

PLYMOUTH CITY COUNCIL TRANSFORMATION PROGRAMME

CONTENTS

Introduction and context including blueprint and governance summaries.	PAGES 3 - 7
Project Summaries by Programme (with 2014/15 Savings) <ul style="list-style-type: none">○ Co-operative Centre of Operations○ Customer and Service Transformation○ Growth, Asset and Municipal Enterprise○ People and Organisation Development○ Integrated Health and Wellbeing	PAGES 8 - 18 PAGES 19 - 24 PAGES 25 - 36 PAGES 37 - 40 PAGES 41 – 58
Outline Business Cases <ul style="list-style-type: none">○ Co-operative Centre of Operations○ Customer and Service Transformation○ Growth, Asset and Municipal Enterprise○ People and Organisation Development○ Integrated Health and Wellbeing	PAGES 59 - 94 PAGES 95 -119 PAGES 120 -147 PAGES 148 - 173 PAGES 174 – 224
Appendix A: Blueprint Strategic Principles	PAGE 225
Appendix B: Briefing Governance Arrangements - Transformation	PAGES 226 - 230

This page is intentionally left blank

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

<p>WE ARE DEMOCRATIC</p> <p>Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.</p>	<p>WE ARE RESPONSIBLE</p> <p>We take responsibility for our actions, care about their impact on others and expect others will do the same.</p>
<p>WE ARE FAIR</p> <p>We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.</p>	<p>WE ARE PARTNERS</p> <p>We will provide strong community leadership and work together to deliver our common ambition.</p>

OUR OBJECTIVES

Creating a fairer Plymouth where everyone does their bit

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

THE OUTCOMES

What we will achieve by this plan

<ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ 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. 	<ul style="list-style-type: none"> ■ 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.
--	--	--	--

#Plymouth
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:

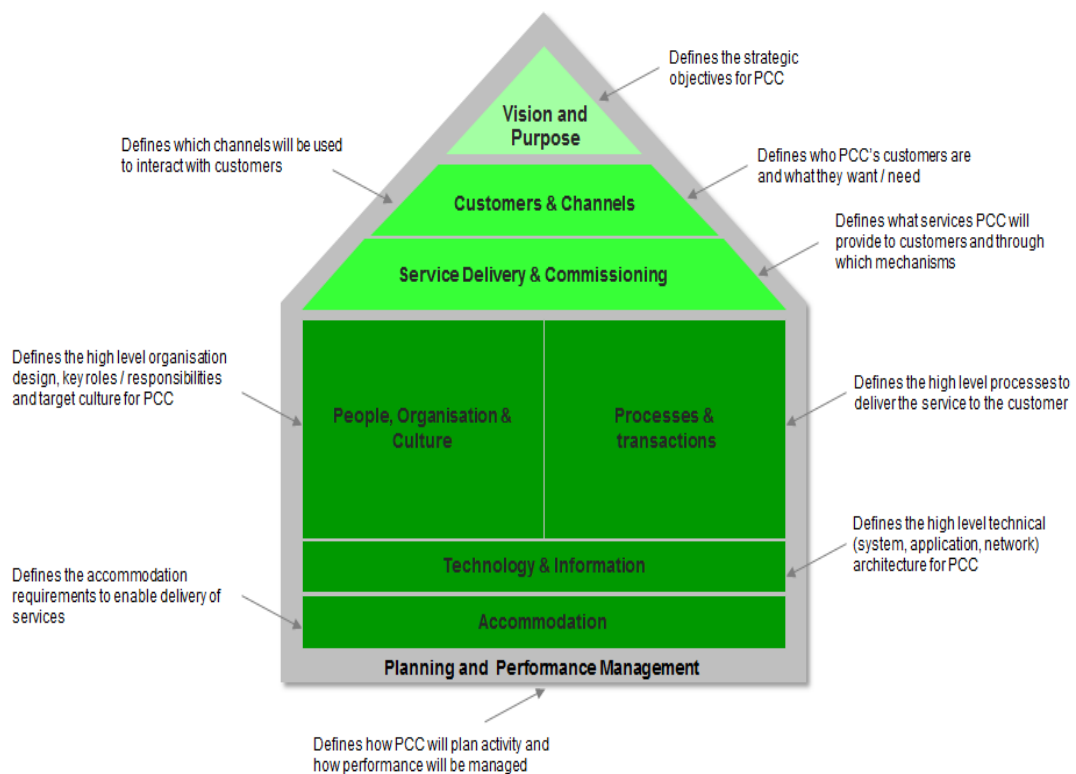
- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Redevelopment of the Civic Centre and future accommodation requirements (Cabinet approval September 2013)
- Modernising Adult Social Care 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.

I. Programme Summary

This Programme will deliver the following capabilities:

1. Direction setting and leadership for the Council
2. Ensuring delivery and quality of services through co-operative partnerships
3. Support Services transferred and delivered through new shared arrangements and a shared Transaction Centre (where appropriate following options assessment)

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 Transformation strategy has defined a need to establish an efficient PCC corporate function and transform the way we deliver our Support Services. The aims of the CCO Programme are:

- **Corporate Function Transformation** – Establish a strategic ‘brain’ that directs the organisation, deciding what to deliver, how to do it and ensuring value is delivered, using the co-operative principles and intelligence to co-ordinate organisational decision making and activity. It will provide the framework for how we engage our communities (consumers and citizens)
- **Delivery Management Transformation** - Establish the capability to commission services more strategically and manage service delivery through partners, and supporting co-operative partnerships (with e.g. social enterprises, co-operatives, mutuals, joint ventures, local authority trading companies)
- **Support Service Transformation** – Setting up new delivery models for Corporate and Support Services that deliver against the organisational requirements using the most appropriate vehicles (based on robust business cases)

The programme aims to engage with Members, customers, managers, staff and delivery partners to establish a more collaborative, integrated and strategic approach to how the Council commissions and delivers services, with the aim of maintaining relevant service levels whilst reducing the associated costs. This Programme will work closely with Service Areas and the other 4 programmes as the design and implementation of the new PCC corporate function and the way we deliver our Support Services impacts all areas of the Council

I.3 Scope

This Programme will be responsible for agreeing options and changes to the following business areas:

1. Democratic processes, services and governance (including Electoral and Registration services)

2. Corporate Support Services (including HR, Finance, ICT, Legal services, Commissioning & Procurement, Policy, Performance and Partnerships, Corporate Communications, Facilities Management, Audit, Risk, Insurance)
3. Shared Transaction Centre

1.4 Costs & Benefits

Total programme costs 2014/15 estimate: £990k (including £153.8k for the 2 projects detailed here)

Total cashable benefits 2014/15 estimate: £655k

1.5 Project List

The list of projects in this programme to date is:

- Strategic Brain Project
- Commissioning and Procurement Project
- HR, Finance and Corporate Services Project
- ICT Migration to Delt Project
- Facilities Management and Business Support Project

1.6 Projects delivery savings in 2014/15

- ICT Migration to Delt Project
- Facilities Management and Business Support Project

2 ICT Migration to Delt Project Summary

2.1 Background

Plymouth City Council (PCC) and Northern Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) agreed to share delivery of operational ICT services over a year ago and have been working together to bring this about. Three Devon District Councils were also working with PCC and CCG with a view to setting up Delt Services as a joint company between five partners. However, in December 2013, the District Councils decided that the timing was wrong for them and withdrew as potential partners in Delt Services.

The predecessor of this project established the agreements between PCC and CCG, and the strategy for Delt Services. With the introduction of the Transformation Portfolio, the work of taking this initiative forward and implementing the strategy has been allocated to this project.

The initiative to set up Delt Services for shared service delivery is closely in line with the radical changes that PCC is introducing to the way the Council operates in response to financial challenges which means that it faces a £65m funding gap in three years on current projections. PCC is changing to become a Brilliant Co-operative Council and has started the Transformation Portfolio as the means by which to change the way the Council operates in order to make savings while minimising reductions to services.

As part of becoming a Co-operative Council, PCC is changing the way services are delivered, including internal support services which are currently delivered predominantly in-house. The Co-operative Council strategy, being implemented by the Transformation Portfolio, is to assess transferring service delivery to 'alternative service delivery vehicles' (ASDVs). As a result of this assessment a Full Business Case will set out the best options to deliver our services. The presumption is that, where there is a good business case and viable options for ASDV, there are benefits to this approach for services rather than delivering them in-house.

Operational ICT services provide internal services to our customers, partners and suppliers (e.g. websites, email), all office staff and business areas. Like all such services, the strategy is to investigate and, where appropriate, to change to a suitable ASDV. In the case of ICT, however, the alternative delivery vehicle has been identified, and plans and designs are well advanced.

2.2 Project Definition

There are opportunities for changing the way ICT operational services are delivered, for both PCC and CCG, to maintain or even improve services, at a lower cost than at the moment. This project is designed to manage the migration of the appropriate services to Delt Services.

2.2.1 Project Objectives

The overall objective is to redesign, restructure and transfer appropriate ICT services from PCC and CCG to an 'alternative service delivery vehicle' (Delt Services) that can deliver the services to the required quality but at a lower cost than at present.

The specific objectives are:

- Delivery of 'Mini Delt': arrangements for PCC ICT to deliver services to CCG that have been cancelled as from 1 April 2014
- Migration of all operational ICT services to a shared company (Delt Services), jointly owned by PCC and NEW Devon CCG, including:
 - Restructure PCC's ICT for improved efficiency in preparation for moving to Delt Services
 - Coordination with CCG's ICT team in preparation for moving to Delt Services
 - Migration of ICT staff, service delivery, assets, etc. to Delt Services
 - Set up Delt Services as a joint-owned, shared enterprise between PCC and the CCG
- Design Delt Services operations, policies, structure and processes for use from go-live (acting as proxy Delt Operations Director, until someone is appointed to the role)
- Co-design with Strategic 'Brain' project the 'intelligent client' capability:
 - for managing service delivery through Delt Services
 - ensuring effective and joined-up commissioning, relationship management, service delivery and performance
 - support Strategic 'Brain' project in implementing the 'intelligent client' capability for Delt Services, as required

- Release £405k of cashable savings in 2014/15 from the move to Delt Services
- Convergence of shared ICT systems with Delt partner(s)
- Incorporate new shared service partners in Delt Services (as & when required)

2.2.2 Project Scope

The project scope covers the following capabilities:

- Operational ICT services:
 - infrastructure management & support
 - applications management & support (office and business applications)
 - Service Desk & problem management
- Client solutions:
 - relationship management & liaison
 - requirements management, scheduling, resource allocation
 - solutions development (project management, business analysis, development & testing)
- ICT strategy & performance management

3 Exclusions from scope

The following are specifically outside the scope of the project:

- Implementation of the structures and operation of the intelligent client in the strategic brain (to be managed under Strategic Brain Project, in conjunction with this project)

3.1.1 Outline Project Deliverables and/or Desired Outcomes

The major deliverables and outcomes are:

- Delt Services Target Operating Model (TOM, detailed business architecture)
- Delt Services set up as company jointly owned by PCC and CCG
- PCC's ICT operations restructured for Delt Services
- Staff, service delivery, assets, etc. transferred to Delt Services
- Retained services restructured for 'intelligent client' in Strategic Brain
- Input to Business Change to shape design for changes in transforming PCC operations
- Convergence of office and business applications between Delt partners

Further deliverables to be identified and agreed during development of the PID.

3.1.2 Constraints

The project will be delivered within the following constraints:

- Use staff from within service areas to deliver products where possible and appropriate
- The business designs will be provided by Business & Technical Architecture
- A co-operative approach that ensures business buy-in to all changes
- All solutions to be designed and tested with service users and service suppliers
- Business Architecture led approach from Business & Technical Architecture team

3.1.3 Interfaces

3.1.3.1 Dependencies

The project has dependencies with other projects in the CCO Programme:

- Strategic Brain Project
 - Implementation of the intelligent client capability for managing FM & Business Support Services delivery
- Commissioning & Procurement Project
 - Arrangements with Delt Services to be set up in line with the emerging Corporate Commissioning Framework
- HR, Finance & Corporate Services Project
 - Investigate development of shared Transaction Centre: expansion of Delt Services to be considered as a potential ASDV for Transaction Centre for other operational support services
- FM & Business Support Project
 - Delivery of FM and Business Support to Delt Services

The project has dependencies with other programmes and projects in Transformation Portfolio:

- Personal & Organisational Development Programme (P&OD):
 - Workforce Development Project: organisational development to support Transformation
- Growth, Assets & Municipal Enterprise Programme (GAME):
 - Requirements for new/revised business applications arising from Transformation changes
 - Requirements for ICT services to new partner organisations, e.g. ASDVs
- Integrated Health & Well Being Programme (IHWB):
 - Requirements for new/revised business applications arising from Transformation changes
 - Requirements for ICT services to new partner organisations, e.g. ASDVs
- Customer & Service Transformation (CST)
 - Requirements for new/revised business applications arising from Transformation changes
 - Requirements for ICT services to new partner organisations, e.g. ASDVs

3.1.3.2 Interfaces with service areas

The project has interfaces with all service areas in scope and in addition will need to develop working relationships with all other services in PCC who are all users of ICT services (and with future ASDVs for services), including:

- Service area systems support teams (e.g. HR, Finance)
- Corporate Services: all service areas
- Place: all service areas
- People: all service areas

3.2 Outline Business Case

3.2.1 Benefits

Cashable financial benefits and non-financial benefits are expected from this project.

Cashable savings:

- 2014/15: £405k of cashable savings from migration to Delt Services:
 - £245k from reduced systems costs (software, licences, support & maintenance)
 - £90k from vacancies deleted
 - £70k from ICT staff reduction
- 2015/16 & 2016/17: Cashable savings from reduced costs of Delt, convergence of systems, additional Delt partners, and/or expansion of services delivered by Delt: not yet estimated in detail

Non-financial CCO Programme benefits to which this project will contribute are:

- Improved customer satisfaction from more involvement, ability to influence decisions and better targeted services
- Less complexity of PCC operations, reducing overheads

See also CCO Outline Business Case (v1.0)

3.2.2 Costs

Project cost estimate for 2014/15 is £70k

3.3 Customer's Quality Expectations

The outcomes that are expected from the project are:

- All operational ICT services to PCC and CCG are delivered by Delt Services, at a lower cost than currently (2013/14 baseline)
- All operational ICT services to new PCC delivery partners are delivered by Delt
- 'Intelligent client' capabilities are built into the Strategic Brain to manage delivery of services through Delt Services
- Services delivered by Delt meet our internal (PCC and CCG) and external customers' needs

4 Facilities Management and Business Support Project Summary

4.1 Background

PCC is introducing radical changes to the way the Council operates in response to financial challenges which means that it faces a £65m funding gap in three years on current projections. PCC is changing to become a Brilliant Co-operative Council and has started the Transformation Portfolio as the means by which to change the way the Council operates in order to make savings while minimising reductions to services.

As part of becoming a Co-operative Council, PCC is changing the way services are delivered, including internal support services which are currently delivered predominantly in-house. The Co-operative Council strategy, being implemented by the Transformation Portfolio, is to assess transferring service delivery to 'alternative service delivery vehicles' (ASDVs). As a result of this assessment a Full Business Case will set out the best options to deliver our services. The presumption is that, where there is a good business case and viable options for ASDV, there are benefits to this approach for services rather than deliver them in-house.

Facilities Management (FM) and Business Support services provide internal services to all staff (and some to visitors to PCC offices) and business areas. Like all such services, the strategy is to investigate and, where appropriate, to change to a suitable 'alternative service delivery vehicles'.

4.2 Project Definition

There are opportunities for changing the way FM and Business Support services are delivered, to maintain or even improve services, at a lower cost than at the moment. This project is designed to identify new models for delivery and manage the migration of appropriate services to them.

4.2.1 Project Objectives

The overall objective is to investigate and provide a Full Business Case with the best options for delivery of FM and Business Support services that can deliver the services to the required quality but at a lower cost than at present. This will include investigating the option of ASDVs.

The specific objectives are:

- Introduction of the 'concierge' system for services for staff and customers in PCC buildings:
 - restructuring 'soft' FM services into teams for building
 - release £250k of cashable savings in 2014/15 from the restructure and revised schedules
- Service review and redesign for migration to ASDV(s):
 - for 'soft' and 'hard' FM, Business Support
 - split strategic functions from operational service delivery in the service redesign
 - strategic functions to be retained by PCC for direction-setting and 'intelligent client' (in conjunction with Strategic Brain project)
 - operational services delivery potential move to ASDV(s) to be investigated
- Evaluate options for ASDV(s) for FM and Business Support:
 - set up ASDV(s), if new, or arrange for service to be delivered by an existing partner or shared entity
 - migration of operational services and staff to new delivery model
- Co-design with Strategic 'Brain' project the 'intelligent client' capability:
 - for managing the ASDV(s) for FM and Business Support
 - ensuring effective and joined-up commissioning, relationship management, service delivery and performance
 - support Strategic 'Brain' project in implementing the 'intelligent client' capability for managing the ASDV(s) for FM and Business & Admin Support, as required

4.2.2 Project Scope

The project scope covers the following capabilities:

- 'Soft' FM ('concierge' services)
- 'Hard' FM
- Business Support

The range of services in scope is extensive (and not clearly separated between FM and business support), including:

- Meet & greet visitors
- Floor walking
- Meeting room management
- Mail
- Parking management
- On-site ICT
- Cleaning
- Vending & catering
- Porterage
- Caretaking
- Waste management
- Equipment & furniture management
- Building H&S functions
- Buildings inspections
- Building maintenance and repairs

5 Exclusions from scope

The following are specifically outside the scope of the project:

- Implementation of the structures and operation of the corporate commissioning and intelligent client in the strategic brain (to be managed under Strategic Brain Project)
- Members Support

5.1 Outline Project Deliverables and/or Desired Outcomes

The major deliverables and outcomes are:

- Concierge system in place and operational in all PCC offices
- FM & Business Support Target Operating Model (TOM, detailed business architecture)
- Investigate 'Alternative service delivery vehicle(s)' for operational FM & Business Support
- Migration of staff & service delivery to ASDV(s)
- Restructure retained 'strategic' functions for incorporation in Strategic Brain
- Input to Business Change to shape design for changes in transforming PCC operations

Further deliverables to be identified and agreed during development of the PID.

5.2 Constraints

The project will be delivered within the following constraints:

- Use staff from within service areas to deliver products where possible and appropriate
- The business designs will be provided by Business & Technical Architecture
- A co-operative approach that ensures business buy-in to all changes
- All solutions to be designed and tested with service users and service suppliers
- Business Architecture led approach from Business & Technical Architecture team
- Building on existing initiatives for developing potential partnerships (e.g. One Plymouth, H&WB Board, City Deal)
- Using existing regional and national intelligence and best practice (e.g. Co-operative Councils Innovation Network, LGA, SIGOMA, Key Cities)

5.3 Interfaces

5.3.1 Dependencies

The project has dependencies with other projects in the CCO Programme:

- Strategic Brain Project
 - Implementation of the intelligent client capability for managing FM & Business Support services delivery
 - Members support, including professional assistance for Members, is being managed under the Strategic 'Brain' project
- Commissioning & Procurement Project
 - Arrangements with ASDV(s) to be set up in line with the emerging corporate commissioning framework
- HR, Finance & Corporate Services Project
 - Development of shared Transaction Centre which may be a suitable ASDV for some FM or business support services
- ICT migration to Delt Project
 - ICT operational services to all PCC services to be delivered by external joint venture company from Summer 2014

The project has dependencies with other programmes and projects in Transformation Portfolio:

- Personal & Organisational Development Programme (P&OD):
 - Accommodation & office moves: changes to FM requirements & timing for each building
 - Workforce Development Project: organisational development to support Transformation
- Integrated Health & Well Being Programme (IHWB):
 - Schools catering changes to 'spin out' services to a shared delivery model in partnership with schools for delivery of catering services to other organisations as well as schools

5.3.2 Interfaces with service areas

The project has interfaces with all service areas in scope and in addition will need to develop working relationships with all other services in PCC (and, increasingly, with ASDVs for services), including:

- Corporate Services
 - Business Support & admin

- Finance
- HR
- Procurement
- Legal Services
- ICT
- Place
 - Business Support & admin
 - *other service areas to be determined*
- People
 - Business Support & admin
 - *other service areas to be determined*

5.4 Outline Business Case

5.4.1 Benefits

Cashable financial benefits and non-financial benefits are expected from this project.

Cashable savings:

- 2014/15: £250k of cashable savings from restructure and revised schedules as a result of introducing concierge system
 - reduction by a total of 13.2 FTEs of which, 11.4 FTEs from vacant positions that can be deleted at short notice
 - and another 1.8 FTEs through redefining the service
- 2015/16 & 2016/17: Cashable savings from internal reorganisation and/or migrating services to ASDV(s): not yet estimated in detail

Non-financial CCO Programme benefits to which this project will contribute are:

- Improved customer satisfaction from more involvement, ability to influence decisions and better targeted services
- Less complexity of PCC operations, reducing overheads

See also CCO Outline Business Case (v1.0)

5.4.2 Costs

Project cost estimate for 2014/15 is £83.8k.

5.5 Customer's Quality Expectations

The outcomes that are expected from the project are:

- All FM & Business Support services are delivered in a new co-operative way, at a lower cost than currently (2013/14 baseline)

- All appropriate operational FM and Business Support services are delivered by new or existing 'alternative service delivery vehicle(s)', on a shared basis
- 'Intelligent client' capabilities are built into the strategic brain to manage delivery of services through the new arrangements (internal and external ASDV)
- Services delivered through ASDV(s) meet our internal and external customers' needs.

TRANSFORMATION PROGRAMME SUMMARY OF PROJECTS DELIVERING SAVINGS IN 2014/15

Customer and Service Transformation



I. Programme Summary

This programme builds on the “Investment in Customer Transformation and Core ICT infrastructure” (Cabinet approval September 2012) and “Redevelopment of the Civic Centre and future accommodation requirements” (Cabinet approval September 2013) and will:

- Define and implement consistent service standards for customer interactions supported by the Council’s in house service and for those services delivered for the Council by other parties
- Implement the Customer and Channel elements of the Blueprint through a process of service reviews with the result that the cost of managing customer contacts will be reduced and service levels delivered to customers are actively managed.

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

This programme will transform the way the Council interacts with customers to meet their demands and preferences, and transform the services that are prioritised for review. 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 – leading to the establishment of a customer insight capability supporting decision making in both in house and externalised services
- 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 and reduce cost
- Improved customer experience.

The focus of activity for services to be provided elsewhere is driven by new models coming into existence

I.3 Scope

The programme of work covering the standards, operations and performance management is scoped to cover all customers (internal and external), all channels and all services (conducted by, or on behalf of the Council). It will include change requirements on information and technology to support the measurement of service standards as well as the capture and analysis of customer data.

Service reviews are likely to take one of two forms; Type 1 will take the form of training and tools provided to a service area such that they are able to implement the redesign for themselves. Type 2 will take the form of a project team to work alongside a service to re-engineer processes, systems and organisation in order to implement the redesign and achieve a step change in performance. The choice between these two types of review will rest on the anticipated scale of change required and the benefits expected. The scope of work covered by Type 2 service reviews will include those processes, people/organisation, information, technology required to support the services and customers agreed to be in scope for the reviews.

