to maximise the chances of successful delivery.
 - Risk Management
 - Quality Management
 - Reports for the Transformation Portfolio Board

Risks to the delivery of Transformation objectives and benefits are managed using a Portfolio, Programme and Project Risk Management Methodology using OGC Management of Risk and aligned to PCC Corporate Risk Management. Risks and Issues are identified, articulated and assessed at the Project, Programme and Portfolio level against a scoring for Proximity, Likelihood and Consequence/Impact.

Risks are assessed by area such as Financial and Organisational and the mitigation for the risk is articulated with both a current RAG status and a residual RAG status assigned. Regular risk assessments are held led by the Portfolio Office to ensure that the Project, Programme and Portfolio responsible officers have identified all risks and their required actions and status, and that the identified actions to mitigate the risks are being effective. The Portfolio Office also monitors risks that need to be escalated from Project to Programme and Programme to Portfolio (as well as to the Corporate Risk Register as appropriate) are escalated and actioned.