1.4 Project List

The list of projects in this programme to date is:

- Service Reviews
- Customer Feedback
- Customer Operating Model

1.5 Projects delivering savings in 2014/15

- Service Reviews

2 Service Review Project Summary

2.1 Background

This document is a summary project brief for the Service Review Project within the Customer and Service Transformation (CST) Programme. It has been specifically written to respond to a request from Members for additional clarity around the costs and benefits to be delivered in FY 14/15 from Transformation; as a result it focuses on these aspects of the project.

2.2 Project Objectives

The service review project is the key project within the CST Programme to deliver on the programme vision. The service reviews will systematically analyse the customer demand and systems to fulfil that demand across a range of Council services. These reviews will be conducted by a team of business analysts (BAs) working very closely with the services to develop a business case for change and set of recommendations and requirements to realise the benefits proposed.

2.2.1 Project Scope

The scope of the work in this project is defined against the following scope dimensions:

- Customers: all customers interacting with Plymouth City Council are considered in scope, these may be internal as well as external customers. Customers need not be residents of Plymouth. Customers may be organisations as well as individuals. Customers are defined

as those parties requiring service, benefiting from the service or mandated to use the service.

- Channels: service reviews will focus on the following channels providing customer service:
 - Face to face
 - Telephone (including Interactive Voice Response [IVR] and Short Messaging Service [SMS])
 - Internet and mobile apps
 - Social media
 - Post.
- Services: the schedule of service reviews currently proposed covers the following services:
 - The shop in the Civic Centre (to support the move to 71 New George Street)
 - Revenues and Benefits
 - Adult Social Care / Health Services
 - Children's Social Care / Education Learning and Family Support
 - Homes and Communities
 - Planning and Street Services
 - Public Protection.
- Systems: the project will review and note the systems being used currently by services to deliver fulfilment to customer demand. Technical requirements will be developed by Business Architecture on a target architecture beyond the scope of this work.
- Processes: the project will review all processes involving interactions with customers and the business support processes required to deliver the customer interactions.
- Interactions: the project will focus on all types of interactions.

2.2.2 Exclusions from scope

- The potential and financial benefits associated with income generation have not been included in scope
- Cross cutting processes such as complaints and other forms of feedback are excluded from the scope of this project and will be addressed by the Customer Feedback project within CST.

2.3 Outline Project Deliverables and/or Desired Outcomes

The project will complete the following key deliverables (and other supporting deliverables unlisted here):

- Data capture report showing volumes and nature of customer enquiries and the costs and allocation of resources to fulfil this demand

- Engagement workshops with staff to discuss data capture findings and agree implications for future design of service delivery
- Design of future service including business requirements to deliver this design
- Engagement workshops with staff to discuss future service designs
- Change implementation plans – the scheduling of when, who and how changes will be made to deliver the recommendations from a customer review. These are likely to include work streams for the following:
 - ICT development for queuing systems, CRM systems and back office systems
 - Role profile changes
 - Organisation structure changes
 - Refit of the physical accommodation
 - Training and transition to future design.
- Benefit realisation plans – These will include both quantified financial benefits and an indication of where customer service improvements will be made
- Benefit realisation results – the actual performance of the service following the changes confirming or amending the benefit realisation plan.

2.4 Constraints

During FY 14/15 the project will operate within the following design constraints which have been set as targets as part of the Corporate Plan or are part of the Blueprint. These are:

- Delivery of the local government national average of calls taken and resolved through the contact centre
- Identifying all transactional services and consider the potential to move them to the transaction centre for delivery
- Shift to transact with the Council via internet and electronic channels in line with the national averages
- Improved customer satisfaction and perception of value for money.

In addition the in FY 14/15 project will start to establish corporate customer operations model to deliver:

- 80% of service delivered through single front office
- 80% resolution at first contact
- Single published number for most services
- “My Account” citizen portal on the web site
- Channel shift

- The customer review programme
- Savings from customer reviews.

Service reviews will follow a co-operative development process engaging with customers, staff, Members and stakeholders in the design process.

2.5 Interfaces

2.5.1 Dependencies

This work is dependent upon the following:

- Accommodation development (particularly the provision of the replacement for First Stop) for services to occupy after the reviews have completed – this dependency is being managed by the P&OD programme.
- ICT development to realise the business requirements resulting from service reviews. This dependency is being managed by the Business Architecture team.
- Expertise in Health and Social Care to support the reviews in Adult Social Care (ASC) and Children’s Social Care (CSC) / Education Learning and Family Support (ELAFS). This dependency is being managed through joint working with the Integrated Health and Wellbeing Programme.

2.5.2 Interfaces with service areas

Each service review will work very closely with staff and management from that area. The service review process will provide regular updates to staff and management on the progress of the review and seek volunteers to participate in the development of the future design for the service area.

Service area management will be invited to attend Project Board meetings for the duration of the review of their service area.

Existing initiatives such as “Tell us Once”, and the 101 non-emergency calls number, will all be worked with during the relevant service reviews. This will ensure that they are fully integrated with Council services.

2.6 Outline Business Case

2.6.1 Benefits

The benefits will result from recommendations to:

- Stop – doing things that are not valuable to customers
- Shift/share/migrate – customer requests to more cost effective ways of meeting them
- Simplify (processes) – so that they are easier for customers, staff and partners to understand and use
- Automate – allowing customers that want to have access to services 24 hours a day
- These benefit types have two intended impacts: the first and most important is the improvement of service standards and customer satisfaction. Recommendations have been made in the design

for the new shop to significantly reduce queuing times for customers and to improve the service provided. This would address the drivers of customer dissatisfaction that were identified by both staff and customers during the review. The second benefit type is financial savings.

- The savings will come from reduced demand for the service and reduced need for manual intervention in the fulfilling of services. To realise these savings will require re-organisations to take place focusing on achieving: management efficiencies (though combining functions); fewer staff (as automation and/or process change remove the need for manual processing); and re-grading (as roles are redefined and additional support provided).
- The financial savings for FY 14/15 to be delivered by the Service Review project are projected at £274k. These are to be delivered from the service reviews of First Stop and Revenues and Benefits. The timing of the benefits is scheduled for delivery from September 2014 therefore the full year effect would amount to £548k.
- Analysing the payroll costs for the services in First Stop and adding the remainder of the Revenues and Benefits service, results in an addressable budget from which these savings can be delivered of nearly £3.2m pa. The target saving percentage is therefore 17% (using the full year effect target).

2.6.2 COSTS

- Note - whilst this section includes the cost of the project work to deliver the benefits outlined above, the full programme costs are documented in the OBC and estimated at £590k for FY 14/15. The project costs are estimated as follows:
 - Project management costs: £113k
 - Business analysis costs: £194k
 - Total costs: £308k
- There will be ICT expenditure to deliver the replacement for First Stop, which is being funded from the existing approved ICT programme budget of £4.2m

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:

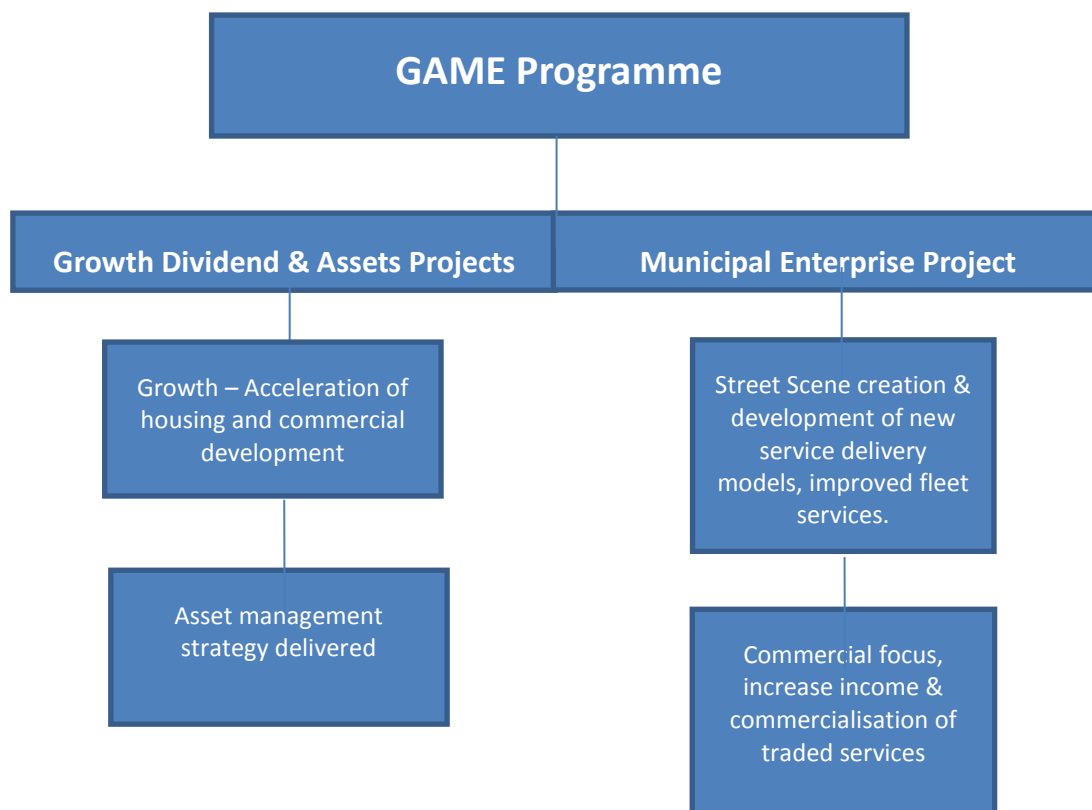
1. Accelerate housing and economic growth
2. Shape new Street Services functions to deliver key elements of the Municipal Enterprise (ME) agenda

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.

TRANSFORMATION PROGRAMME SUMMARY OF PROJECTS DELIVERING SAVINGS IN 2014/15

People and Organisation Development



I. Programme Summary

The People and Organisation Development (P&OD) programme will define and develop the capability required for our staff and accommodation infrastructure requirements to enable Plymouth.

City Council's vision of becoming a Brilliant Co-operating Council. This programme is made up of two projects the first being Accommodation and Infrastructure. This is an ongoing project to provide the right physical assets and workspaces for the council to be able to operate from in an efficient and economical way. The first element of this is the decant from the Civic Centre into a temporary accommodation. This element is already funded and approved by Cabinet and full Council. All subsequent capital projects will be proposed on a case by case basis. As such this project is not funded by Transformation and is not delivering any savings in 2014/15.

The Workforce Delivery Project is an enabling project which supports the other four programmes and redesigns the development of the organisation. As part of this redesign there will be an investment of £780K in FY 14/15, this is captured within other transformational investment costs, to increase specific operational capability within the authority and developing opportunities for staff to close the skills gap within the city.

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

To define and deliver the workforce capability and accommodation infrastructure requirements which will enable Plymouth City Council to achieve its vision of becoming a Brilliant Co-operative Council.

2 Workforce Delivery Project Summary

2.1 Background

The Project will define and deliver the capability required for our staff which will enable Plymouth City Council to achieve its vision of becoming a Brilliant Co-operative Council. The vision for the People and Organisational Development programme is to provide the right people capacity with the right capability, knowledge, skills, competencies, deployed at the right time, in the right buildings, to become a brilliant co-operative council.

The Workforce Delivery Project will underpin this by:

Adopting principles of Systems Leadership which is focused on bringing together appropriate resources to address shared priorities for system improvement. To successfully adopt this approach, Plymouth City Council will need to ensure that staff has the appropriate capabilities to work with other partners and influence change through other models of delivery.

As part of the strategic principles captured within the Blueprint, is the desire for the future organisation to work more collaboratively than it does today and to leverage its economies of scale to drive cost efficiency within the organisation and share best practice. This programme will identify future behaviours required in the organisation to embed new ways of working to break down silos in the Council and externally.

2.2 Project Objective and Scope

- Redefinition of role descriptions to support the redesign of services, improved collaboration greater flexibility and the development of job families
- Identification and development of a job families approach within the organisation
- Ensure a reward, recognition system and Terms and Conditions that align with the organisations strategies and priorities
- Ensure key policies and guidelines support the transition and the future state organisation
- Ensure a people strategy that aligns with the needs of the transitioning organisation and the future state organisation
- Development of appropriate consultation material and methods to meet the scale of change
- Development and implementation of performance management arrangements and tools that align our people with the priorities and objectives of the transitioning organisation and future state
- Definition of the knowledge, skills and behavioural and technical competencies requirements for the future organisation and development of approaches for ensuring these support focused cohesive people processes and tools
- Development and implementation of arrangements, processes and tools and the specification of requirements of programmes and interventions to improve and develop the knowledge, skills and competencies of the organisation and third party groups to meet current and future requirements
- Development and implementation of strategic workforce planning, succession and talent management arrangements, processes and tools to ensure the right people capacity and capability in the right place at the right time
- Delivery of flexible new ways of working
- Management of the transfer of workforce/assets out of the organisation into new delivery models
- Support the specification and delivery of ICT requirements to support the users of the products delivered by this programme
- Development of Leadership Development
- Support Members Development

2.2.1 Exclusions from scope

The following are specifically outside the scope of the project:

- Assessment of the current organisation to identify what the organisation is currently effective at and where there is scope for improvement

- Development of a high level organisation structure for 2017/18 and any interim states
- Development of approach to organisation transformation from current to future state
- Identification of functions which require co-location
- Development of a detailed organisation design (with FTE, reporting lines, locations and asset requirements) for 2017/18
- Development of a structure or the content of the roles.
- Development and delivery of any learning and development interventions
- Development of any succession and talent management programmes
- Short term management de-layering activity

2.3 Outline Project Deliverables and Benefits

The major deliverables and outcomes are:

- A lean and adaptable organisation which is adaptive to requirement changes and is able to flex accordingly
- An organisation which has clear responsibilities and accountabilities
- An organisation that is able to work from a flexible asset base that meets the needs of its customers and the services that it supports, and facilitates the desired organisational cultures and behaviours
- A confident and capable workforce with appropriate skills and knowledge to deliver organisation priorities and outcomes as set in the corporate plan
- An organisation that is able to work in a systemic and participative way but able to deal with the uncertainty of changing future requirements
- An organisation which recognises the need to support its partners and citizens to deliver cheaper access to services
- An organisation that demonstrates its values through its ways of working
- An organisation that delivers a self-improving culture and is aware of its decisions and actions have a consequential effect upon neighbouring partners
- An organisation which through its social responsibility prioritises prevention and safer stronger community focus where people are treated with respect and its employees are ambassadors for the city and the Council
- An organisation which is able to work in a flexible manner across its assets with its partners

2.4 Dependencies

Area	Dependency
HR	TU consultation Input into descriptions of “as is” Specialist HR, OD and L&D resources to support work stream delivery
Transformation programmes and projects	Requirements for relevant products being delivered by Workforce delivery
Business change team	Timings for need to use products being delivered by Workforce delivery and for need for support in using tools. (being collated on a timeline by Business Change)

	Need to understand the collective impact of projects and programmes on people.
Senior leaders	Requirements specification and co-design, as appropriate
Staff	Co-design, user testing
Partners	Co-design, user testing, as appropriate
Members	Requirements and co-design, as appropriate

2.5 Outline Business Case

2.5.1 Costs

Initial cost estimates are shown below.

Area	Resource Description
Estimated Costs <ul style="list-style-type: none"> ▪ Capital • Revenue • External Funding 	<ul style="list-style-type: none"> • Human investment costs: £420k

2.5.2 Benefits

The benefit of the investing £780K in FY 14/15 will produce much more flexible management structure and a more capable workforce able to meet future demands, increasing specific operational capability within the authority and developing opportunities for staff to close the skills gap within the city.

TRANSFORMATION PROGRAMME SUMMARY OF PROJECTS DELIVERING SAVINGS IN 2014/15

Integrated Health and Wellbeing



1. Programme Summary

The programme is aligned to the wider PCC transformation portfolio of programmes, which has been developed to deliver the Council's Blueprint for future service delivery. It will also play a key role in describing what an integrated suite of community health and social care services may look like in the future, which will then feed into the CCG's Transforming Community Services programme as part of its procurement timescales.

The programme will aim to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how the organisations commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth. As part of this, the programme recognises the importance of investing in preventative and early intervention services in order to reduce demand on higher cost community and bed based services, particularly acute services, which have been under sustained pressure for much of the last 12 months. The programme will consist of the following three projects:

- Integrated Commissioning
- Co-operative Children and Young People's Services
- Integrated Community Health and Social Care Provision

1.1 Strategic Case

The city of Plymouth has a population of approximately 260,000, which is projected to increase by 2.4% by 2017. The population of those aged 65 and over, who as a group are more likely to have long term conditions or social care needs, is projected to increase to 46,700 by 2016, an increase of 4.7%.

Public Health outcomes in Plymouth are worse than elsewhere in England in 28/32 of the measures shown in Plymouth's 2013 Health Profile. The health of people in Plymouth is generally worse than the England average: deprivation is higher than average and about 10,200 children live in poverty. Life expectancy for both men and women is lower than the England average. Estimated levels of adult 'healthy eating' and smoking are worse than the England average. Rates of sexually transmitted infections, smoking related deaths and hospital stays for alcohol related harm are worse than the England average.

The increase in population, and particularly the increase in older people, is likely to put significant strain on both health and social care services in years to come. This programme will deliver effective integrated care to the population of Plymouth and in doing so will streamline cost.

1.2 Aim

The programme aims to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how PCC and the CCG commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth.

In line with the strategic aims for integration set down by the Health & Wellbeing Board, the programme has the following five aims:

- Building on co-location and existing joint commissioning arrangements, the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets
- Focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place.
- Working cooperatively with partners, enhance the lives and outcomes for children and young people.
- An emphasis on those who would benefit most from person-centred care such as intensive users of services and those who cross organisational boundaries
- A focus on developing joined up population based, public health, preventative and early intervention strategies
- An asset based approach to providing and integrated system of health and wellbeing, focusing on increasing the capacity and assets of people and place

2. Integrated Approach to Health and Wellbeing Project Summary

2.2 Background

Plymouth City Council and Northern, Eastern and Western Devon CCG are facing a combination of severe budget pressures, and rising demand for services. The Integrated Approach to Health and Wellbeing Programme aims to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how the organisations commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth. This approach fits with PCC's ambition of being a co-operative council, supports the ethos of collaboration set down by all partners and will help to achieve the Health & Wellbeing Board's vision of "Healthy, happy, aspiring communities".

2.3 Project Definition

The Integrated Commissioning Project aims to build upon co-location and existing joint commissioning arrangements, with the focus of establishing a single commissioning function, the development of integrated commissioning strategies and pooling of budgets.

In order to promote integrated whole person care that improves outcomes it is recognised that an integrated approach to commissioning is a pre-requisite with commissioners being required to develop "one system, one budget"

2.4 Project Objectives

The outcome of this project will be a single, integrated and co-ordinated approach to commissioning across the social care and health system.

This single commissioning function will more easily enable investment to be targeted at a range of initiatives to develop out of hospital care, including early intervention, admission avoidance and early hospital discharge, preventing escalation of needs.

Established protocols and pathways to ensure clear governance agreements are in place will increase efficiency and transparent performance and financial framework, supported by this joint governance, will ensure robust management of quality and costs.

Savings will be made through having shared management, system, overheads, etc. and financial risk sharing will also ensure value for money.

Providers will experience more integrated back-office support due to the removal of organisational boundaries, enabling flexibility and efficiencies. There will also be greater opportunity for providers to invest due to greater financial certainty.

- Single team developing and implementing key commissioning strategies for Health, Care and other services.
- Cost savings achieved through better control, planning and utilisation of resources.
- An integrated budget for Health and Social Care
- Team collaborates through sharing knowledge and skills on each strategy
- Potential platform for further collaboration in the future

2.5 Project Scope

2.5.1 Integrating Commissioning

The integrated commissioning project aims to design and develop a whole new commissioning architecture across both the Western Locality of NEW Devon CCG and the People Directorate of Plymouth City Council. This element of the project will specifically look to develop

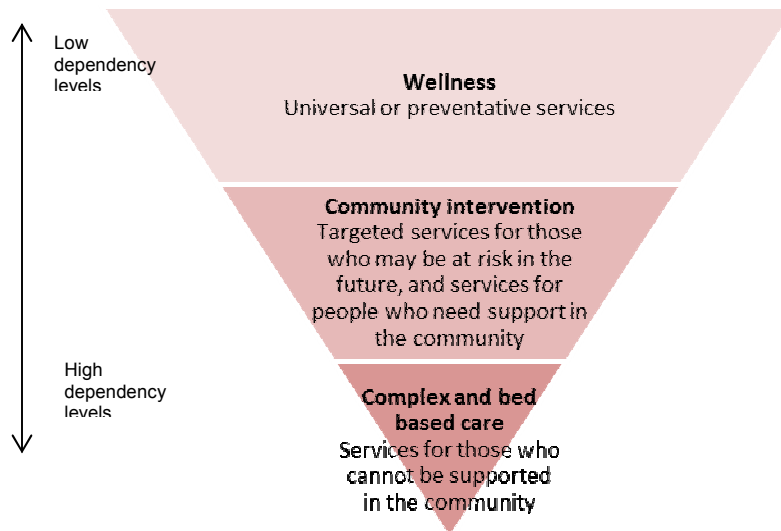
- Integrated Commissioning Function.
- Development of New Governance Architecture.
- Section 75 for pooled budget

The table below shows the different elements that are in scope-

PCC	CCG
All people directorate commissioning functions including but not limited to; Cooperative Commissioning Team; Homes and Communities including Community Safety ODPH Certain Policy and Performance elements	Western Locality; Partnerships

Integrating Provision through Commissioning

Integrated commissioning not an end in itself and the primary drivers of this project is to improve service delivery and provision with the aim of improving outcomes and value for money. This project will therefore develop three co-dependent commissioning strategies with the aim of commissioning an integrated system of health and wellbeing.



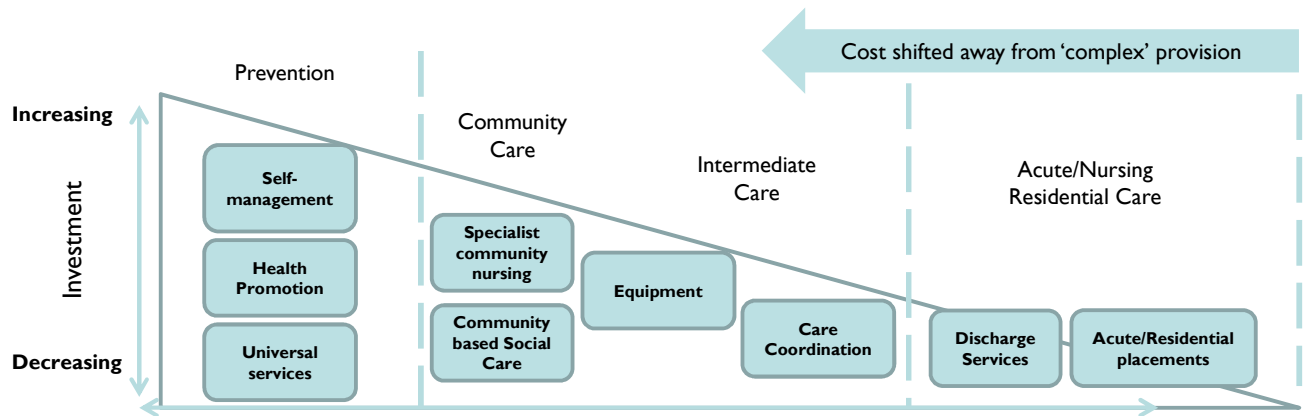
The three inter related dependent strategies are-

Wellness: *Universal or preventative services.* This includes many Public Health services, such as smoking cessation and sexual health campaigns, and PCC services that do not require a FACS assessment. The category also includes early years prevention and early intervention services, and best start to life services.

Community intervention: Targeted services for those who may be at risk in the future, and services for people who need support in the community. This includes community nursing, domiciliary care and supported living.

Complex and bed based care: Services people with complex needs, who cannot be supported in the community. This includes acute, residential and nursing care.

The aim of this integrated commissioning activity is to move the balance of spend away from Complex provision towards services in Community and Wellness, in order to manage the demand and avoid costs incurred:



The scope of the programme will therefore cover a range of services currently commissioned or provided by PCC’s People Directorate, and a range of services that are commissioned by the Western Locality and Partnerships Locality of NEW Devon CCG. It is important to recognise that, although there may be some services which will not be redesigned and will continue to be delivered in the same or a similar way, it is likely that changes in other parts of the economy will have an impact on the demand and spend in these services areas. Integrated commissioning will provide the opportunity to commission an integrated provider function stretching across health and social care providing the right care at the right time in the right place.

The estimated directly addressable spend for the Integrated Commissioning Project is as follows:

Project	PCC	CCG
COMMISSIONING	2,803,219	3,068,022

Some simplifying assumptions have been made about certain aspects of addressable spend in scope. These are as follows:

All Plymouth Community Healthcare spend relates to individuals from Plymouth – this is because there is a separate Community Health services provider that covers the remainder of the Western Locality (which is within Devon County Council area)

60% of Plymouth Hospitals NHS Trust spend commissioned by the Western Locality of the CCG is attributable to individuals from Plymouth – this is because approximately 60% of the population of the Western Locality live in Plymouth, and Derriford Hospital is the only major acute care provider within the Western Locality

For certain areas of CCG Partnerships commissioned spend, we have assumed that 45% of the spend relates to the Western Locality (as approximately 45% of the population covered by NEW Devon CCG live in the Western Locality), and of this spend, we have assumed that 60% is attributable to individuals living in Plymouth (as 60% of the population of the Western Locality live in Plymouth)

The addressable commissioning spend shown in the table above does not currently include finance and/or business support/commissioning support functions from either PCC or CCG at present. Further development of the programme comes with a requirement to determine what areas of both organisations are within the scope of the programme. The CCG will need to determine which functions are predominantly serving the Plymouth territory and/or the wider CCG. There are also likely to be other sources of public sector funding (such as work and pensions) which will need to be considered as part of the next phase of work.

2.5.2 Exclusions from scope

The scope of the programme will not include certain Children’s Social Care services (including assessment and case management of Looked After Children or those subject to a Child Protection Plan) that are currently provided in-house by PCC, although it will include the budget for commissioned children’s services (e.g. Looked After Children placements) within scope.

The programme will not include in its scope any services commissioned by the Northern or Eastern Localities of the CCG, or any services commissioned by the Western or Partnerships Localities where there is an obvious geographical disconnect between the service commissioned and Plymouth city boundaries (e.g. mental health services in Devon County Council’s area).

GPs and Primary Care services are assumed to be out of scope initially, although strong links to these providers will need to be maintained to engage them throughout the process of developing the new operating model for health and social care provision. Other public sector commissioning organisations such as Police and Crime Commissioner, Probation, NHS Area Team or other neighbouring Local Authorities, are presently out of scope however the programme will retain the flexibility to incorporate other public bodies at any stage if efficiencies and outcomes would be improved.

The Integrated Commissioning Project will set down the Integrated Commissioning Strategies that will shape and change health and wellbeing provision towards a more preventative and community based focus. However the project won’t cover the actual commissioning activity or the integrated provider redesign.

2.6 Interfaces

2.6.1 Dependencies

Area	Dependency
Programme/Project	Other programmes within The PCC Transformation Portfolio will provide support around engaging with staff, developing new ways of working and redesigning customer service.
Organisation	The PCC Blueprint will drive the way in which The Council operates in the future, and as such it is vital that the project is compliant with this document.
Organisation	NEW Devon CCG has a number of organisational

	<p>interdependencies. These include those with Devon County Council, and West Devon and South Hams District Councils, since the Western Locality of the CCG (which includes the entire Plymouth footprint) also includes populations within Devon. There is also an interdependency to consider within the Partnerships Locality, which commissions a variety of services across the whole of the NEW Devon footprint, and it is therefore possible that commissioning decisions taken as a result of this programme may have an impact on those in other localities.</p>
Project Delivery	<p>The partnership agreement must be in compliance with Section 75 of The NHS Act 2006.</p>
Project Delivery	<p>Devon CCG has to re-commission its community healthcare services contract by March 2016. The current provider is Plymouth Community Healthcare (PCH), who also provides certain Public Health services in Plymouth. The commissioning timescale for this, and the associated 'Transforming Community Services' programme, will influence workstreams concerning other community services.</p>

2.7 Costs

Results Summary for 2014/15 to 2016/17	
Total project cost savings/income £'000	1,060,000
Total project expenditures £'000	- 340,000
Net project savings / income £'000	1,400,000
ROI (return on investment - after 3 years)	211.8%
Discounted ROI (return on investment - after 3 years)	339.2%
Average Annual Discounted ROI	113.1%
NPV (net present value) £' 000	652,367
at a discount rate of:	4.5%
IRR (internal rate of return)	619.7%
Payback year	Year 1

To achieve the cost savings anticipated for 2014/15, the project will focus on three areas:

- Review of People Directorate Commissioning Activity to restructure team before integration. It is anticipated that this will achieve £100k in 14/15.
- Cost reduction of 10% annually to both PCC through better commissioning. This is anticipated to provide a £200k saving to PCC in 14/15.
- Initial cost estimates are for Project Resources in 14/15 of £340K.

3. Integrated Community Health and Social Care Service Delivery Project Summary

3.1 Project Definition

3.1.1 Project Objectives

The Integrated Community Health and Social Care Service Delivery Project will focus on developing an integrated service delivery model function stretching across health and social care, providing the right care at the right time in the right place. Emphasis will be placed on those who would benefit most from person centred care, such as intensive users of services and those who cross organisational boundaries. The project will also allow focus on developing joined up population based, public health, preventative and early intervention strategies.

Plymouth City Council, the Western Locality of the NEW Devon Clinical Commissioning Group and Community partners are committed to the development of an integrated model for the delivery of services for the City of Plymouth. This has been endorsed at the Plymouth Health and Wellbeing Board as an agreed work stream as a priority for 2014.

Many users of health and social care services experience care that is fragmented, with services reflecting professional and institutional boundaries when it should be co-ordinated around the needs of patients. This can result in duplication, inefficiency, gaps in care, feelings that ‘no-one is in charge’ and ultimately poor outcomes. This has been the context within which health and social care integration has been promoted as a model of care in recent legislation, policy and academic commentary by key stakeholders.

Plans for integration have been informed by the Transforming Community Services Process and responds to what the public have consistently said is needed. The following ‘I’ Statements are from the Western Locality TCS Process:

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group




Transport

“I want to be able to get to the services in my community”

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



More than a condition

“I want services that support me to manage my situation in life not just my condition”

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Existing services

“I want the services I value now to be strengthened”

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group




Service Opening times

"I want to be able to get to my community services at times that are convenient for me"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group




Carers

"I want what my carer does to be recognised and for them to have the support they need to have a full, healthy life of their own"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Educate and inform

"I want the information I need to make healthy choices and stay healthy"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group




Work with others

"I want to be able to have services provided in lots of different places not just health centres"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Communication

"I want to be able to talk to healthcare providers when I need to."

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Talk to each other

"I want to tell my story once - share my information with colleagues"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Technology

"I want to be able to use new technology to help me manage my own health"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group




The voluntary sector

"I want to continue to get the services I value that are provided by the voluntary sector"

HEALTHY PEOPLE
living healthy lives
in healthy communities
Western Devon

NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group



Boundaries

"I want a health care service that doesn't stop at the boundaries"

The project aims to engage with delivery partners to establish a more collaborative, integrated and strategic approach to how PCC and the CCG deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth.

3.1.2 Project Scope

The scope of the programme will cover a range of services currently commissioned or provided by PCC's People Directorate, and a range of services that are commissioned by the Western Locality and Partnerships Locality of NEW Devon CCG.

It is important to recognise that, although there may be some services which will not be redesigned and will continue to be delivered in the same or a similar way, it is likely that changes in other parts of the economy will have an impact on the demand and spend in these services areas. At present, these services have been included within the addressable spend analysis that is laid out below.

The following criteria have been devised to establish a baseline of services across PCC and NEW Devon CCG that are within the scope of the programme, and the changes we make will be based on our TCS engagement work and what we have heard from the public about how services should change.

Service spend is in scope if:

- Some or all service outcomes are shared
- Service requires input and decisions from two or more parties
- Requires single input from one party but service users significantly overlap

Service spend is out of scope if:

- Outcomes are aligned but not dependent on others
- Service operates effectively independently of others although activity and spend may be impacted by changes in other service areas.
- Limited overlap in service users

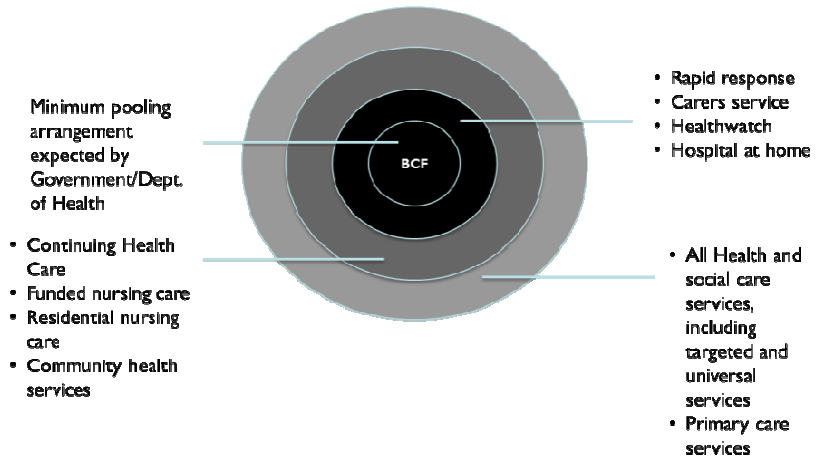
By assessing each service against these criteria, a baseline list of services that are in the scope of the programme has been devised. The detailed list of these services across PCC and NEW Devon CCG can be seen in the embedded spreadsheet in Appendix A. Note that this list is subject to agreement by the HWB Integration Programme Board and as such there may be changes.

In addition to considering whether services are in or out of scope of the programme, services that will form part of the integrated provision project have been grouped into three categories, which correspond to differing levels of need and complexity, and allow a focus on the aim of 'investing to save'. These three categories are:

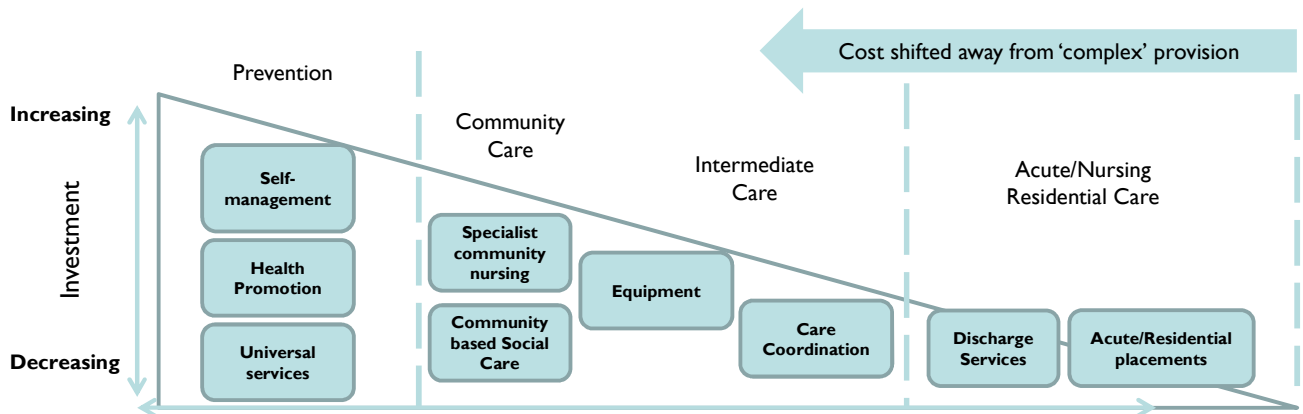
- Wellness - Universal or preventative services. This includes many Public Health services, such as smoking cessation and sexual health campaigns, and PCC services that do not require a FACS assessment. The category also includes early years prevention and early intervention services, and best start to life services
- Community intervention - Targeted services for those who may be at risk in the future, and services for people who need support in the community. This includes community nursing, domiciliary care and supported living
- Complex and bed based care - Services people with complex needs, who cannot be supported in the community. This includes acute, residential and nursing care

The project aims to eradicate duplications. Functions within scope include:

- Assessments of Needs
- Safeguarding of vulnerable adults
- Community based provision including equipment provision
- Service planning/Care Coordination
- Hospital admission prevention/rapid response
- Hospital Discharge planning



The intention is to move the balance of spend away from Complex provision towards services in Community and Wellness, in order to manage the demand and avoid costs incurred:



3.1.3 Exclusions from scope

The scope of the project will not include certain Children’s Social Care services (including assessment and case management of Looked After Children or those subject to a Child Protection Plan) that are currently provided in-house by PCC, although it will include the budget for commissioned children’s services (e.g. Looked After Children placements) within scope.

The project will not include in its scope any services commissioned by the Northern or Eastern Localities of the CCG, or any services commissioned by the Western or Partnerships Localities where there is an obvious geographical disconnect between the service commissioned and Plymouth city boundaries (e.g. mental health services in Devon County Council’s area).

GPs and Primary Care services are assumed to be out of scope initially, although strong links to these providers will need to be maintained to engage them throughout the process of developing the new

operating model for health and social care provision. The scope may be widened to directly include these services if a change in commissioning responsibilities for these (from NHS England to CCGs) takes place within the timescale of this project.

3.2 Outline Project Deliverables and/or Desired Outcomes

Benefit	Baseline [2012/13]	Target [2014/15]	Target [2015/16]	Target [2016/17]
Health and Wellbeing Outcomes				
Delayed transfers of care (per 100,000 population)	13.1			Return to national average
Delayed transfer of care due to adult social care (per 100,000 population)	5.2			Return to average of comparator group
Reduction in long term admission to care homes and residential homes (65 and over) (per 100,000 population)	697			
Emergency admissions: not in need of admission				5% reduction in admissions
Use of bed-based care				5% reduction in emergency admissions 5% reduction in community hospital admissions
Reduction in length of stay for older people in acute (Plymouth Hospitals NHS Trust) hospital beds	8.31			5% reduction in average length of stay
Reduction in length of stay for older people in non-acute (Plymouth Community Healthcare) hospital beds	33.05			5% reduction in average length of stay
Readmissions to ED within 30 days				10% reduction in 30 day readmissions

Potential Years of Lost Life (PYLL) from causes amenable to healthcare for children and young people				Above average (measurements yet to be carried out nationally)
Effectiveness of reablement – Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	89.30%			2% improvement
Community activity levels				Dependant on project intervention
Activity of elderly care services				National average ratio Community:RC&N C
Proportion of deaths in usual place of residence				2% increase
Number of care homes awarded the Dementia Quality Mark				
Social care related quality of life	19.4			5% improvement
Control over daily life	83.4			5% improvement
To halt the increase of excess weight in childhood (year 6) in Plymouth and then decrease it by 15.3% by 2021/22	32%			decrease it by 15.3% by 2021/22
To halt the increase of excess weight in childhood (reception) in Plymouth and then decrease it by 5.4% by 2021/22	25%			decrease it by 5.4% by 2021/22
Young people with complex mental health needs				5% reduction by 2017
Carer satisfaction	48%			5% improvement
Patient and service user experience				70% score on Plymouth I Statements

3.3 Financial Benefits

Benefit	Baseline [2012/13]	Target [2014/15]
Financial efficiencies to PCC <ul style="list-style-type: none"> • Review of ASC • Single management structure for community service delivery • Tapering contracts • Increased use of reablements • Service redesign 	£41,900K	£500K
Financial efficiencies to CCG <ul style="list-style-type: none"> • Tapering contracts • Reducing bed days in Derriford • Service redesign 		TBC

4. Co-operative Children and Young People's Services Project Summary

The intention to transform services will offer new opportunities at each age and stage of life and bring coordination to services currently organised and delivered through separate pathways. The partnership with schools and other settings is well-established and the ambition to create new models of working is being realised through innovative and cooperative system leadership.

Since 2010, funding for a number of support services has been transferred from the Local Authority to schools, enabling them to go to the market to select a provider(s) for these services

This places at risk those PCC services traditionally provided to schools, unless they can be provided in an alternative manner

CCYPS wishes to work in partnership, *in a cooperative manner*, with a wide range of partners, including schools, to effect this transformation. The drivers for this and other changes include:

- A focus on the health and well-being of children through, for example, an increase in the take up of school meals using fresh, healthy food
- A blended and complimentary approach to improvement using the best skills at the right time in the right place
- An extended offer to communities to support skills development and employment from early years to adult life
- An holistic, 'one path' approach to early intervention and meeting need.

4.1 Project Objectives

The aim of the project is to develop a cooperative response across the various partners and agencies to develop a coherent pathway and service delivery that supports children, young people and their family achieving their outcomes. Services for children and young people will be integrated with schools, health and other partners in a more cost effective way which would deliver services cooperatively.

A capability assessment approach has been taken to assess ELAFS capabilities against desired outcomes. This assessment also involved determining which capabilities belonged in the same for each cluster. The resulting proposed initial clusters within the scope of the Cooperative Children and Young People's Services are as follows:

1	Education Catering & Facilities Services
2	Community & Extended Learning
3	Targeted Services (SEN)
4	Enrichment and Aspiration
5	Knowledge and Intelligence

4.2 Project Scope

The table below shows the services in scope for each of the five clusters:

Cluster	Services that form the cluster
Education Catering and Facilities	Education Catering
Targeted Support and Early Help	Education Welfare and Monitoring Children's Centres Management Youths Services Management Child's Health and Wellbeing Education of Children at Risk and Excluded Early Help and CAF Settings Advisory Services SEND Moderation and Statutory Assessment SEN Child Assessment SEND Support Occupational Therapy Support Safeguarding Advice, Guidance and Support School Transport Planning and Scheduling Educational Psychology Early Years Statutory Duties Parents Partnership Management Transportation for SEN Sensory Support

	Effective Inclusion of Children and Young People Short Breaks, Respite
Community and Extended Learning	VCS Engagement Adult and Community Learning
Teaching and Aspiration	Governor's Training/Governance (Strategic Influence) SACRE Music Education Outdoor Education Services for Schools Global and Cultural Education Newly Qualified Teachers Inductions Schools to School Support/Strategic Partnership Monitoring Challenge Standards Interaction Schools Sports Development
Knowledge and Intelligence	Quality Assurance School Organisation Management Data Management Employment Skills School's Admissions School's Forum Demand Forecast and Planning School Place Planning Capital Planning Performance Management
Not Clustered	Voice of the Parent Voice of the Child Links to and with DfE

Additional services

- Youths Services Management
- Family Group Conferencing
- Youth Offending Team
- Family Intervention
- Family Support

The estimated addressable spend for the project is as follows:

Project	Category	PCC
CO-OPERATIVE CHILDREN AND YOUNG PEOPLE	Wellness	11,011,687
	Community Intervention	11,405,628
	TOTAL	22,417,315

4.3 Exclusions from scope

The scope of the programme will not include certain Children's Social Care services (including assessment and case management of Looked After Children or those subject to a Child Protection Plan) that are currently provided in-house by PCC, although it will include the budget for commissioned children's services (e.g. Looked After Children placements) within scope.

The programme will not include in its scope any services commissioned by the Northern or Eastern Localities of the CCG, or any services commissioned by the Western or Partnerships Localities where there is an obvious geographical disconnect between the service commissioned and Plymouth city boundaries (e.g. mental health services in Devon County Council's area).

GPs and Primary Care services are assumed to be out of scope initially, although strong links to these providers will need to be maintained to engage them throughout the process of developing the new operating model for health and social care provision. The scope may be widened to directly include these services if a change in commissioning responsibilities for these (from NHS England to CCGs) takes place within the timescale of this programme.

4.4 Outline Business Case

4.4.1 Benefits

Benefit	Baseline [Year]	Target [Year 1]	Target [Year 2]	Target [Year 3]
Maximise resources and achieve financial savings through: <ul style="list-style-type: none"> - Family Support Review - Review of SEND/ Targeted Services - Review of Teaching and Aspiration Cluster - Review Learning and Communities (Education Catering) - Ensuring Full cost recovery services 		£450K		
Implementation of Cluster Model Saving	£22.417K	£450K	TBD	TBD

4.4.2 Costs

Initial cost estimates for 14/15 are £135K



Outline Business Case

Programme Name:	Co-operative Centre of Operations		
Date:	20 Dec 2013	Version:	1.0
Programme Projects:	<ol style="list-style-type: none"> 1. Strategic 'brain' providing engagement, leadership, direction & intelligence for PCC 2. Enabling new service delivery models for appropriate Council services 3. Setting up new delivery models for corporate and support services 		
Author:	Piers Newton		
Owner (SRO):	David Trussler		

CONTENTS

1. Executive Summary	61
1.1 Strategic Case.....	61
1.2 Options	61
1.3 Financial Case & expected benefits.....	61
1.4 Programme Plan.....	62
2. Vision.....	62
3. Strategic Case	63
3.1 Case for Change	64
3.2 Aim	64
3.3 Scope	65
3.4 Out of scope	67
3.5 Outcomes and benefits.....	67
3.6 Assumptions	68
3.7 Stakeholders.....	68
4. Options Appraisal	69
4.1 Option 1 – Do nothing	69
4.2 Options for strategic ‘brain’	69
4.3 Options for service delivery approach	70
4.5 Recommended Options	72
5 Financial Case	72
5.3 Expected Cost	72
5.4 Expected benefits	73
5.1 Cost Benefit Analysis	74
6 Management Case	75
6.1 Programme Plan.....	75
6.2 Risk Analysis	79
6.3 Interdependencies.....	79
6.4 Programme Organisation.....	80
7 Guiding Principles and Methodologies.....	80
Methodologies	81
Equality Impact Assessment.....	81
Any other tools / methodologies / processes / standards / assurance	81
Programme documents.....	81
8 Appendices	81

I. Executive Summary

This Programme will deliver the capabilities outlined in the Blueprint for the:

1. 'Direct and Manage' functions of the Co-operative Centre of Operations
2. Shared Support Services and Transaction Centre
3. Facilities Management

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 Options

Options for the strategic 'brain' and service delivery approach have been considered separately.

Recommended option for strategic 'brain'

The recommended option is that as many of the functions of the Co-operative Centre of Operations (CCO) strategic 'brain' be delivered on a shared basis. The strategic 'brain' will provide engagement, leadership, direction & intelligence for PCC, owning the values and ethos of the Co-operative Council and managing the new service delivery arrangements.

Recommended option for service delivery approach

The recommended option is that all appropriate services are delivered in co-operative partnerships, while ensuring new delivery models provide affordable services, deliver the right level of quality, and are designed and sized to meet PCC future needs.

I.3 Financial Case & expected benefits

The financial case is summarised as (excluding full life-time costs):

	2013/14	2014/15	2015/16	2015/17	TOTALS
Gross benefits		£ 650k	£3,800k	£3,550k	£8,000k
Costs	£ 330k	£ 985k	£ 503k		£1,818k
Net benefits	- £ 330k	- £ 335k	£3,297k	£3,550k	£6,183k
Cumulative net benefits	- £ 330k	- £ 665k	£2,632k	£6,183k	
Breakeven: 20 months (Q2 2015/16)			Return on investment: 340%		

Financial (cashable) benefits from reduced costs of service delivery and efficiencies estimated at £8.0m gross (£6.2m net). Non-financial (qualitative) benefits include:

- Services are better tuned to needs of customers (citizens, businesses, visitors)
- Better decisions for local needs from better intelligence and local engagement
- Improved local economy and jobs from encouraging co-operatives and local suppliers
- Improved customer satisfaction (more involvement in decisions, better targeted services)

I.4 Programme Plan

The programme is planned to deliver the required capabilities through five projects, over 2 years:

Establish CCO Projects

1. Strategic 'Brain'
2. Commissioning & Procurement

Support Services Transformation Projects

3. Finance, HR & Support Services
4. ICT Migration
5. FM & Admin Support

2. Vision

The vision for the Co-operative Centre of Operations (CCO) Programme is to create the strategic 'brain' at the heart of the Council for new ways of working: covering engagement, intelligence, leadership and direction. At the same time, it will introduce robust capabilities to set up, manage relationships with and assure the performance of our co-operative partners who will be delivering services on behalf of the Council.

It will contribute significantly towards the values and objectives given in '*Our Plan - The Brilliant Co-operative Council*', helping to make the Plan a reality.

The CCO Programme will:

- Be **Pioneering** by enabling better decisions for local needs from improved engagement and intelligence and, as a result, providing services that are better tuned to the needs of all customers, as well as reducing the costs and complexity of internal support services through innovative shared delivery
- Support the **Growth** of Plymouth by ensuring that the changes have an overall positive economic impact on the city, e.g. transferring support services delivery where possible to shared or alternative service delivery vehicles in the city, encouraging local co-operative partners and by securing commitments to local subcontractors for any service contracts let to suppliers based outside Plymouth
- Support the Council's **Caring** objectives by introducing ways to actively encourage citizens and other customers to engage with the Council in a meaningful way that they can see is used for more effective and fair decision making
- Enable a more **Confident** city, with citizens and businesses benefiting from more say in the services they get, better targeted services and a growing reputation as a responsible and innovative Council and city

3. Strategic Case

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 if left 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 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

Following are the key drivers for the change:

- Brilliant Co-operative Council vision needs to be translated into practice and there is currently no established mechanism for translating the Co-operative Council Framework into day to day business decisions, meaning that service strategies are uncoordinated
- PCC faces a funding gap of £65m
- Insufficient integration of strategy and planning, joining up within the Council and with Partners, with corporate functions e.g. strategy, policy, corporate services currently split across multiple areas within the Corporate Services Directorate
- Poor integration of intelligence, decision making and policy implementation
- Poor support and management of the few 1,000s of volunteers contributing towards delivery of Council services
- Ownership of functions is regularly transferred between ADs e.g. ICT has moved twice recently
- Interviews suggest that Corporate Services are seen as too complex and sometimes constrain operational delivery as they are not designed to meet customer requirements
- There is an opportunity to improve our support service delivery models to gain efficiency and reduce the costs of operation

3.2. Aim

The Blueprint has defined a need to establish an efficient PCC corporate function and transform the way we deliver our support services. The aims of the CCO Programme are:

- **Corporate Function Transformation** – Establish a strategic 'brain' that directs the organisation, deciding what to deliver, how to do it and ensuring value is delivered, using the co-operative principles and intelligence to co-ordinate organisational decision making and activity. It will provide the framework for how we engage our communities (consumers and citizens)
- **Service Delivery Management Transformation** - Establish the capability to commission services more strategically and manage service delivery through partners, and supporting co-operative partnerships (with e.g. social enterprises, co-operatives, mutuals, joint ventures, local authority trading companies)

- **Support Service Transformation** – Setting up new delivery models for corporate and support services that deliver against the organisational requirements using the most appropriate vehicles (based on robust business cases)

The programme aims to engage with Members, customers, managers, staff and delivery partners to establish a more collaborative, integrated and strategic approach to how the council commissions and delivers services, with the aim of maintaining relevant service levels whilst reducing the associated costs.

3.3 Scope

'Direct' and 'Manage' capabilities for service areas in scope from the Blueprint:

Direct	Manage
Strategic capabilities to direct the Council, deciding what to deliver & how to do it	Capabilities to ensure effective service delivery and value for money
Strategy & Planning	
<ul style="list-style-type: none"> • Corporate strategy management • Customer & channel strategy 	<ul style="list-style-type: none"> • Service planning coordination • Financial planning management • Portfolio management • Corporate transformation & change management
Information & Analytics	
<ul style="list-style-type: none"> • Customer analytics • Market analysis 	<ul style="list-style-type: none"> • Knowledge management • Freedom of Information / Subject Access Request / Environmental Information Request (FOI / SAR / EIR) requests co-ordination
Democracy & Governance	
	<ul style="list-style-type: none"> • Monitoring • Electoral services • Member support • Constitutional review • Registration services
Engagement	
<ul style="list-style-type: none"> • Communications strategy 	<ul style="list-style-type: none"> • Engagement management & coordination
Corporate Performance	
<ul style="list-style-type: none"> • Performance framework definition 	<ul style="list-style-type: none"> • Performance management • Customer service frameworks • Benchmarking
Finance	
<ul style="list-style-type: none"> • Financial strategy and planning 	<ul style="list-style-type: none"> • Statutory reporting • Budget monitoring • Treasury management
HR	

<ul style="list-style-type: none"> • HR strategy • HR policy & enforcement 	<ul style="list-style-type: none"> • HR resourcing & commissioning • Learning & Development • HR services commissioning
Business & Admin Support Services	
<ul style="list-style-type: none"> • Admin support management 	
ICT & Enterprise Architecture	
<ul style="list-style-type: none"> • EA corporate framework • Business architecture blueprint • ICT Strategy 	<ul style="list-style-type: none"> • ICT performance management • ICT project commissioning • ICT service commissioning
Asset Management	
<ul style="list-style-type: none"> • Asset strategy 	<ul style="list-style-type: none"> • Acquisition and disposal management • Lease management • Commercial estates management • Corporate estate management
Commissioning & Procurement	
<ul style="list-style-type: none"> • Commissioning & procurement strategy management 	<ul style="list-style-type: none"> • Category Management • Partnership Management • Corporate Contract Management • Service Level Partner and Contract Management

3.3.1 Shared Transaction Centre

Set up Transaction Centre, shared with partners, for delivery of transactional services and routine business procedures, including:

- Financial processing (accounts payable, accounts receivable)
- Revenues & benefits (Council Tax, NNDR, cash collection)
- Payroll and pensions administration
- Transactional HR (HR sourcing & administration)
- Ordering & distribution

3.3.2 Shared support services

Migration of 'operational' services delivery to shared delivery model(s), where not yet identified for the Transaction Centre, including:

- Set up Delt Services as joint company with partners and migration of ICT operational services to Delt
- Facilities Management: 'soft' FM (cleaning, catering, security) and 'hard' FM (building inspections, maintenance & repairs)
- Legal Services
- Internal audit
- Risk management
- Insurance

3.4 Out of scope

Following functions are out of scope of this programme:

1. Transformation of Council services in preparation for new delivery models, and commissioning and migration of new delivery partners will be done by service areas with the other Transformation programmes, before handover to CCO for ongoing management
2. Changes to Customer Services (transformation and/or migration to new delivery model) will be delivered by the Customer & Service Transformation Programme
3. Ongoing management of Customer Services will remain in-house but will not be part of the CCO
4. Corporate ICT strategies and standards, and new ICT to support CCO to be identified and delivered by Enterprise Architecture
5. Organisational redesign and people changes to deliver the CCO are in scope, but taking the new structure forward, such as accommodation, office requirements and infrastructure, etc. will be managed by the People & Organisational Development Programme
6. New ICT required to support the CCO operations (e.g. contract management, sharing data with partners) is not included in the Programme plan or costs and will be supplied by Enterprise Architecture
7. £100k of savings in Support Services from MTTF project are not included in the CCO Programme benefits
8. Transactional services for People and Place Directorates will be designed and developed by other programmes and may be hosted and delivered by the Transaction Centre developed by CCO
9. Joint commissioning framework for care services and health to be developed with Clinical Commissioning Group (CCG) under Integrated Health & Well Being Programme

See also 0 6.3 Interdependencies for additional information on dependencies that are also out of scope.

3.5 Outcomes and benefits

The Centre of Operations will provide PCC with a leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting for PCC. It will develop, maintain and promote the driving of co-operative operations, decisions and ethos. Programme outcomes are linked directly to the “Pioneering Plymouth” by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources. Key outcomes are described below:

- The right people with the right capabilities to set direction for the Council
- Consistent performance management and reporting
- An interface between the Centre of Operations and its people, partners and wider stakeholders which is co-operative
- Accurate and robust operational and financial planning, based on a consistent approach and information
- Ability to safely decommission and commission services based on decisions taken across organisation
- The right on-going support service organisation structure, capacity, skills and knowledge to effectively manage the delivery against changing business needs
- Fewer in-house support service staff – as a result of improved efficiency and/or alternative delivery models

Benefits (financial and non-financial) will be realised as a result of implementation and embedding of the capabilities and outcomes above.

3.6 Assumptions

Key Programme-level assumptions described below:

- 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 development of the Blueprint has involved the engagement of 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.
- An all-party group through the Transformation Advisory Board will sign up to the principles of this programme in order to future-proof against any major political change.
- Portfolio level cost to be considered separately and not included in the current programme cost estimates

3.7 Stakeholders

Key stakeholders for this programme described below:

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Internal Management	David Trussler		X		
	Programme Manager	X			
	Other Programme SROs			X	
	Change Manager	X			
	Project Managers	X			
	Members			X	
Internal Staff	Staff Representative (including union)	X		X	
	Team Plymouth			X	
	Employment Liaison Committee			X	
External Stakeholders	Trade Unions			X	
	External (citizen) interest			X	
	Partner organisations	X			
	Service providers	X			
	Enforcement authorities			X	

KEY:

Responsible = Does the work to deliver the outcomes or products

Accountable = The one person ultimately answerable for delivery of the outcomes & benefits

Consulted = Opinions are sought, e.g. subject matter experts; two-way communication

Informed = Kept up-to-date on plans & progress; just one-way communication

See also Appendix D for more detailed analysis of stakeholders and the proposed engagement approach.

4. Options Appraisal

There are separate options for the strategic 'brain' (options 2 – 3 below) and service delivery approach (4 – 6 below) which are not necessarily dependent on each other and have been considered separately. The recommended option is a combination of an option for the strategic 'brain' and one for the service delivery approach.

4.1 Option 1 – Do nothing

The Council faces a £65m funding gap and needs to make changes to reduce its costs while maintaining as much of its current services as possible. The Transformation options analysed have identified that the funding gap cannot be resolved without changes to the way PCC delivers services and to PCC's support services.

In addition, an objective of Transformation is to improve the capability for strategic decision making and policy implementation. This requires changes similar to those proposed for the Co-operative Centre of Operations which would not be achieved through the 'do nothing' option.

At the same time, PCC is working to become a Brilliant Co-operative Council, but it cannot achieve this without changes to the way it manages the relationship with service delivery partners. If PCC continues to operate as now but with new partners (e.g. commissioning & managing services from new, co-operative partners using existing policies and management mechanisms) it is very unlikely that it will achieve its co-operative aims and it is likely to increase costs due to managing more partners co-operatively but using existing methods.

The Co-operative Centre of Operations is designed to enable and manage the new service delivery models, with a wider range of services delivered by a wider range of service delivery partners. In other words, the CCO Programme is a key strand in both enabling savings and becoming a Co-operative Council.

The 'do nothing' option is not a realistic option if PCC is to close the funding gap and become a Brilliant Co-operative Council and will not be considered further at this stage

Options for strategic 'brain'

The Co-operative Centre of Operations is envisaged as the strategic 'brain' of the Council providing engagement, leadership, direction & intelligence for PCC, owning the values and ethos of the Co-operative Council and managing the new service delivery arrangements for Council services and internal support services. It directs the organisation, deciding what to deliver, how to do it and ensuring value is delivered.

4.2 Option 2 – Shared 'brain'

In this option many of the functions identified for the Co-operative Centre of Operations strategic 'brain' would be delivered on a shared basis.

This is most obvious for internal support services that can be delivered by an internal or external joint supply arrangement on behalf of PCC and other partners (e.g. in the public or third sector).

In addition, there are some options to share some of the service delivery management functions of the CCO. For example, much of the strategic groundwork for service delivery through partners and the work of managing them (particularly for service delivery partners shared with another organisation) could also be shared with other local authorities, health or other public sector partners: jointly developing a strategy, or shared contract monitoring function. Not all functions are amenable to sharing, and PCC will want to retain sole ownership of many of the 'Direct' functions in the Blueprint.

The development of relationships with potential partners would include the following approaches:

- Building on existing initiatives (e.g. One Plymouth, H&WB Board, City Deal)
- Extending public engagement and use of new tools (e.g. social media, webcasts)
- Using existing regional and national intelligence and best practice (e.g. Co-operative Councils Innovation Network, LGA, SIGOMA, Key Cities)

The obvious advantage of shared delivery of support services or contract management is efficiency savings, particularly in the fixed and management overheads. At the same time, shared functions will be larger than PCC alone would need, allowing for improved quality from a larger supply team with more flexibility, wider experience and skill sets.

This is the recommended option:

1. Maximises efficiency savings (costs)
2. Enables Co-operative Council approach and management of new service delivery models.

4.3 Option 3 – PCC only 'brain'

In this option, as the Council becomes smaller, the 'Direct' and 'Manage' functions in the Blueprint for Co-operative Centre of Operations are designed and implemented for PCC only. This includes both management of service delivery through partners and internal support services.

While this could potentially allow more control over the services delivered on behalf of PCC and to PCC, and how those services are delivered, it would not allow efficiencies from sharing some services or service management with other partners.

This option is not recommended:

1. Does not maximise cost savings
2. Not aligned to Co-operative Council.

Options for service delivery approach

There are some options for the approach for new delivery models for corporate and support services that provide affordable services, delivering the right level of quality, and designed and sized to meet PCC future needs.

4.4 Option 4 – Co-operative Partnerships

The basis of this option is to deliver as many appropriate services as possible in co-operative partnerships, at a lower cost to PCC and achieving part of its Co-operative Council objectives with additional local benefits. This premise of this option is that the Full Business Case will detail the value in using Co-operative Partnerships and identify any strong cases for not using this route for specific capabilities.

All appropriate services would be delivered on behalf of PCC by co-operative partners (including social enterprises, co-operatives, mutuals, social businesses, charities and community groups), joint ventures or local authority trading companies, plus some outsourced to the private sector and some retained in-house for delivery. The outcome of this approach would be a smaller Council with a different role: more of managing service delivery through others and less of a service provider.

PCC's Co-operative Council vision relies partly on encouraging and increasing co-operative partnerships with community groups or enterprises. This requires a different approach to the commissioning, monitoring and management of service providers, due to the increased number of service providers and the services they deliver, and from the changed relationship with service providers on a co-operative basis. The CCO is designed to manage these relationships with service providers, whether commercial, a co-operative partner, or a shared service supplier.

In this option the CCO would be designed to enable new service delivery models for appropriate Council services:

- Providing controlled approach to planning & delivery of changes in service delivery
- Commissioning and contract management capability
- Supporting co-operative partnerships for service delivery

4.5 This is the recommended option. It is the only option that meets the three key Transformation objectives:

1. Enables PCC to achieve its Brilliant Co-operative Council vision
2. Reduces funding gap (costs) without [proportionally] reducing services
3. Improves strategic decision making and policy implementation capability

4.6 Option 5 – Maintain services in-house

In this option, all services would be transformed for efficiency savings and/or cut services to cut costs.

The Transformation options to maintain services in-house are to change the internal service delivery models and processes to make them more efficient, to reduce services to cut costs, or a combination of the two. Any of these options would mean a Transformation that was largely internal and would satisfy none of PCC's Co-operative Council objectives. It is also unlikely to be able to achieve the required savings without reductions in services.

In addition, the Blueprint proposes a default position that no capabilities will be delivered in-house unless there is a good business reason why they should.

This option is not recommended:

1. Might meet part of the Transformation objectives to reduce costs, but is likely to result in reduced services
2. Would not meet the Transformation objectives to enable PCC to become a Brilliant Co-operative Council

4.7 Option 6 – Commercial outsourcing of services

This is another option to transform the service delivery models to reduce the funding gap, by outsourcing all appropriate services on a purely commercially competitive basis at a lower overall cost to PCC.

This service delivery model would contribute little to the Co-operative Council objectives. In addition, the commercial relationship with suppliers, without a co-operative partnership approach, would not be as effective in facilitating service improvements.

The outcome of this approach would be a smaller Council with a different role: more of managing service delivery through others and less of a service provider. Further research would be required to assess whether this option would have an impact on quality of services or PCC's control over them, including service improvements.

This option is not recommended:

1. Might meet part of the Transformation objectives to reduce costs, but unlikely to reduce costs enough without also cutting services
2. Would not meet the Transformation objectives to enable PCC to become a Brilliant Co-operative Council

4.5 Recommended Options

The recommended option is a combination of an option for the strategic 'brain' and one for the service delivery approach:

1. Option 2: Implement Co-operative Centre of Operations as a shared 'brain'
2. Option 4: Service delivery through co-operative partnerships

5 Financial Case

5.3 Expected Cost

The direct programme costs are estimated at £2.34m over 3 years: see table below.

These are extracted from the detailed resourcing estimates and schedule, which is based on the number of projects, their complexity and likely duration, as outlined in 0 6.1 Programme Plan. Further refinements of estimates will develop as the programme and projects are planned in more detail in December and into 2014.

		2013/14	2014/15	2015/16	Total Cost
Programme Manager	Cost	£63,000	£151,200	£151,200	£365,400
Systems Analyst	Cost	£0	£75,600	£50,400	£126,000
Project and Programme Support	Cost	£6,300	£25,200	£25,200	£56,700
Project Manager (Foundation)	Cost	£0	£0	£0	£0
Project Manager	Cost	£20,160	£147,840	£120,960	£288,960

(Practitioner)					
Project Manager (Expert)	Cost	£72,450	£48,300	£0	£120,750
Business Analyst (Foundation)	Cost	£44,100	£205,800	£117,600	£367,500
Business Analyst (Practitioner) (I)	Cost	£18,900	£61,425	£37,800	£118,125
Business Analyst (Expert)	Cost	£92,400	£265,650	£0	£358,050
ICT (Technical)	Cost	£12,600	£4,200	£0	£16,800
	Days	63	21	0	
TOTALS	Cost	£329,910	£985,215	£503,160	£1,818,28

Refer to appendix A for the detailed cost benefit analysis.

5.4 Expected benefits

The benefits expected from the programme are both financial and contribute to PCC's drive towards a Co-operative Council. Further analysis is required to firm up the assumptions and estimates that have been used in quantifying the financial benefits, and to avoid duplication or double counting with other programmes.

Financial

- Reduced costs of service delivery by external partners and co-operative working
- Savings from economies of scale from shared internal services support centre(s)
- Reduced costs from services delivered by communities or non-profit enterprises

The total expected financial benefits, phased over 3 years, are shown below:

Year	Indicative Incremental Saving
FY 14/15	£650k
FY 15/16	£3,800k
FY 16/17	£3,550k
Total	£8,000k

See appendix A for detailed cost benefit analysis.

Non-financial (qualitative) benefits

Values or Objectives from the Corporate Plan that each benefit contributes to is noted against each one.

- Services are better tuned to needs of customers (citizens, businesses, visitors) – (*Democratic, Pioneering*)
- Better decisions for local needs due to better intelligence from improved local engagement – (*Democratic, Caring*)

- Improved local economy and jobs from encouraging co-operatives for service delivery and using local suppliers – (*Partners, Growing*)
- Improved customer satisfaction from more involvement, ability to influence decisions and better targeted services – (*Democratic, Pioneering*)
- Internal services are better tuned to business strategy and staff needs – (*Pioneering*)
- More flexibility and choice, tailored to local needs, in access to services – (*Democratic*)
- Leveraging local energy, ideas and commitment to achieve better services – (*Democratic, Partners, Pioneering, Caring*)
- Less complexity of PCC operations, reducing overheads – (*Pioneering*)

The MTTF project has delivered £100k of savings in Support Services which have been excluded from the CCO Programme benefits.

5.1 Cost Benefit Analysis

Cost Benefit analysis for the programme described in table below:

Total Estimated Additional Financial Benefits (£k)	£6,182k
Total Estimated One-Off Net (Cost) / Benefit (£k)	£1,818k
Total Cost Required to Develop till Next Checkpoint	£985k
Estimated Payback from Start of Project (Months)	28
Estimated Annual Return on Investment	339.99%
Project Duration (Months)	24
Complexity (0-7)	7
Strategic Alignment	High
Total Cost Avoided (£k)	£8,000k

See Appendix A for detailed cost benefit analysis

6 Management Case

6.1 Programme Plan

Key activities, indicative projects and high level time line for the programme are shown below:

CCO Programme Milestones & Projects	2013		2014				2015			
	Nov	Dec	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OBC Complete		◆								
FBC Complete			◆							
CCO Programme Launch		◆								
Stakeholder engagement & mobilisation	■	■	■	■						
Establish CCO										
Strategic 'Brain'			Design & initiate 'brain'				Fit CCO to new services & size			
Commissioning & Procurement										
Support Services Transformation										
Finance, HR & Support Services			Self-service (HR)	More efficient support services			Shared Transaction Centre delivery of initial services		Shared delivery all support services	
ICT Migration & Shared Convergence			Operational ICT shared delivery (DELT)				Shared systems converged			
FM & Admin Support			More efficient soft FM				Shared delivery all FM			
			Interim changes	Service reviews			Migration of services			
			Interim changes	Service review			Migration of services			Shared support
			More efficient business support (Corporate Services)							

The projects in the plan may change as they are planned in more detail and as the implications of dependencies with other programmes become clearer.

The outline scope for the indicative projects and the capabilities that they will deliver are given in the table below. The scope is based on the capabilities and functions in the Blueprint (v1.0). However, inclusion in the scope of the CCO Programme or Projects does not necessarily mean that the Programme or Project is also responsible for producing the deliverables or outcomes. The CCO Programme will be responsible for ensuring all products are delivered and incorporated into the CCO, but other Programmes or business areas will be responsible for actually creating many of the products for handover to the CCO, e.g. Enterprise Architecture will deliver the ICT Strategy, the GAME Programme will deliver the Asset Management Strategy, Procurement and existing Commissioning function(s) will deliver the Commissioning and Procurement Strategy.

Project / Scope	Capabilities delivered
I Strategic 'Brain' Development and delivery of the capabilities and structure for the strategic 'brain' of the Council that directs the organisation, deciding what to deliver, how to do it and ensuring value is delivered: <ul style="list-style-type: none"> • providing engagement, leadership and intelligence for PCC • enabling robust decision-making and direction-setting for the Council • owning the values and ethos of the Co-operative Council 	

Project / Scope	Capabilities delivered
<ul style="list-style-type: none"> managing the new service delivery arrangements for Council services and internal support services 	
<p>Strategy & Planning</p> <ul style="list-style-type: none"> Direct: <ul style="list-style-type: none"> Corporate strategy management Customer & channel strategy Manage: <ul style="list-style-type: none"> Service planning coordination Financial planning management Portfolio management Corporate transformation & change management <p>Information & Analytics</p> <ul style="list-style-type: none"> Manage: <ul style="list-style-type: none"> Customer analytics Market analysis <p>Democracy & Governance</p> <ul style="list-style-type: none"> Manage: <ul style="list-style-type: none"> Monitoring Electoral services Member support Constitutional review Registration services <p>Engagement</p> <ul style="list-style-type: none"> Direct: <ul style="list-style-type: none"> Communications strategy <p>Corporate Performance</p> <ul style="list-style-type: none"> Direct: <ul style="list-style-type: none"> Performance framework definition Manage: <ul style="list-style-type: none"> Performance management Customer service frameworks Benchmarking Knowledge management <p>Freedom of information request co-ordination</p> <p>Coordination of inputs to CCO from:</p> <p>Enterprise Architecture</p> <ul style="list-style-type: none"> Direct: EA corporate framework <p>Business Architecture</p> <ul style="list-style-type: none"> Direct: Business architecture blueprint <p>ICT Strategy</p>	<ul style="list-style-type: none"> The right people with the right capabilities and information to set direction and provide leadership for PCC (Q4 2014) More robust engagement and decision making, integrated with strategic and service planning (Q1 2015) Performance management revised in line with changing Council and increase in externally supplied services (Q4 2015) Corporate standards for ICT systems and data (Q3 2014) Expanded Blueprint to define functional structure of the organisation (Q2 2014)

Project / Scope	Capabilities delivered
<ul style="list-style-type: none"> • Direct: ICT Strategy 	<ul style="list-style-type: none"> • ICT transformation plan to meet business objectives (Q3 2014)
<p>2 Commissioning & Procurement Development and implementation of the corporate model and standards for commissioning service delivery through co-operative partnerships (Place & Corporate Services only: joint commissioning for social care and health being delivered under the IHWB Programme)</p>	
<p>Commissioning & Procurement – Place & Corporate Services</p> <ul style="list-style-type: none"> • Direct: <ul style="list-style-type: none"> ○ Commissioning & procurement strategy management • Manage: <ul style="list-style-type: none"> ○ Category Management ○ Partnership Management ○ Corporate Contract Management ○ Service Level Partner and Contract Management 	<ul style="list-style-type: none"> • Revised commissioning of services to a co-operative basis (Q3 2014) • Expanded and revised contract management on co-operative lines (Q4 2014)
<p>3 Finance, HR & Support Services Service redesign, development and implementation of new delivery models for all internal support (corporate) services:</p> <ul style="list-style-type: none"> • Set up/build on Transaction Centre for all PCC transactional services (internal and external), shared where possible with other local organisations • Design and migration of transactional support services to Transaction Centre • Development and implementation of PCC management and control of support services delivered through new shared partnership delivery model • Interim solutions: introduction of self-service capabilities for HR (Midland iTrent upgrade) and Finance (Civica AWeb upgrade) in line with Transformational objectives 	
<p>Support service review: options and feasibility for transforming support services</p> <p>Finance</p> <ul style="list-style-type: none"> • <i>Interim solutions:</i> <ul style="list-style-type: none"> ○ Civica AWeb upgrade & changes for self-service • Direct: <ul style="list-style-type: none"> ○ Financial strategy and planning • Manage: <ul style="list-style-type: none"> ○ Statutory reporting ○ Budget monitoring ○ Treasury management • Migration of Finance processing & transactional services to shared delivery centre <p>HR</p> <ul style="list-style-type: none"> • <i>Interim solutions:</i> <ul style="list-style-type: none"> ○ Midland iTrent upgrade & changes for self-service • Direct: <ul style="list-style-type: none"> ○ HR strategy 	<ul style="list-style-type: none"> • All appropriate support services delivered by shared service and transaction centre(s) (Q4 2015) • New support service management for new delivery of support services (Q4 2015) • Strategy for Council assets, including acquisition, disposal, and estates management (Q4 2015)

Project / Scope	Capabilities delivered
<ul style="list-style-type: none"> ○ HR policy & enforcement ● Manage: <ul style="list-style-type: none"> ○ HR resourcing & commissioning ○ L&D monitoring ○ HR services commissioning ● Migration of HR transactional services, payroll & pensions to shared delivery centre <p>Support Services</p> <ul style="list-style-type: none"> ● Services transformation to new delivery model ● Migration of appropriate support services to shared delivery centre ● Any changes needed to existing shared delivery support services (e.g. Internal Audit, Risk Management, Legal Services, Insurance) <p>Asset Management</p> <ul style="list-style-type: none"> ● Direct: <ul style="list-style-type: none"> ○ Asset strategy ● Manage: <ul style="list-style-type: none"> ○ Acquisition and disposal management ○ Lease management ○ Commercial estates management ○ Corporate estate management 	
<p>4 ICT Migration</p> <ul style="list-style-type: none"> ● Delt: shared set up to deliver operational ICT with CCG Clinical Commissioning Group ● Migration of ICT services to Delt 	
<p>Enterprise Architecture Coordination of inputs to CCO for:</p> <ul style="list-style-type: none"> ● Manage: <ul style="list-style-type: none"> ○ ICT performance management ○ ICT project commissioning ○ ICT service commissioning <p>ICT Migration</p> <ul style="list-style-type: none"> ● Migration of ICT operational service delivery to Delt 	<ul style="list-style-type: none"> ● New service management for ICT operational services delivered externally by Delt (Q2 2014)
<p>5 FM and Administrative Support Service redesign, development and implementation of new delivery models for:</p> <ul style="list-style-type: none"> ● Shared partnership delivery of hard and soft FM ● PCC management and control of FM delivery through new delivery model ● Rationalised business support for efficiency and effectiveness ● Interim solutions: structural changes to realise cashable savings in 2014/15 	
<p>Facilities Management</p> <ul style="list-style-type: none"> ● <i>Interim solutions:</i> 	<ul style="list-style-type: none"> ● New (shared) service delivery model for FM services (Q2 2015)

Project / Scope	Capabilities delivered
<ul style="list-style-type: none"> ○ <i>Management changes for cashable savings 2014/15</i> ● Soft FM: <ul style="list-style-type: none"> ○ Cleaning ○ Catering ● Hard FM: <ul style="list-style-type: none"> ○ Inspections ○ Repairs ○ Maintenance <p>Administrative Support</p> <ul style="list-style-type: none"> ● <i>Interim solutions:</i> <ul style="list-style-type: none"> ○ <i>Management changes for cashable savings 2014/15</i> ● Admin support management ● Services transformation to new delivery model ● Migration of appropriate Admin services to possible shared delivery centre 	<ul style="list-style-type: none"> ● Admin services to Members and senior managers revised to match the changing Council (Q3 2015) ● New delivery model implemented for delivery of admin services (Q3 2015)

6.2 Risk Analysis

An initial analysis has identified a number of risks for the programme to deliver the new CCO capability: see Appendix C for extract of full Risk Log. A risk workshop will be arranged during the development of the FBC to provide a more detailed analysis and management actions (impact, mitigation, ownership, etc.).

The top 5 risks have been identified as:

- There may not be suitable partners (co-operative or private sector) to deliver Council services on behalf of PCC and that also satisfy: lower cost than in-house, capability and capacity to deliver services, commitment to work with the Council, and, preferably, engagement on a co-operative basis
- Cashable financial benefits are based on inadequate initial analysis not achievable without unacceptable impact on services
- Stakeholders may not buy in to the Transformation Portfolio or support the proposed changes
- There may be too few public sector partners willing to cooperate in shared delivery of internal support services
- There is a reputational risk to PCC if services are impacted (temporarily during migration, but in particular if the new services or delivery mechanisms are not adequate)

6.3 Interdependencies

The CCO Programme is dependent on:

- **Blueprint v2.0** – 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. The Blueprint will be owned by the Portfolio Office, and the Co-operative Centre of Operations programme team will engage with the Blueprint team to ensure that they are

updated with the status of the Blueprint. This will include detail of the implication of any changes to the programme.

- Other transformation programmes:
 - The POD programme will support the design of the future organisation and enable implementation activities such as recruitment/deployment and the move to new accommodation. The POD programme will own the People strategy (including retention activity, behavioural and cultural change activity) which will enable smooth transition and allow for sustainable changes
 - The Customer and Service Transformation programme will transform services that PCC choose to retain in-house. There will be interfaces between the services transformed by the Customer programme and the Co-operative Centre of Operations design.
 - The Asset project within GAME will design and deliver an Asset Strategy for Plymouth City Council. The Co-operative Centre of Operations will feed requirements into the Strategy, but will also be dependent upon it being successfully delivered, aligned to the delivery of other programmes
 - Health and Well Being programme will define the approach for commissioning and therefore the Co-operative Centre of Operations programme will interact with this programme to ensure the capabilities are aligned
- Finance – which will provide a timely financial envelope for any capital and recurring workforce costs
- Senior Management Consultation – which will inform the short and medium term structural changes to the organisation (including interim states)
- Delt will impact the ICT available to the new organisation. The Co-operative Centre of Operations will be dependent on having the right technology available to support a collaborative workforce as well as having the right data available to make informed, strategic decisions.

In addition, the Programme will keep a watch on key external factors that may influence any changes to service provision – particularly with key partners, political changes and trade unions.

Additional interdependencies will be identified during detailed planning and stakeholder mapping which will be developed during the Full Business Case writing phase.

6.4 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.

7 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

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 as shown above.

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

8 Appendices

- A. Cost Benefit Project Model
- B. Capability Assessment
- C. Risk Log
- D. Engagement

Appendix A – Cost Benefit Project Model Extract from the Programme cost benefit model

Programme Title Co-operative Center of Operations (CCO)	Doc No	Ver No				
1. Case for Change						
Programme Title	Co-operative Center of Operations (CCO)					
Author	Piers Newton, Nakul Srivastava					
Service Line	Co-operative Center of Operations (CCO)					
1) Programme Overview						
1a) Change Description (business need and evidence for change)						
<p>Plymouth City Council faces a £65m funding gap which has the potential to increase over the next three years without significant intervention. In order of us to manage this funding gap, there is a need to create 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. Following are the key drivers for the change:</p> <ul style="list-style-type: none"> • CCO corporate functions e.g. strategy, policy, corporate services are currently split across multiple areas within the Corporate Services Directorate • Ownership of functions is regularly transferred between ADs e.g. ICT has moved twice recently • There is currently no established mechanism for translating the Co-operative Council Framework into day to day business decisions, meaning that service strategies are uncoordinated • Corporate services are seen as detached from operational delivery, not understanding how services work in practice • Interviews suggest that corporate services may sometime act as a constraint / burden on operational delivery, rather than an enabler • There is an opportunity to improve our support service delivery models to gain efficiency and reduce cost of operation 						
1b) Scope and Objectives						
<p>The Blueprint has defined a need to establish an efficient PCC corporate function and transform the way we deliver our support services. The scope and objective of the CCO programme is to:</p> <ul style="list-style-type: none"> • Corporate Function Transformation - Establish a business as usual strategic 'brain' for the Council which uses the co-operative principles and intelligence to co-ordinate organisational decision making and activity. It will provide a framework for how we engage our communities (consumers and citizens) and commission services more strategically. Key function in the scope include Strategy and Planning, Corporate Performance, Information and Analytics, Democracy and Governance, Commission and Procurement, Enterprise Architecture, Enterprise Risk and Audit. • Support Service Transformation - Create a 'backbone' of support services that delivers against the organisational requirements using the most appropriate delivery models (based on robust business case). The programme aims to engage with various ADs, delivery partners to establish a more collaborative, integrated and strategic approach to how the council commissions and delivers services, with the aim of maintaining relevant service levels whilst reducing the associated costs. Key functions in the scope include- Financial Processing (Accounts Payable, Accounts Receivable), Revenues & Benefits (Council Tax, NNDR, Cash Collection), ICT Operational Service Delivery, Payroll and Pensions Administration, Transactional HR (HR Sourcing & Administration), Parking Permits, Ordering & Distribution, HR, Finance, IT, Admin, Legal Services, Admin 						
2) Benefits						
2a) Financial On-Going Benefits						
Benefit Description	Category	Annual Benefits			level of Confidence	
		Lower Range of Financial Benefit	Upper Range of Financial Benefit	Average Financial Benefit		
Employee and process efficiency	Cost Reduction	£6,400k	£9,600k	£8,000k	Medium	
	Cost Avoidance	£6,400k	£9,600k	£8,000k	Medium	
Projected Total Cost Reduction Benefits (£k)		£6,400k	£9,600k	£8,000k		
Projected Total Income Generation Benefits (£k)						
Projected Total Cost Avoidance Benefits (£k)		£6,400k	£9,600k	£8,000k		
Indicative Phasing of Average Financial Benefits						
Now	2014/15	2015/16	2016/17	2017/18	2018/19	Total
-	£650k	£3,800k	£3,550k			£8,000k
2b) Financial One-Off Benefits						
	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	-	-	-			
Level of Confidence						
Explanation of One-Off Benefits						
None						
2c) Non Financial On-Going Benefits						
Benefit Description	Category	Annual Benefits		Further Details		
		Non Financial Benefit Improvement (%)	Est. Year of Delivery			
• Services are better tuned to needs of customers	Customer	30-50%	2015/16			
• Internal services are better tuned to business strategy and staff needs	People	25-30%	2016/17			
• More flexibility and choice, tailored to local needs, in access to services	Customer	20-30%	2016/17			
• Better decisions for local needs due to improved local engagement	Customer	20-30%	2016/17			
• Improved customer satisfaction from more involvement & better targeted services	Customer	20-30%	2015/16			
• Leveraging local energy, ideas and commitment to achieve better services	External Stakeholders	tbc	2017/18			
• Improved local economy and jobs from encouraging co-operatives for service delivery	External Stakeholders	tbc	2017/18			
• Reduce the in-house process cycle time	Operational	30-40%	2015/16			

3) Costs

3a) On-Going Costs

Cost Description	Annual Cost			
	Lower Estimate	Upper Estimate	Average Cost	Level of Confidence
Programme Delivery	£1,454k	£2,182k	£1,818k	Medium
Projected Total On-Going Additional Cost (£k)	£1,454k	£2,182k	£1,818k	

Indicative Phasing of Average Cost

Now	2014/15	2015/16	2016/17	2017/18	2018/19	Total
£330k	£985k	£503k	-	-	-	£1,818k

3b) Major Cost Summary

Now	2014/15	2015/16	2016/17	2017/18	2018/19	Total
£330k	£985k	£503k	-	-	-	£1,818k

Level of Confidence **Medium**

Justification for Investment Now

Plymouth City Council is has an extremely large funding gap which has the potential to increase over the next three years without significant intervention

Key Assumptions

- A series of standards and behaviours that make PCC distinctively co-operative will be used to evaluate the most appropriate combination of delivery models.
- 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.
- Portfolio level cost to be considered separately and not included in the current programme cost estimates
- Any cost associated with new support service contract to be covered by procurement
- Any new infrastructure, software or system required for the line of business not included in the budget
- The £100K saving to be delivered by the MTTF project in Support Services has been excluded from the CCO Programme benefits

4) Does this Programme Align with PCC's Strategy?

High	
Describe how this opportunity aligns with PCC's strategy	<p>The Centre of Operations will provide PCC with a leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting for PCC. It will develop, maintain and promote the driving of co-operative operations, decisions and ethos. Programme outcomes are linked directly to the "Pioneering Plymouth" by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources. The programme is aligned to the PCC strategy as described below:</p> <ul style="list-style-type: none"> The right people with the right capabilities to set direction for the Council Consistent performance management and reporting An interface between the Centre of Operations and its people, partners and wider stakeholders which is co-operative Accurate and robust operational and financial planning, based on a consistent approach and information Ability to safely decommission and commission services based on decisions taken across organisation The right on-going support service organisation structure, capacity, skills and knowledge to effectively manage the delivery against changing business needs Fewer in-house support service staff – as a result of improved efficiency and/or alternative delivery models

5) Complexity and Duration

Will this activity:		Risks / Comments
Impact >1 department?	Yes	The programme aims to engage with various PCC, external partners to establish a more collaborative, integrated and strategic approach to how the council commissions and delivers services, with the aim of maintaining relevant centre teams whilst reducing the associated costs
Involve partners?	Yes	External partners both co-operative and private sector participation is required to deliver support service transformation
Involve suppliers?	Yes	External partners both co-operative and private sector participation is required to deliver support service transformation
Affect customers?	Yes	The programme will need to engage customer to improve end user experience for all related support services
Involve >20 FTEs?	Yes	Need participation from all the AD, partners and external supplier to make this programme a success
Require significant organisational change?	Yes	The programme will establish a leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting
Require IT or process change?	Yes	Any new infrastructure, software or system required for the line of business not included in the budget
Complexity Score:	7	
Projected project duration (months)	24	There are dependencies to and from all other programmes and other initiatives (e.g. DELT set up) that may impact the delivery time line for his project

6) Programme Risks

Key programme risks highlighted below:

Partners

- There may not be suitable partners (co-operative or private sector) to deliver Council services on behalf of PCC and that also satisfy: lower cost than in-house, capability and capacity to deliver services, commitment to work with the Council, and, preferably, engagement on a co-operative approach
- There may be too few public sector partners willing to cooperate in shared delivery of internal support services (particularly after the experience of setting up DELT)
- Outsourcing service delivery to private sector suppliers may not reduce costs as expected, in particular if contracts do not cover all aspects of services which result in additional charges

People/ Staff

- Changes to delivery models are achieved but unable to achieve staff savings (in full or in time) to realise benefits
- Managers and/or service teams may not buy in to the Transformation Portfolio, co-operative approach or external service delivery, and hinder the programme
- Members may not support the proposed changes

Programme Delivery risks

- Internal staff appointed as Project Managers or Business Analysts are inexperienced and will not be able to manage large, complex projects: as a result, there may need to be more and smaller projects, which will be less efficient (cost more and take longer overall)
- There are dependencies to and from all other programmes and other initiatives (e.g. DELT set up) that may determine different timings than the current high level plan
- The estimated costs may not cover all required expenditure, e.g. an allowance (£300k) has been included for ICT systems to enable the CCO to commission, track and manage external/shared service delivery, but this may be inadequate

Brand

- There is a reputational risk to PCC if services are impacted (temporarily during migration, but in particular if the new services or delivery mechanisms are not adequate)

7) Resource Requirements

Nature of resource required	Internal	External
Programme manager		yes
Project Manager, Change Manager	tbc	
Business Analyst, Solution Analyst	tbc	
PMO support, Finance support	tbc	

Total Estimated Additional Financial Benefits (£k)	£6,182k
Total Estimated One-Off Net (Cost) / Benefit (£k)	£1,818k
Total Cost Required to Develop till Next Checkpoint	£985k
Estimated Payback from Start of Project (Months)	28
Estimated Annual Return on Investment	339.99%
Project Duration (Months)	24
Complexity (0-7)	7
Strategic Alignment	High
Total Cost Avoided (£k)	£8,000k

8) Responsibilities

Exec Sponsor David Trussler
Bus Benefits Owner tbc
Bus Project Owner tbc
Finance Owner tbc
Change Manager tbc

9) Decision Summary

Group and Date of Decision	
Case for Change Agreed?	
Statement to Next Stage Agreed?	
Resource Requirements Agreed?	

Additional Comments

Appendix B – Capability Assessment

- Include relevant capability assessment for the programme (below example for Co-operative Centre of Operations)

Process	Key Activities	Capability			Identified Improvements (Process not Key Activities level)
		Current	Target	Gap	
Develop Vision and Strategy	Define Vision and Strategy	3	4	1	Standardised methodologies for benefit tracking, project and risk management to support strategic initiatives
	Develop Strategy	3	5	2	Revised governance structure/ process for the prioritisation and management of strategic initiatives
	Manage Strategic Initiatives	2	4	2	Future vision and strategies are based on true customer, market insight and are developed on the views of key internal and external stakeholders

Develop Services	Understand Markets, Customers and Capabilities	2	4	2	An in-house analytics capability develops the customer/ market insight required by all council services
	Manage Service Portfolio	3	5	2	There are clear policies/ guidelines on potential delivery models, approaches to market testing and legal/ financial parameters
	Develop Services and Define Delivery Models	2	5	3	Improved cross-directorate knowledge of the dependencies and links between separate services
Deliver Services	Deliver Service and Manage Demand	2	5	3	Refreshed performance management measures for service delivery and contract management
Manage External Partner-ships	Manage Partner Relationships	3	5	2	Governance and legal frameworks have been re-defined to support increased partnerships

					with external organisations
Manage Knowledge Improvement and Change	Manage Improvement	2	5	3	Standardised project management, change management and benefits tracking methodologies for PCC

Appendix C – Risk Log

An initial analysis has identified the following as the main risks for the programme to deliver the new CCO capability. A risk workshop will be arranged during the development of the FBC to provide a more detailed analysis and management actions (impact, mitigation, ownership, etc.)

Ref	Risk Description	Likelihood	Impact	RAG Status	Mitigating Action
CCO_R SK_I	There may not be suitable partners (co-operative or private sector) to deliver Council services on behalf of PCC and that also satisfy: lower cost than in-house, capability and capacity to deliver services, commitment to work with the Council, and, engagement on a co-operative basis	3	5		Use existing connections with potential partners (with Members, Partner Engagement Lead, service areas) to promote the opportunities and encourage engagement and dialogue Analysis of wider range of potential partners; engagement and dialogue with suitable ones Use existing connections to develop groups (e.g. community, voluntary) who could become partners
CCO_R SK_I	There may be too few public sector partners willing to cooperate in shared delivery of internal support services	3	4		Use existing connections with potential partners to promote the opportunities and encourage engagement and dialogue Analysis of wider range of potential partners; engagement and dialogue with suitable ones
CCO_R SK_I	Changes to delivery models are achieved but unable to achieve staff savings (in full or in time) to realise benefits	2	3		Close coordination with P&OD Programme to ensure staff changes are made when required. Close coordination with Business Change Team to ensure business changes are followed through effectively
CCO_R SK_I	Managers and/or service teams may not buy in to the Transformation Portfolio, co-operative approach or external service delivery	4	4		Engagement & communications with all staff, particularly those most impacted by Transformation, coordinated by Business Change function to include Business Change Advisors, Engagement Leads, and Change Agent from within the service.

Ref	Risk Description	Likelihood	Impact	RAG Status	Mitigating Action
CCO_R SK_I	Initial estimates for cashable benefits are based on high-level budget figures using a top-down assessment of likely percentage reductions that could be achieved but which may not be achievable without unacceptable impact on services	4	3		More detailed analysis and financial model for affected areas to provide more realistic estimates for validation against the initial estimates
CCO_R SK_I	Members may not support the proposed changes	3	4		Engagement & communications with all staff, particularly those most impacted by Transformation, coordinated by Business Change function to include Business Change Advisors, Engagement Leads, and Change Agent from within the service.
CCO_R SK_I	The option to outsource service delivery to private sector suppliers may not reduce costs as expected, in particular if contracts do not cover all aspects of services which result in additional charges	2	3		Early market assessment of potential suppliers to estimate validity & likely impact of this risk
CCO_R SK_I	Internal staff appointed as Project Managers or Business Analysts might be inexperienced and could struggle to manage large, complex projects: as a result, there may need to be more and smaller projects, which will be less efficient (cost more and take longer overall)	2	3		Structure projects in a range of scope & size Training: informal on-the-job by Programme Manager Training: more formal events organised by Portfolio Office Closer supervision & mentoring of staff new to roles

Ref	Risk Description	Likelihood	Impact	RAG Status	Mitigating Action
CCO_R SK_I	There is a reputational risk to PCC if services are impacted (temporarily during migration, but in particular if the new services or delivery mechanisms are not adequate)	3	1		Thorough planning and risk analysis, particularly around switch-over, to pre-empt problems Public communications preparing customers for changes
CCO_R SK_I	There are dependencies to and from all other programmes and other initiatives (e.g. Delt set up) that may determine different timings than the current high level plan	3	2		Close coordination of scope and planning with other Programmes to align dependent activities or deliverables
CCO_R SK_I	New ICT required to support the CCO operations (e.g. contract management, sharing data with partners) are not included in the Programme plan or costs and will be supplied by Enterprise Architecture, but may cost more than has been allocated to EA.	2	3		Early outline of likely ICT required for EA to propose solutions, to scope the work, and estimate costs

Appendix D – Engagement

How it is done or what is changing or may change and how it will be managed going forward.

Engagement activity will be joined up, planned, and visible. By engaging staff, partners, customers (and community) and elected members we will ensure they are given the opportunity to co-design services that are fit for the future.

Rather than just using traditional one way communication ('telling people'), we will explore and develop innovative ways for people to participate in the Transformation Programme and tell us what they think.

Engagement activities will remain flexible in order to adapt to programme changes as they occur, this will ensure a NOT "one size fits all" approach.

All programmes will ensure they have visibility on all the engagement strands to ensure consistency in delivery and a cohesive joined up approach where possible.

Staff Engagement

As Engagement is a normal part of council activity, it will be largely be supported by individuals with responsibility for engagement, existing bodies, and forums etc.

Managers at all levels, Business Change Advisers and HR Advisers will support staff engagement for directly affected staff and they will be supported by others including Enterprise Leadership Graduates.

As some engagement may happen jointly with others including partners, there will be a need for engagement leads to work closely together to ensure a cohesive approach.

All individuals called upon to support engagement activity will be equipped with the knowledge, skills and behaviours to effectively support this activity.

The Trade Unions are key stakeholders and will be kept informed of progress around development of the blueprint and development of the business cases for the transformation programmes. Once detailed business cases are in place Trade Unions will be invited to play a more active role in transformation and will be engaged on behalf of their Members.

To ensure the workforce is fully represented and consulted on major changes the whole workforce will be consulted at the earliest opportunity whilst discussions and negotiations with trade unions are being undertaken.

Engagement objectives and performance measures will be set for each programme and will be used to track engagement. Other indicative measures may also be used to track engagement.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
------------------	-------------	-------------	-------------	-----------	----------

Staff	CMT		X		
	SMT		X		
	Team Plymouth Managers			X	
	Trade Unions			X	
	Employees			X	
	Line Managers			X	

Partner Engagement

The following partners (see below) will be closely involved on transformation and will work together with the Council on shared goals and objectives and will work together with us to ensure alignment of priorities and realisation of benefits. This list of partners may change to reflect the scope of the relevant programme as will the nature of the engagement as it becomes clearer as to how partners will need to be involved with each programme.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Partners	Devon and Cornwall Police				X
	Clinical Commissioning group				X
	Plymouth Hospitals NHS Trust				X
	Plymouth Community Healthcare				X
	University of Plymouth				X
	City College				X
	Marjons				X
	Delt				X

	Plymouth Community Homes				X
	Zebra Collective				X
	Public Health England				X
	Ofsted				X
	Plymouth Chamber of Commerce				X
	Devon and Somerset Fire Service				X
	Peninsula partnership Local Authorities				X
	Schools (PAPH/SHAP/PLT/Schools Forum)				X
	LEP				X

Customer and Community Engagement

Each transformation programme will impact on our customers and our communities to some extent. Where we redefine services that we deliver to customers and communities we will seek to build in at the outset of the business case one version of the facts and a 'voice for all' with support for customers and communities to influence, co-design and co-produce including minority communities. This will be used to produce robust and real intelligence for transformation programmes to ensure evidence based decision making at the earliest possible stage, with feedback given on the outcomes of consultation. Even those changes focused fundamentally on internal transformation, are likely to contain elements which have an impact on our customers, their access to services and the conduct / approach of Plymouth Council staff. For example, where there are staff office moves which mean customer access and channel shift occurs, then customers or residents in the neighbourhoods / locations from which service will be

delivered or changed could help shape our services by expressing their expectations. This should be built in at the outset of the business case.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Communities and Customers	Communities of Identity			X	X
	Communities of Interest			X	X
	Communities of Geography			X	X
	Customers			X	X

Member Engagement

All transformation programmes will need to understand how and when to utilise the democratic decision making processes available to them, and be aware of the importance, where appropriate, of ensuring elected member/political engagement throughout the transformation process. This will often involve existing opportunities for member engagement and information sharing. Furthermore, elected members, where appropriate, will also need to receive feedback from other engagement strands to aide broader understanding of how we are using a co-operative approach to engagement throughout the transformation programme.

This list of elected member stakeholders may change to reflect the scope of the relevant programme:

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



Outline Business Case

Programme Name:	Customer and Service Transformation		
Date:	28/01/14	Version:	2.0
Programme Projects:	Service Reviews Customer Standards Customer Operating Model		
Author:	Peter Honeywell		
Owner (SRO):	Anthony Payne		

CONTENTS

CONTENTS	96
1. Executive Summary	97
2. Programme Vision	101
3. Strategic Case	101
3.1 <i>Case for Change</i>	102
3.2 <i>Aim</i>	105
3.3 <i>Scope</i>	106
3.4 <i>Out of scope</i>	106
3.5 <i>Outcomes</i>	106
3.6 <i>Assumptions</i>	107
3.7 <i>Stakeholders</i>	108
4. Work Streams	Error! Bookmark not defined.
5. Financial Case	108
5.1 <i>Cost-Benefit Analysis</i>	109
5.2 <i>Cost and Benefits Analysis</i>	109
5.3 <i>Expected Costs</i>	109
5.4 <i>Expected benefits</i>	111
6. Management Case	112
6.1 <i>Programme Plan</i>	112
6.2 <i>Risk Analysis</i>	112
6.3 <i>Interdependencies</i>	112
7. Programme Organisation.....	112
7.1 <i>Guiding Principles and Methodologies</i>	112
7.2 <i>Quality Management</i>	113
7.3 <i>Portfolio level Benefits Management</i>	113
7.4 <i>Risk</i>	113
7.5 <i>Methodologies</i>	113
7.6 <i>Equality Impact Assessment</i>	113
7.7 <i>Any other tools / methodologies / processes / standards / assurance</i>	113
7.8 <i>Programme documents</i>	113
8. Appendices	114

I. Executive Summary

This programme will:

- Define and implement consistent service standards for customer interactions supported by the Council's in house service and for those services delivered for the Council by other parties
- Implement the Customer and Channel elements of the blueprint through a process of service reviews with the result that the cost of managing customer contacts will be reduced and service levels delivered to customers are actively managed.

The changes to be delivered can be viewed from a number of perspectives. From a customer perspective the changes are as follows:

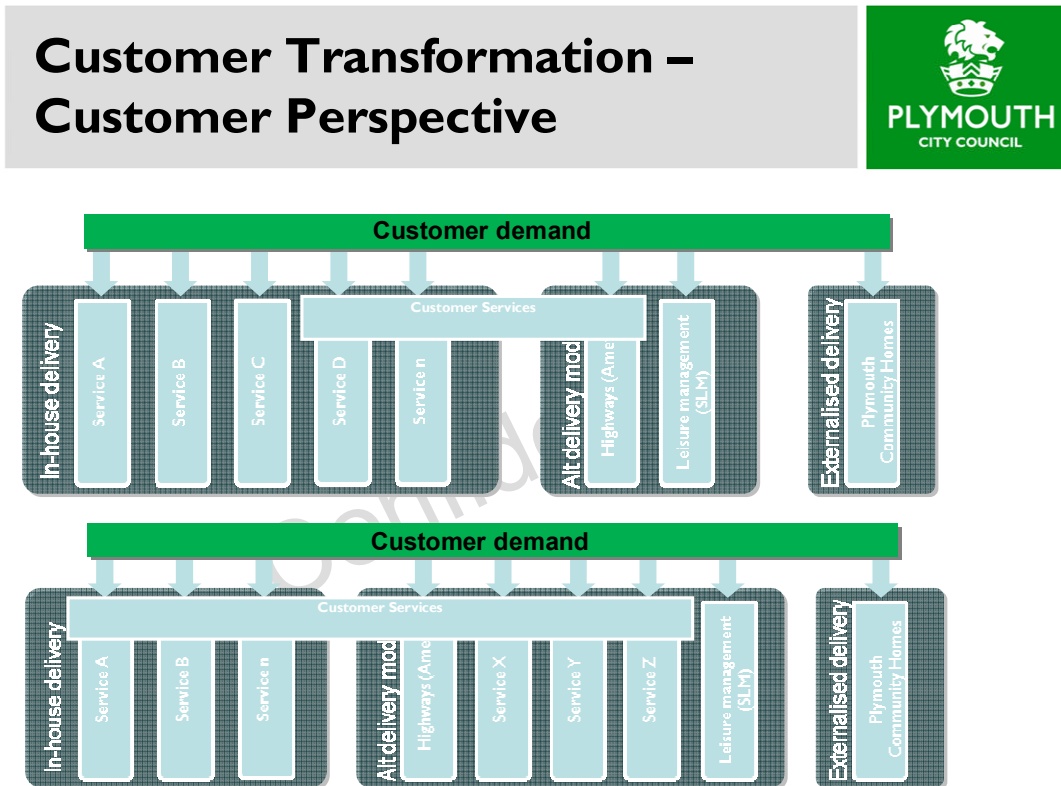


Figure I – Transformation - Customer perspective

Figure I highlights the shift from a position today where customers (in the main) interact with the services that fulfil the demand. So, if a customer requires help with a claim for Housing Benefit they would meet with a member of staff from the Benefits team and if they needed advice about children's social care they would call staff in that service. This results in a situation where the Council cannot respond fully to a change in a customer's circumstance. For example in the Civic Centre if a customer notifies staff today that they have moved, the Council tax systems will be updated but this will not update parking permit data or other systems dependent upon knowing the address of a customer. Updates to parking permits frequently only occur when the customer visits the Civic again to apply for the permit at their new address.

In the future a single organisation (called Customer Services in Figure I) will provide the initial handling of customer contact for services provided by the Council and for services provided by a third party on behalf of the Council. The reason this will be handled by a single organisation is to achieve consistent

standards and economies of scale. The new Customer Services organisation will require an integration across systems to allow data (where legal) to be shared so that a change in customers circumstances can trigger updates across all impacted services.

From a channel perspective the changes are as follows:

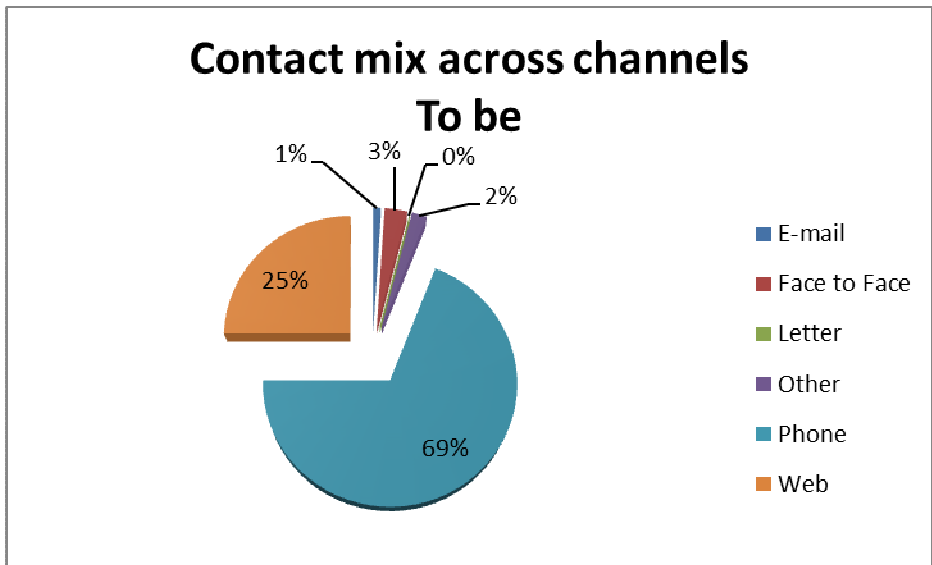
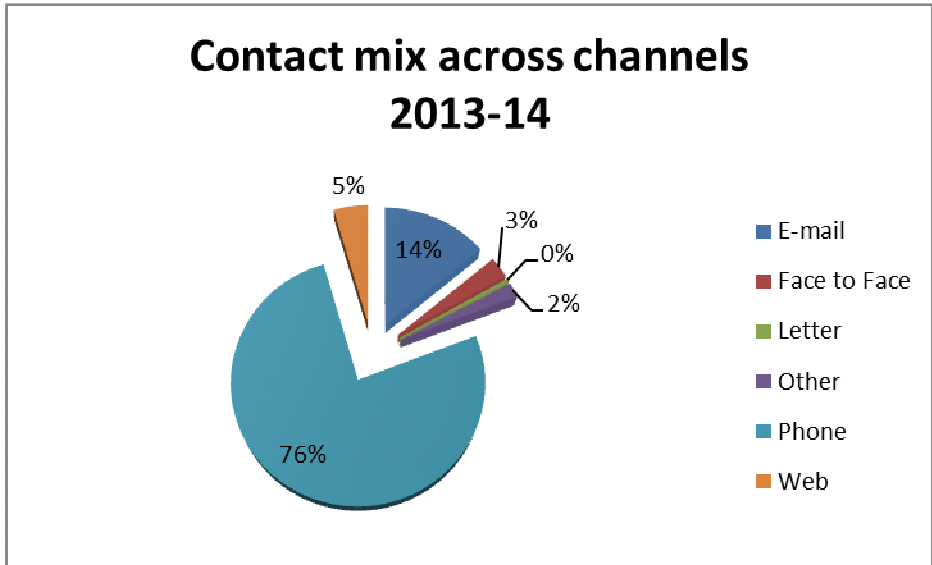


Figure 2 – Transformation – Channel perspective

Figure 2 shows the current mix of contacts (FY 13/14) across channels and the future mix of contacts once the programme has delivered. In the top pie chart (showing the mix today as best the limited data available will allow) email represents 14% of the contact volume. The use of email to this extent indicates a significant number of customers have access to internet/echannels which they are willing to use, however email is an expensive channel for the Council to process as it requires staff time to read

and respond to them. Strikingly, just under ¾ of the current mix represents telephone contacts. Clearly more efficiently managing this type of contact will be key to the programme.

The future channel mix, illustrated in the lower pie chart shows how the programme aims to significantly increase the volume of eChannel/automated interactions. The target set in the Corporate Plan for this is 25% and at this level it would bring Plymouth in line with the performance levels of other Councils. Analysis by the programme of Plymouth residents and the evidence of the high volume of email suggests that for some customers (and some services) delivering service through automation is actually what customers prefer. It is also important to note however that the shift to online service delivery does not come at the expense of face to face service which stays consistent at 3% of the total volume both currently and targeted in the future.

From a service management perspective the changes are as follows:

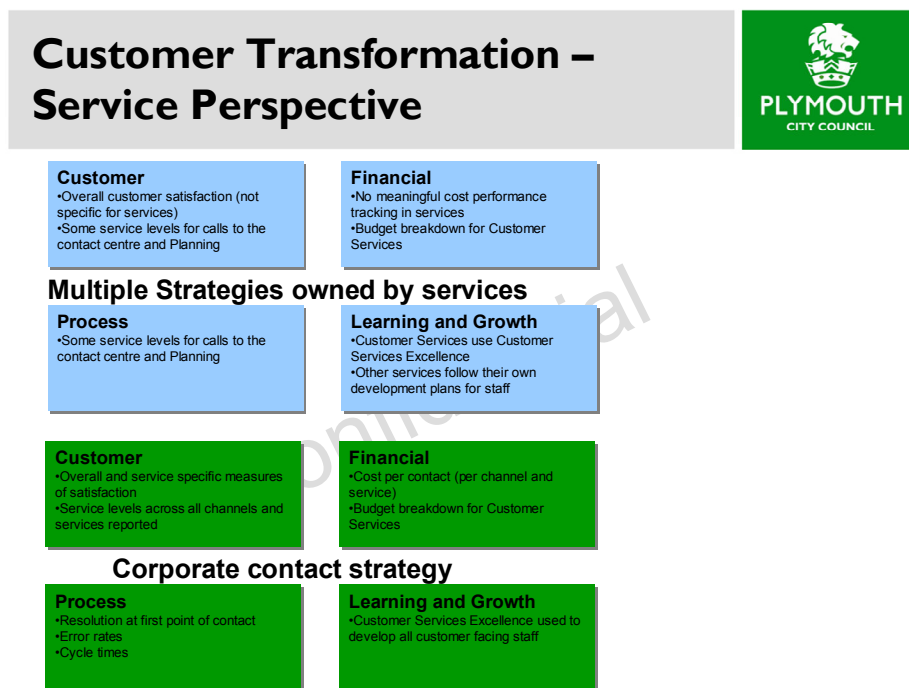


Figure 3 – Transformation – Service management perspective

In figure 3 the blue quadrants show a balanced scorecard approach that is piecemeal and inconsistent across multiple services, this is the situation today. The green scorecard shows a single strategy supported by a consistent set of performance metrics across services provided by and for the Council, this is the model that the programme will implement. The absence of a consistent approach to date has made measurement difficult as systems are different and targets are different so automated reporting is fragmented at best. This means that in some cases performance delivered to customers is poor and unnoticed by the organisation.

The programme will align PCC (and partners delivering on behalf of PCC) to a common corporate contact set of standards. The standards will be tracked through a set of performance measures and targets so as to allow services, Members and customers to see and understand performance being delivered. These measures will include a focus on the learning and growth aspects of customer service

so that staff acquire confidence and skills to continue to improve service beyond the timeframe of the programme as customer need changes.

The delivery of the corporate contact standards focusing on the “measures that matter” is a vital element of the programme as these measures define the changes required, between current and future target performance and the benefits realised by the programme. Achieving a culture change resulting in cross organisational understanding and commitment to these standards is one of the most valuable aspects of this programme.

The programme will address 5 financial value drivers detailed in the figure below:

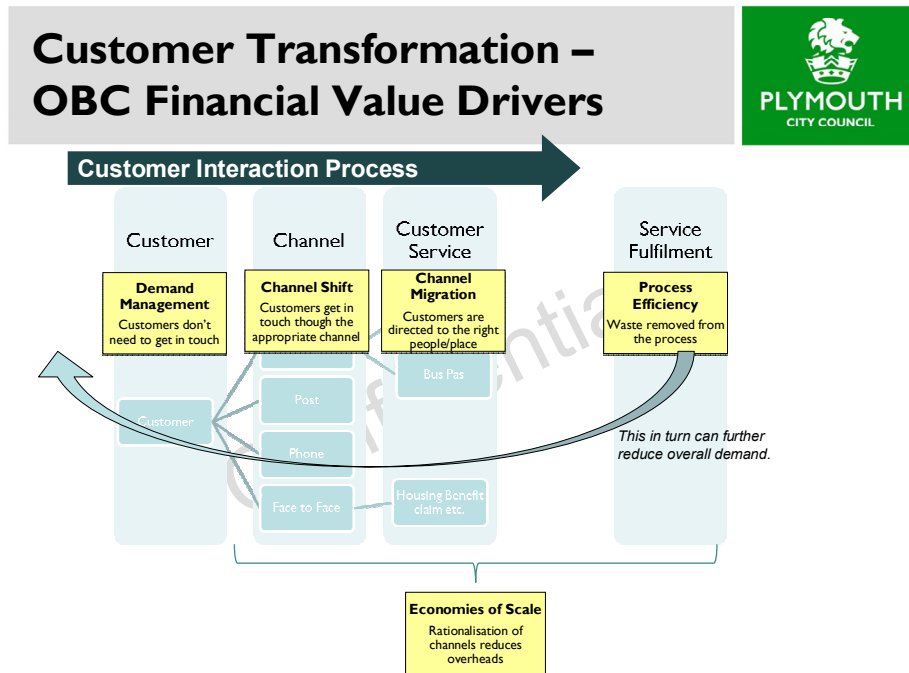


Figure 4 – OBC Financial Value Drivers

These value drivers in Figure 4 show how and where the financial benefits in this business case will be made. The changes delivered by the programme can also be described as follows:

- Stop (cost incurring activity) – through policy changes, demand management or lean reengineering
- Shift/migrate (demand) – to more cost effective ways of meeting the demand
- Simplify (service fulfilment) – through lean reengineering
- Automate (service fulfilment) – replacing manual work with ICT solutions

The approach of the programme will be to follow this sequence of events when looking to realise benefits. The bullets above are listed in order of their typical cost, so in this way expensive automation will only be required for customer demand that has been challenged and simplified as far as possible.

In addition to these financial value drivers the programme will also improve data quality (supporting business decisions relating to customers) and improve customer satisfaction. No attempt has been made in this OBC to financially quantify the benefits associated with these value drivers.

The key decision to be made around this OBC is which services should be reviewed by the programme. This decision is explored in the scope and options sections of this OBC.

2. Programme Vision

The vision of the Customer and Service Transformation (CST) Programme is to deliver some of the key building blocks to enable Plymouth City Council to become “the Brilliant Co-operative Council”

The CST Programme will:

- Bring **Pioneering** changes to customer service through reviews of services engaging with customers, partners, staff and members to ensure that the designs emerging are innovative and fit for purpose.
- The reviews will also ensure that services are made more accessible and available outside of conventional working hours.
- Support the **Growth** of Plymouth through delivering improved automation in the provision of services to customers, this will allow the Council to support increased customer demands for services without significant budget increases being required.
- Ensure that customer needs are understood and incorporated into the way in which services are provided in future. The programme will support the **Caring** outcome through the use of surveys and customer panels ensuring that citizens are at the heart of decision making
- Increase the **Confidence** of staff working with customers by empowering them to design and deliver services that meet customer needs. The satisfaction with the service provided to customers by the Council will become a vital measure of success for the programme and Council.

3. Strategic Case

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 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 where agreed for Place service (and throughout all OBCs)

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 Customer and Service Programme has been established to deliver improved customer service and deliver financial savings. The opportunity to deliver on these two goals arises as a result of the historic approach taken by the Council to service delivery. The case for change is built on resolving 5 interrelated issues arising from the current ways in which the Council delivers service to customers. The issues identified are:

- Limited cross service integration meaning customers have to tell each service they use of their changed circumstances
- Service availability is perceived to be poor
- Current customer service standards are inconsistent and in some cases poor
- Little customer insight is available to support business plans
- Customers excluded from service design

Limited cross service integration

Until now the Council has allowed services to be delivered relatively independently of other services, therefore if customers called the Council to discuss their service requirements they would call a number that was likely to be answered by a member of staff working within that service. Staff working to provide services face to face are also likely to work for the service that the customer chose to approach. It's also been the case thus far that development of the web site has been based on the requirements from individual services for the automation of key transactions.

The result of this approach is that services have full control over the service they provide to customers and can ensure that staff have the required training and skills to address issues that customers present to them. However there is also little sharing of data between services and in some cases between channels, so a customer who moves would need to notify each service they receive from the Council of their change in order to maintain service continuity between their old and new addresses. This is frustrating/time consuming for customers and expensive for the Council as each contact incurs additional cost.

Service availability is perceived to be poor

It is also true that the return on investment for automating support for an individual service may be marginal or uneconomic and this has resulted in service delivery processes that are predominantly manually supported – incurring more revenue cost than would be the case if they'd been automated as well as being exposed to the risks of potentially poor quality and inconsistency in the service delivery. The dependence on manually supported service delivery has prevented the roll out of eChannels which would have allowed customers 24 hour access to key services.

Current customer service standards are inconsistent and in some cases poor

The opportunity therefore is to redefine the existing model for customer service delivery in the Council to one that continues to allow services to define service standards with and for customers whilst at the same time intelligently sharing information between services and channels (subject to data protection requirements) so that customers tell PCC once and relevant updates are made across the services provided to them. Working across services it is also anticipated that common processes will emerge which will reach a scale required to justify investment in automation. This in turn will allow for consistent measurement of service standards and a performance management approach to be taken to drive improvement for internally provided services and a contract management approach to be taken for services provided by external parties.

Service standards also need to include support for written correspondence to customers, which today can be very complex and result in further customer contact. It will also cover closing the loop with customers confirming that the service they requested has been delivered, saving them needing to re-contact the Council to chase for status updates.

Little customer insight is available to support business plans

The lack of customer insight helping services understand who their customers are and what preferences they have has prevented changes being identified and delivered in the past. For example parking permits are managed through face to face customer services in the Civic Centre, however having now examined the profile of customers requiring parking permits a significant percentage of them dislike having to find time during normal working hours to register their application. In fact in a recent survey students and young professionals accounted for nearly 50% of the demand for parking permits presented to the First Stop team. This finding underlines the priority that the programme will place on designing processes and channels to cost effectively meet customer demand.

Customers excluded from service design

Some of the standard letters issued by Revenues and Benefits are considered so complicated by staff and customers that working practice is to invite customers to a meeting rather than issue the letter (which simply results in confused customers requesting a meeting to explain the letter). This is a good example of where the involvement of customers to consider wording and layout options for standard letters could have reduced demand for services and improved customer satisfaction. This programme will use customer input in both the definition of standards and the delivery of changes from service reviews to confirm proposals before implementing them.

As evidence of the extent of the problem a recent survey conducted with customers using the face to face service reception in the Civic Centre revealed that around 25% of all visits were to notify the Council of a change in their circumstances. In most cases these contacts were handled by the service the customer felt was most relevant to them, and it would only have been if the customer also notified the Council about their other services too that changes to these would also be made. In the case of the contact centre work is currently underway to improve the systems support for staff working there such that instead of service specific systems being used by teams dedicated to handling calls for an individual service a single system is used to handle all types of calls which would allow staff to handle a variety of contact types. This change will improve the efficiency of the operation by allowing staff to address peaks in one service area whilst there are troughs in another.

The context for this change is that it is being planned at the same time as the development of a new blueprint for the organisation. The Full Business Case will recommend which services remain in house and which are operated by 3rd parties. The question arises therefore as to which services the programme should address as subjects for change. Arguably all services could be reviewed even those to be externalised, however the capacity (and therefore cost) of the programme would probably need to be increased to manage this at the pace required and the savings from some services may not be that significant. The alternative option is to only focus the change efforts of this programme on services known to be staying in house, this will ensure that these services improve and are recognised as providing good value for money. A third option is to prioritise the services to be addressed by the programme on the basis of potential for savings and/or other factors such as the cost/effort and risk of the change, customer impact and/or requirements of other programmes. Note: these options are not mutually exclusive so combinations of these approaches could also be taken. The options described above will form the basis of the options described in section 4 (Options Appraisal) of this OBC.

Regardless of the choice of services that will be subject to change by the programme, benefits will be delivered by the programme as a result of changes within individual services to the following value drivers:

- Demand management – reducing (unnecessary) customer contacts through interventions such as clarifying our written correspondence
- Channel migration – moving contacts to the recognised single point of contact (for each channel) through work such as moving call handling from administration roles within services to the contact centre
- Channel shift – shifting contacts from more expensive channels to those that are cheaper to deliver service, by for example promoting to customers the ability to apply for parking permits online rather than have to call in to the Council and apply face to face. This value driver will aim to align Plymouth with the national average for Councils in achieving ~25% of contact volumes handled via eChannels/internet (from a starting point of around 3%).
- Process efficiency – reengineering processes to simplify, streamline and automate where possible to take out costs, through for example connecting the Housing Benefit application process to the Academy system (at present the form completed online is saved as a pdf for staff to rekey the contents into Academy).

After the first service has been reviewed a further value driver will also be available to the programme:

- Economies of scale – as each service is reviewed consideration will be given to the possibility of delivering processes (or parts thereof) through the transaction centre or other corporate functions. The identification of suitable processes for this type of change will only emerge through being able to look across services for common processes, hence this value driver will only be addressed once more than one review has completed.

The programme will also address some significant value drivers for which no attempt will be made to financially quantify the benefits. The non-financial value drivers are:

- Customer satisfaction
- Data quality improvement

The costs included in this OBC only include the staffing costs for programme resources (internal and external). ICT costs are being captured at the Portfolio level.

3.2 Aim

This programme will transform the way the council interacts with customers to meet their demands and preferences, and transform the services that are prioritised as subjects for review. 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 – leading to the establishment of a customer insight capability supporting decision making in both in house and externalised services.
- 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 and reduce cost
- The focus of activity for services to be provided elsewhere is driven by new models coming into existence

3.3 Scope

The programme of work covering the standards, customer insight and performance management is scoped to cover all customers (internal and external), all channels and all services (conducted by or on behalf of the Council). This work will not cover changes to service delivery and commissioning, people/organisation and culture, processes/transactions or accommodation. It will include change requirements on information and technology to support the measurement of service standards as well as the capture and analysis of customer data.

Service reviews are likely to take one of two forms; type 1 will take the form of training and tools provided to a service area such that they are able to implement the blueprint for themselves. Type 2 will take the form of a project team to work alongside a service to re-engineer processes, systems and organisation in order to implement the blueprint and achieve a step change in performance. The choice between these two types of review will rest on the anticipated scale of change required and the benefits expected. The scope of work covering type 1 service reviews will cover the processes, people/organisation, information, technology required to support the services and customers agreed to be in scope for the reviews.

3.4 Out of scope

Services fully externalised from the Council, i.e. those for which the Council no longer retains responsibility (such as Plymouth Community Homes) are out of scope of the programme. The delivery of alternative delivery models for individual or collections of service is outside of the scope of this programme. Accommodation will be the responsibility of the People and Organisational Development (POD) Programme, specifically this relates to the provision of the new shop and the accommodation to support the expansion of the contact centre.

3.5 Outcomes

The outcomes of the programme include:

- Definition and delivery of a clear vision and strategy for customer interaction across the Council to allow customers simple, convenient and effective access to the information and services they require
- Improved quality and efficiency of customer 'access and management' across the Council
- Improved quality and efficiency of customer interactions across all service areas
- Increased consistency and effectiveness of customer service across the Council
- Reduced cost of customer service (overall and per transaction)

The programme is required by the Council in order to deliver the Corporate Plan. Key actions 1 and 2 (Implement the Customer Transformation Programme and Focus performance improvement on top priorities identified by Plymouth residents) as well as performance measures P1 and P2 (80% of customer contacts with the Council will be managed through the single point of contact, with 80% of enquiries dealt with at first point of contact and Provide fully transactional services on the web – through a "Citizen Portal" with a target of the national average and 2% (from 3% to 25%) by volume) are to be delivered by the Programme.

3.6 Assumptions

The programme brief made the following 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 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.
- As part of becoming a Co-operative Council, PCC is changing the way services are delivered, including internal support services which are currently delivered predominantly in-house. The Co-operative Council strategy, being implemented by the Transformation Portfolio, is to assess transferring service delivery to 'alternative service delivery vehicles' (ASDVs). As a result of this assessment a Full Business Case will set out the best options to deliver our services. The presumption is that, where there is a good business case and viable options for ASDV, there are benefits to this approach for services rather than delivering them in-house.
- The development of the Blueprint has involved the engagement of 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 full 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.
- Before progressing to the development of outline business cases Senior Responsible Owners (SROs) and the Transformation Portfolio Board will agree governance arrangements for each of the programme boards and appoint programme managers.
- 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.

In addition to these assumptions the following assumptions have been added as a result of the development of this OBC

- Customer demand for service isn't going to be driven up during the period of the business case as a result of external (outside of our control) factors such as further or more radical acts of welfare reform
- Customer demand for service isn't currently so stifled that once improvements are delivered previously latent demand consumes the additional savings generated by the programme
- Channel mix isn't going to change without programme interventions

- Customer service staff costs don't increase faster than other staff costs over the period of the business case
- Baseline costs and performance levels are taken from Q2 and Q3 FY 13/14 – and are not adjusted to account for planned changes to be made by management actions or other service interventions.
- Funding and approval for required ICT changes will be forthcoming and will be managed outside of the programme governance
- The cost of staff time for those involved in workshops for service reviews and/or other work streams are not included in the costs for the OBC
- Savings are dependent on agreement to suitable service levels based on customer and service needs. In the majority of cases this should be an improvement however in a few cases this may reduce the service currently provided

3.7 Stakeholders

The programme will engage with staff and customers fully in the design of customer standards, customer insight capability and the service review processes. The work already being delivered in the relocation of the Civic Centre customer reception has involved staff/Trade Unions heavily in understanding the results of the customer survey and then developing new ways of handling customers in the new shop. Customers will be asked to review the designs resulting from the review prior to planning the implementation of changes. This way of working will form the template for all subsequent reviews conducted by the programme.

In future reviews it should also be possible to engage with relevant partner organisations as part of the review to confirm that changes that could be made will be understood by all parties that interact with PCC customers.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Staff	affected			X	
	unaffected				X
Communities				X	
Partners					X
Members			X	X	

4. Workstreams

The programme comprises 4 related work streams, these are: Customer Insight, Customer Standards, Service Reviews and the Customer Operating Model. Customer Insight, Customer Standards and the Customer Operating Model have been considered core to the future of the Council and have therefore been included in options 1 to 3 set out below. The 3rd work stream – Service Reviews is subject to choices in the scope of services reviews are applied to.

5. Financial Case

5.1 Cost-Benefit Analysis

On the basis of the available cost benefit data this case looks marginal at best. Payback on the resource costs of the programme occurs around 4.5 years after the start of the project, however the case does not include the ICT investment required to deliver the benefits. Whilst it is impossible to properly estimate the cost of the required ICT it is likely that these costs will more than equal the resource costs. As result the programme clearly requires more work to be performed on reducing the costs and increasing the benefits before it could be put forward for approval.

5.2 Cost and Benefits Analysis

Total Estimated Additional Financial Benefits (£k):	£1,454,000k
Total Estimated One-Off Net (Cost) / Benefit (£k):	(£1,396,000k)
Total Cost Required to Develop till Next Checkpoint	£709,000k
Estimated Payback from Start of Project (Months):	48
Estimated Annual Return on Investment	1.041547278
Project Duration (Months):	36
Complexity (0-7):	6
Strategic Alignment	High
Total Cost Avoided (£k):	

The above data is taken from the cost benefit spreadsheet for the Programme and clearly only contains the financial benefits of the programme. Section 4.4 shows the list of benefit types that the programme will deliver including the non-financial types.

5.3 Expected Costs

The only costs captured within this OBC are those required to cover the staff and external support to fill the roles set out to deliver the programme. Costs associated with governance including preparation and attendance at Programme/Project Boards are not included in the costs of the programme. The other costs associated with the delivery of benefits for the programme are understood to be owned at a portfolio level in the case of the technology requirements and in the case of accommodation requirements by the POD programme.

All costs therefore currently treated as revenue expenditure.

The table below shows the governance and delivery resources required to deliver the programme.

	2013/14	2014/15	2015/16	Total Cost
Programme Manager	£30,450k	£73,080k	£73,080k	£176,610k
Programme Manager (E)	£0k	£0k	£0k	£0k
Business Architect (I)	£0k	£0k	£0k	£0k

Solutions Architect (E)	£54,600k	£146,160k	£70,560k	£271,320k
Project and Programme Support (I)	£6,300k	£25,200k	£25,200k	£56,700k
Project Manager (Foundation) (I)	£16,800k	£33,600k	£0k	£50,400k
Project Manager (Practitioner) (I)	£30,240k	£117,600k	£120,960k	£268,800k
Project Manager (Expert) (E)	£36,225k	£72,450k	£0k	£108,675k
Business Analyst (Foundation) (I)	£29,400k	£66,150k	£44,100k	£139,650k
Business Analyst (Practitioner) (I)	£23,625k	£70,875k	£56,700k	£151,200k
Business Analyst (Expert) (E)	£69,300k	£103,950k	£0k	£173,250k
	£296,940k	£709,065k	£390,600k	£1,396,605k

The programme benefits are dependent upon the following technology solutions becoming available as per the table below:

Platform	Description of requirement	Required by date
Telephony – outside of the contact centre	Ability to record and report calls received (internal and external) and service levels by service area	Q4 FY 13/14
Web site	Integration to fulfilment systems allowing automated support for high volume customer interactions, ability to handle cross service changes (such as change of address) and case management including the provision of data to customers such as fulfilment status	Q1 FY 14/15
CRM	Integration to fulfilment systems allowing automated support for high volume customer interactions, ability to handle cross service changes (such as change of address) and case management including the provision of data to customers such as fulfilment status	Q1 FY 14/15
ERP/CRM	Ability to capture and analyse customer data from both operational systems and external data sources	Q2 FY 14/15
Workflow	Automated process support to meet requirements emerging from service reviews	Q2 FY 14/15


The accommodation requirements from this programme are as follows:

- Provision of a new city centre “shop” to provide customer services from to replace the Civic Centre

- Expansion of the contact centre to allow channel migration from services reviews
- Expansion of the transaction centre to allow channel migration from service reviews

5.4 Expected benefits

The benefits from this programme will result from the following value drivers:

Value Drivers		
Value Driver	Value Type	KPIs
1 Demand Management	Cost reduction	Total number of transactions (all channels)
2 Channel Shift	Cost reduction	Channel mix (ie. % of customers using each channel – by service)
3 Channel Migration	Cost reduction	Number of re-directed/unfulfilled transactions
4 Process Efficiency	Cost reduction	Average transaction time Total numbers of transactions (by service)
5 Economies of Scale	Cost reduction	% Overheads per transaction
6. Non Financial benefits	Customer Satisfaction	Customer surveys
	Data quality Improvement	TBC

Page No.5

Benefits 1 to 5 inclusive are identified as cashable financial savings.

Savings are based on the type 1 service reviews conducted by the programme. Based on the plan for delivering these the expected annual benefits to be delivered from this programme once complete is calculated to be around £1.5m pa. In FY 14/15 the programme is expected to deliver £176k savings from service reviews in Benefits Administration.

The table below shows expected benefits for this programme:

Customer Service Programme Savings £k	FY 14/15	FY 15/16	FY 16/17
	280	900	1,500

This version of the benefits has been included in the financial consolidation of Transformation into the budget as well as the cost/benefit calculations within this OBC.

The programme will also deliver against non-financial benefits covering customer satisfaction and data quality improvement. Customer satisfaction will be measured at an aggregated and service specific level

and can therefore be quantified, data quality improvement at this stage has not been defined sufficiently to propose a quantified measure.

6. Management Case

6.1 Programme Plan

The Programme plan assumes service reviews running sequentially until mid 2016. Customer standards should be developed and delivered by June 2015. The customer operating model is expected to be delivered by Autumn 2014.

The sequence of the service reviews has been based on anticipated benefit levels and the opportunity to most quickly align the organisation to the operating model (by for example prioritising services currently operating their own call handling within the service).

6.2 Risk Analysis

The risk log for the delivery of the OBC is attached as an appendix. The programme will maintain an active risk log across all activity undertaken, risks will be managed in line with the portfolio/programme standards set out in Section 6 below.

6.3 Interdependencies

The main interdependencies for the Customer and Service Transformation Programme are as follows:

Direction of dependency	Nature of dependency
Customer depends on:	
POD	Deliver the accommodation and fitting for the new city centre shop
ICT	Deliver the ICT requirements for the COM, service reviews, service standards and customer insight projects
Customer delivers to:	
CCO	Deliver specification and operation providing customer insight to organisation

There is potential for overlap with the Integrated Health and Social Care Programme around the timing and scope of service reviews in the Advice and Information areas of Adult Social Care and Childrens Social Care. The details of these reviews will need to be agreed with this programme.

7. Programme Organisation

The terms of reference for the Customer and Service Programme Board is attached as an appendix to the OBC.

7.1 Guiding Principles and Methodologies

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

7.2 Quality Management

Quality Management Strategy and Plan – Portfolio Office

7.3 Portfolio level Benefits Management

Portfolio Level Benefits Management Strategy will be used

7.4 Risk Management Strategy

Corporate Risk Management Strategy

7.5 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.

7.6 Equality Impact Assessment

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

7.7 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.

7.8 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.

8. Appendices

Appendix A – Risk Log

Ref.	Risk	Likelihood Rating	Impact Rating	RAG Status	Mitigating Action
CST_RSK_1	Quality and availability of financial and operational data regarding customer service delivery is very poor and results in a high degree of uncertainty to the expected benefits calculation	5	5		Develop more robust figures as part of service reviews – only then confirm expectations on benefits
CST_RSK_2	Excluding ICT costs from the Customer OBC makes decision making on the cost benefits of this programme impossible.	5	5		Decision effectively should be taken on the portfolio as individual cases for programmes are not valid
CST_RSK_3	The scale and number of changes across PCC (from other programmes and management actions) makes establishing a meaningful baseline difficult and could cause conflicts and capacity challenges in deploying change	4	5		Integrated planning across the portfolio and management actions is required. Business Change Managers to own the schedule of change across the business
CST_RSK_4	The availability of resources to support the programme with the required skills at the right time could cause delays to the proposed plans	3	4		Ensure all parts of the organisation are aware of the programme resource requirements, use programme and portfolio governance to prioritise requests
CST_RSK_5	Customer demand may currently be constrained by existing low service standards. As service improves customer demand	3	5		Manage Member, CMT and customer expectations carefully based on data from reviews and ongoing

	could increase and undermine financial savings				performance management
CST_RSK_6	Customer demand may be driven higher by national and/or local policy changes undermining the financial savings projected	3	5		Manage Member, CMT and customer expectations carefully based on data from reviews and ongoing performance management
CST_RSK_7	ICT requirements prioritisation process isn't clear and could cause delay/prevent the delivery of programme benefits	4	5		Use programme and portfolio governance to resolve this risk



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) 		
Author:	Nigel Gooding		
Owner (SRO):	Anthony Payne		

CONTENTS

CONTENTS	117
1. Executive Summary	118
2. Vision.....	118
3. Strategic Case	119
3.1 Case for Change.....	121
3.1.1 Growth.....	121
3.1.2 Assets.....	125
3.1.3 Municipal Enterprise.....	127
3.2 Aim.....	134
3.3 Scope	135
3.4 Out of scope.....	135
3.5 Outcomes.....	135
3.6 Assumptions	136
4. Options Appraisal	137
4.1 Financial Case	137
4.1.1 Cost-Benefit Analysis	137
4.1.2 Cost and Benefits Analysis	138
4.2 Expected Costs	138
4.2.1 GAME Programme Development.....	138
5. Management Case	139
5.1 Programme Plan.....	139
5.2 Risk Analysis.....	139
5.3 Interdependencies	139
5.4 Programme Organisation	140
5.4.1 Growth & Assets	140
5.4.2 Municipal Enterprise Project Board	141
5.4.3 GAME Programme Team.....	141
6. Guiding Principles and Methodologies.....	141
7.1 Quality Management.....	142
7.2 Portfolio level Benefits Management	142
7.3 Risk Management Strategys.....	142
7.4 Methodologies.....	142
8. Appendices	143

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:

	20/14/15	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

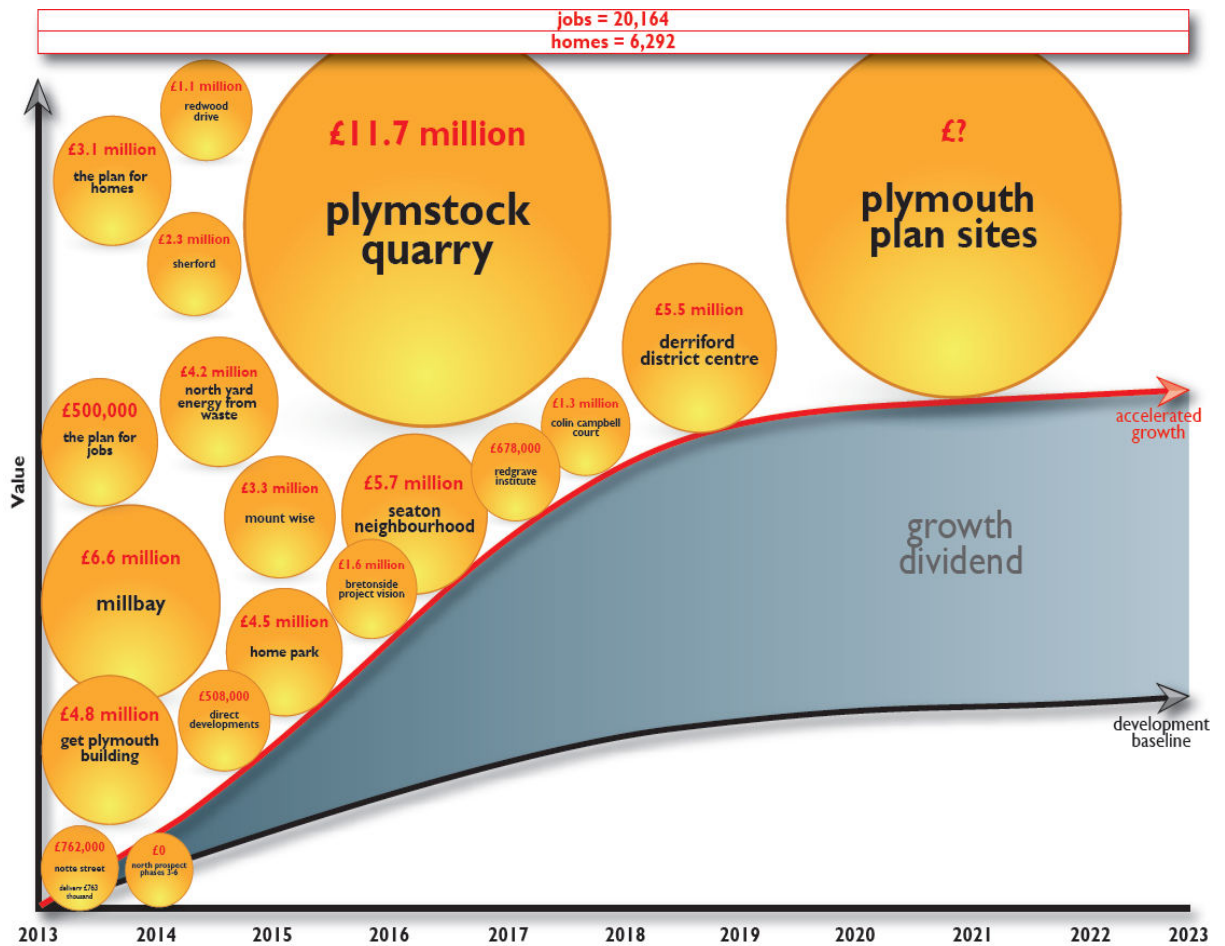


Figure I: Growth opportunities through acceleration

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.

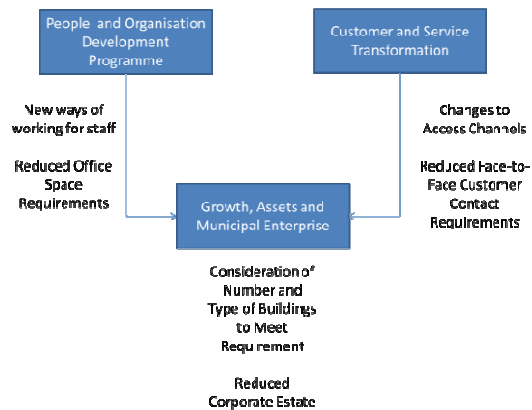


Figure 2: Links with other programmes.

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.

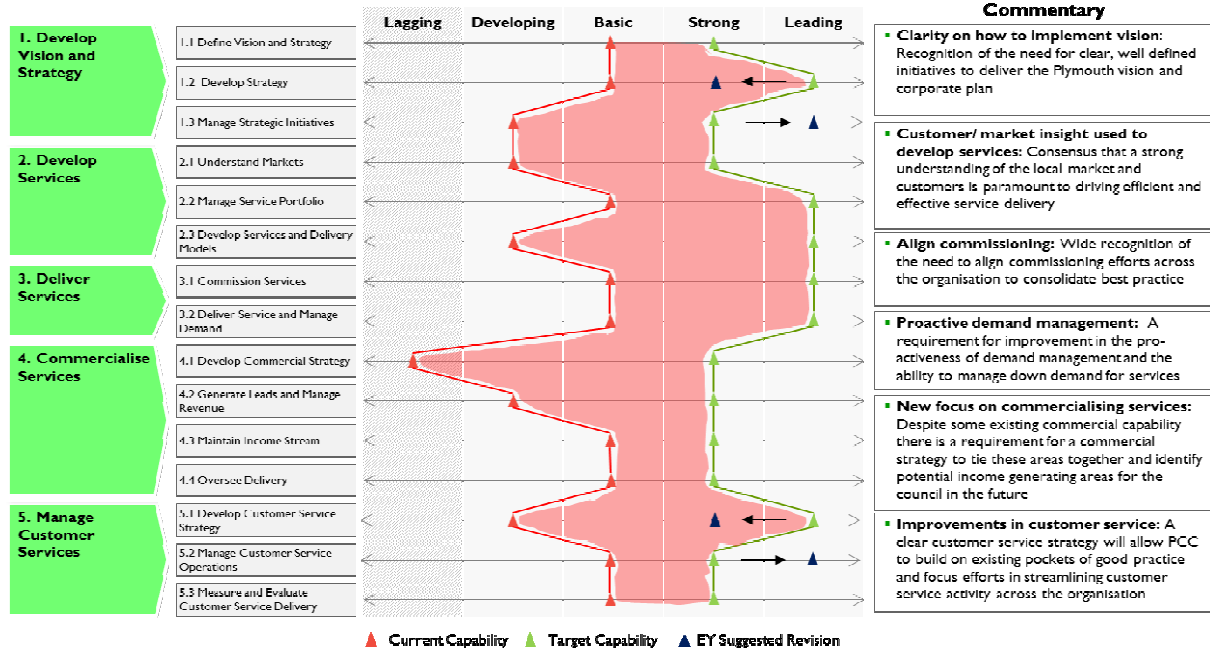
The project will do the following:

- 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.

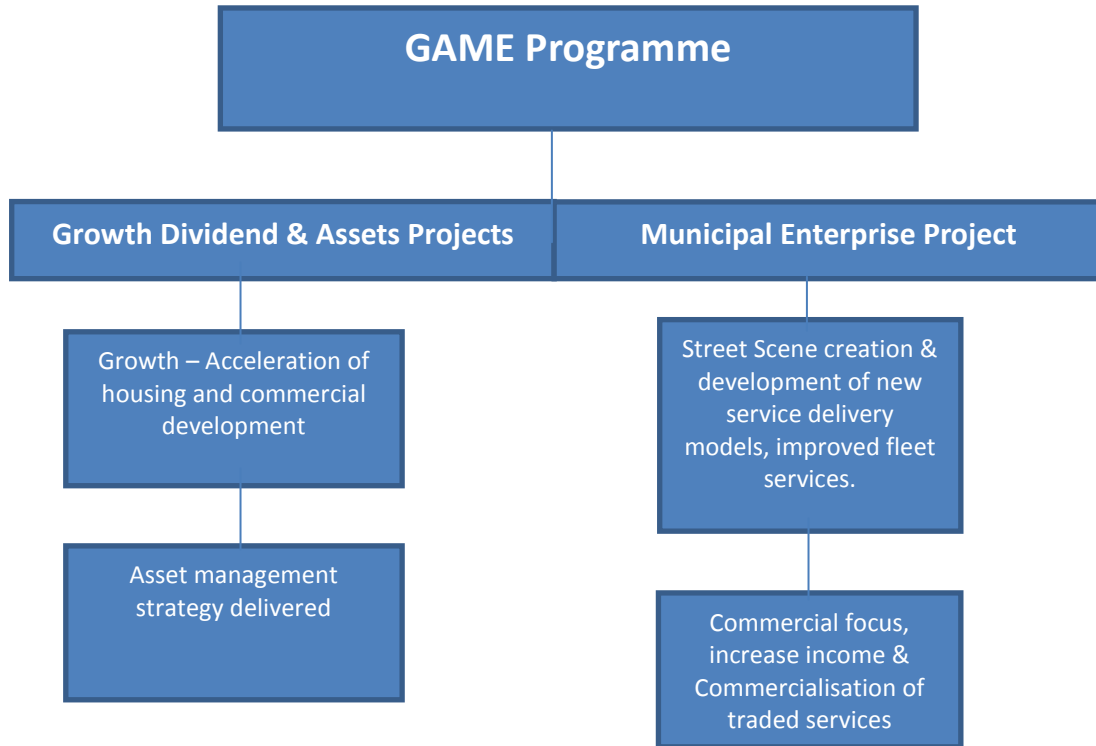
The programme will provide a strong set of projects and opportunities that will bring in additional, new and sustainable income streams to Plymouth and PCC, whilst ensuring a strategic approach to asset planning, and effective management and utilisation of PCC's assets.

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 coordinate 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 ('DELTA') for its ICT function. There is interdependency between the DELTA 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	Orange	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	Orange	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	Orange	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	Orange	<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	Green	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	Orange	The early identification and recruitment of transformation resources will support the programme & programme development.



Outline Business Case

Programme Name:	People & Organisation Development (P&OD)		
Date:	29/01/14	Version:	1.0
Programme Projects:	3	Accommodation Infrastructure Delivery	
	4	Workforce Delivery	
Author:	Les Allen		
Owner (SRO):	Carole Burgoyne		

CONTENTS

CONTENTS	145
1. Executive Summary	146
2 Vision Statement	146
3 Strategic Case	147
3.1 <i>Case for Change</i>	148
3.2 <i>Aim & Vision</i>	149
3.3 <i>Scope</i>	150
3.4 <i>Out of scope</i>	151
3.5 <i>Improved Capabilities</i>	151
3.6 <i>Assumptions</i>	152
3.7 <i>Stakeholders</i>	154
4. Financial Case	158
4.1 <i>Cost-Benefit Analysis</i>	158
4.2 <i>Expected Costs</i>	159
4.3 <i>Expected benefits</i>	161
5. Management Case	162
5.1 <i>Programme Plan Workforce Delivery</i>	162
5.2 <i>Programme Plan Accommodation Infrastructure Delivery</i>	164
5.3 <i>Risk Analysis</i>	164
5.4 <i>Interdependencies</i>	165
5.5 <i>Programme Organisation</i>	166
5.6 <i>Guiding Principles and Methodologies</i>	166
6 <i>Methodologies</i>	166
7 Equality Impact Assessment	166
8 Any other tools / methodologies / processes / standards / assurance	166
9 Programme documents	167
10 Appendices	168

I. Executive Summary

The People and Organisation Development (P&OD) programme will define and develop the capability required for our staff and accommodation infrastructure requirements to enable Plymouth City Council's vision of becoming a Brilliant Co-operating Council.

Plymouth faces a financial challenge and the Blueprint details that the future organisation will operate differently in the future than it does today. Therefore it is expected that there will be structural design implications, requirements for the organisation to up-skill in key capability areas, new ways of working and a rationalised accommodation portfolio with improved connectivity and access to services in key locations.

This Outline Business Case (OBC) supersedes the Programme Brief. It is important to note there have been changes to scope and in particular the following elements are no longer in scope of this programme and are the responsibility of the Business Architecture Team, the intention is to overlay the workforce planning element onto the structure that has been designed:

- Assessment of the current organisation to identify what the organisation is currently effective at and where there is scope for improvement
- Development of a high level organisation structure for 2017/18 and any interim states
- Identification of functions which require co-location
- Development of a detailed organisation design (with FTE, reporting lines, locations and asset requirements) for 2017/18

The P&OD programme is highly dependent on the Blueprint and associated Business Architecture function which will lead on the future organisation design of the council and the other programmes which will define capability requirements. Due to these high interdependencies, this current Outline Business Case does not include any options appraisal or financial analysis of any options. The P&OD programme is heavily dependent upon the outcomes from the other programmes.

This OBC does include decant of the Civic Centre which already has cabinet and council approval for funding and resources. The OBC addresses the need to manage a coordinated approach to asset utilisation in the operational portfolio. There are clear links here to the GAME programme and the potential need to manage the interactions between the commercial and operational estates to gain greatest benefit for PCC and the best outcomes for the citizens of Plymouth in cooperation with our partners.

2 Vision Statement

The vision for the People and Organisational Development programme is to provide the right people with the right skills, at the right time, in the right buildings, to become a brilliant co-operative council. The P&OD programme will:

- Develop the required culture and behaviours of a confident and capable workforce with the appropriate skills and knowledge to deliver the organisations priorities and outcomes.

- Deliver a pioneering organisation that is lean, agile and adaptable to requirement changes and is able to use its asset base to meet the needs of its customers and the services that it supports.
- Develop an organisation that is able to support the cities growth through its infrastructure and its more capable workforce.
- Care for the citizens of Plymouth by deploying skilled staff in the right place at the right time to meet their needs.

3 Strategic Case

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 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 future organisation will deliver services differently to today

The size of the financial challenge and Blueprint v1.0 have defined that Plymouth City Council will fundamentally change the way it delivers services in the future. Potentially moving from a largely in-house service delivery model to one where more services will be delivered through shared models and possibly private provision. This thinking will fundamentally change the current size and shape of the Council. In the short to medium term, decisions have been made on some services and work is underway on transferring staff to new organisations e.g. various schools transferring to academy status.

The organisation does not have the capabilities it requires to achieve the future vision

Within Blueprint v1.0, the current and future capabilities of the organisation were defined. Key gaps in capability were identified particularly around:

- Commercialising services
- Contract definition and management
- Customer and market insight
- Managing strategic initiatives
- Managing change and realising benefits
- Working with other business models
- Negotiating and influencing partners

The organisation will need to invest in these capabilities to effectively deliver the intention within the Blueprint. The organisation will also be adopting Systems Leadership principles so that Plymouth City Council can best collaborate with other partners to drive system change. Plymouth

City Council in whatever delivery model it becomes will need to develop appropriate capabilities to embed this new way of working.

The organisation is adopting the principles of Systems Leadership

Plymouth City Council is adopting principles of Systems Leadership which is focused on bringing together appropriate resources to address shared priorities for system improvement. To successfully adopt this approach, Plymouth City Council will need to ensure that staff have the appropriate capabilities to work with other partners and influence change through other models of delivery.

The future organisation will have a positive culture of collaboration

As part of the strategic principles captured within the Blueprint, is the desire for the future organisation to work more collaboratively than it does today and to leverage its economies of scale to drive cost efficiency within the organisation and share best practice. This programme will identify future behaviours required in the organisation to embed new ways of working to break down silos in the Council and externally.

The current organisation is not supported by sufficient infrastructure

Plymouth's operational effectiveness is limited by its infrastructure. Plymouth operates individual services from a number of locations across the City with occasional shared space for both community and partnership working. The ICT and business communications which exist to support these buildings is poorly connected and the infrastructure offers no guaranteed minimum standards, equipment, branding or ethos.

The Civic Centre is in need of significant refurbishment and the operational assets are not being utilised effectively.

The main driver for change is the Civic Centre which is a post WWII grade II listed building at the centre of the city. The building is in need of significant backlog maintenance c £7.5 M to maintain operations over the next 0-5 years. Due to structural degradation of the steel frame there is a need to conduct significant refurbishment which has been costed by four different groups at circa £25-30m. A sale is being negotiated and will require vacant possession to be completed by 31 March 2015. This combined with the reducing size and the changing shape of the organisation has driven a need to deliver accommodation and infrastructure which meets the future needs of the organisation. The outcome of the pivotal assets future (the Civic Centre) will ultimately define the direction of the programme. At the time of writing this definition is that the Civic Centre will be sold with the authority not returning to the building.

Whilst the organisation will change in terms of its direct employment of staff there will be a need to work collaboratively and in line with systems leadership it is likely that services may need to be collocated in order to deliver the savings throughout the process. The location ownership and support to the service will need to be defined and may not result in PCC being the provider.

3.2 Aim & Vision

To define and deliver the workforce capability and accommodation infrastructure requirements which will enable Plymouth City Council to achieve its vision of becoming a Brilliant Co-operative Council.

The vision for the People and Organisational Development programme is to provide the right people with the right skills, at the right time, in the right buildings, to become a brilliant co-operative council.

The P&OD programme will:

Develop the required culture and behaviours of a **confident** and capable workforce with the appropriate skills and knowledge to deliver the organisations priorities and outcomes.

Deliver a **pioneering** organisation that is lean, agile and adaptable to requirement changes and is able to use its asset base to meet the needs of its customers and the services that it supports.

Develop an organisation that is able to support the cities **growth** through its infrastructure and its more capable workforce.

Care for the citizens of Plymouth by deploying skilled staff in the right place at the right time to meet their needs.

3.3 Scope

The intended scope of this programme is:

Workforce Delivery Project

- Redefinition of role descriptions to support the redesign of services, improved collaboration greater flexibility and the development of job families
- Development of job descriptions (where appropriate)
- Identification and development of a job families approach within the organisation
- Ensure a reward, recognition system and Terms and Conditions that align with the organisations strategies and priorities
- Ensure key policies and guidelines support the transition and the future state organisation
- Ensure a recruitment strategy aligns with the future state organisation
- Development of appropriate consultation material and methods to meet the scale of change
- Definition of the knowledge, skills and behavioural and technical competencies requirements for the future organisation
- Specification requirements of programmes and interventions to improve and develop the knowledge and skills of the organisation and third party groups to meet current and future requirements
- Development and implementation of strategic workforce planning, succession and talent management arrangements, processes and tools to ensure the right people capacity and capability in the right place at the right time
- Delivery of flexible new ways of working

- Management of the transfer of workforce/assets out of the organisation into new delivery models
- Support the specification and delivery of ICT requirements to support the users of the products delivered by this programme

Accommodation Infrastructure Delivery Project

- The development and delivery of the accommodation strategy to meet the requirements of the services, partners and citizens across the city
- Definition of the standards of accommodation and supporting technology to deliver an integrated business environment to facilitate customers, services, members and partners in Plymouth.
- Delivery of the infrastructure and support elements across the city to support operations of the council and our partners within a systems approach.
- Delivery of an operational estate which operates in an economic manner delivering efficient services to provide an effective outcome.

3.4 Out of scope

At present, these activities are not within the scope of the Programme:

- Assessment of the current organisation to identify what the organisation is currently effective at and where there is scope for improvement
- Development of a high level organisation structure for 2017/18 and any interim states
- Development of approach to organisation transformation from current to future state
- Identification of functions which require co-location
- Development of a detailed organisation design (with FTE, reporting lines, locations and asset requirements) for 2017/18
- Development of a structure or the content of the roles.
- Development and delivery of any learning and development interventions
- Development of any succession and talent management programmes
- Short term management de-layering activity

3.5 Improved Capabilities

The overall outcome of this programme is to enable the transformation portfolio to provide a workforce and estate with the capability and ways of working to enable the benefits of the other transformation programmes to be realised, and which will operate within the financial envelope. In particular:

Workforce Delivery Project

- A lean and adaptable organisation which is adaptive to requirement changes and is able to flex accordingly
- An organisation which has clear responsibilities and accountabilities

- An organisation that is able to work from a flexible asset base that meets the needs of its customers and the services that it supports, and facilitates the desired organisational cultures and behaviours
- A confident and capable workforce with appropriate skills and knowledge to deliver organisation priorities and outcomes as set in the corporate plan
- An organisation that is able to work in a systemic and participative way but able to deal with the uncertainty of changing future requirements
- An organisation which recognises the need to support its partners and citizens to deliver cheaper access to services
- An organisation that demonstrates its values through its ways of working
- An organisation that delivers a self-improving culture and is aware of its decisions and actions have a consequential effect upon neighbouring partners
- An organisation which through its social responsibility prioritises prevention and safer stronger community focus where people are treated with respect and its employees are ambassadors for the city and the Council
- An organisation which is able to work in a flexible manner across its assets with its partners

Accommodation Infrastructure Project

- An organisation with the right sized accommodation delivering the correct services to its customers in Plymouth in the right locations in a cost effective way
- Working alongside its partners in co-operative and systemic manner to ensure collaborative service provision and access to information and services through coordinated infrastructure.
- Agile and flexible working spaces supported by the use of open platforms and technologies
- An infrastructure which demonstrates a reducing carbon footprint and energy consumption and leads in delivering environmental and social responsibility.
- An infrastructure which clearly demonstrates Plymouths values through its branding and meets the needs of its customers in their communities

3.6 Assumptions

Assumptions that have been made within this programme include:

- It is assumed that the Outline Business Case 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 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 requirements relating to new delivery models will be determined in the outline business cases of other programmes. Any defined requirements on future technology capability will be linked to the service level agreement and requirements for (DELTA) Shared Services.
- It is assumed that the Outline Business Cases will build on the programme briefs but will not provide full costing of benefits until the Full Business Case stage
- It is assumed that the programme briefs have been signed off by the Senior Responsible Owners (SROs) and the Transformation Portfolio Board will agree governance arrangements for each of the programme boards and appoint programme managers.
- 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.
- It is assumed that due to the Civic Sale that PCC will have to move into a temporary accommodation state to manage through the transformation process before being in a position to develop an integrated accommodation need
- It is also assumed that other programmes will communicate potential changes quickly to the support programme to enable them to be able to react effectively and with due regard to the strategic aims of the organisation
- It is assumed that:
 - an assessment of the organisation to identify what the organisation is currently effective at and where there is scope for improvement will be conducted by another element within the portfolio.
 - the development of a high level organisation structure for 2017/18 and any interim states will be conducted by another element within the portfolio.
 - the development of an approach to organisation transition from current to future state will be conducted by another element within the portfolio.
 - the identification of functions which require colocation will be conducted by another element within the portfolio.
 - the development of a detailed organisation design (with FTE, reporting lines, locations and assets) for 2017/18 will be conducted by another element within the portfolio.
 - the development and delivery of any learning and development courses and any talent management programmes will be conducted by BAU.
 - any short term management delayering activity will be will be conducted by another element within the portfolio.
 - the delivery of the culture change to support more flexible ways of working in a dynamic environment will be facilitated by the business change team within the portfolio.
 - the CCO programme will deliver the methodology for other delivery models to be utilised by PCC and that the P&OD programme will coordinate the delivery of the transfer.
 - associated organisation costs for TUPE, Pensions, redundancies etc will be identified and taken into account in the cost benefit analysis of the programmes delivering the changes and be met by those programmes.

3.7 Stakeholders

Engagement activity will support and reinforce our corporate values and co-operative vision and will be joined up planned and visible.

By engaging staff, partners, customers (and community) and elected members we will ensure they are given the opportunity to co-design services that are fit for the future.

Rather than just using traditional one way communication ('telling people'), we will explore and develop innovative ways for people to participate in the transformation programme and tell us what they think.

Engagement activities will remain flexible in order to adapt to programme changes as they occur, this will ensure a NOT "one size fits all" approach.

All programmes will ensure they have visibility on all the engagement strands to ensure consistency in delivery and a cohesive joined up approach where possible.

Staff Engagement

As Engagement is a normal part of council activity, it will be largely be supported by individuals with responsibility for engagement, existing bodies, and forums etc.

Managers at all levels, Business Change Advisers and HR Advisers will support staff engagement for directly affected staff and they will be supported by others including Enterprise Leadership Graduates.

As some engagement may happen jointly with others including partners, there will be a need for engagement leads to work closely together to ensure a cohesive approach.

All individuals called upon to support engagement activity will be equipped with the knowledge, skills and behaviours to effectively support this activity.

The Trade Unions are key stakeholders and will be kept informed of progress around development of the blueprint and development of the business cases for the transformation programmes. Once detailed business cases are in place Trade Unions will be invited to play a more active role in transformation and will be engaged on behalf of their Members.

To ensure the workforce is fully represented and consulted on major changes the whole workforce will be consulted at the earliest opportunity whilst discussions and negotiations with trade unions are being undertaken.

Engagement objectives and performance measures will be set for each programme and will be used to track engagement. Other indicative measures may also be used to track engagement.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Staff	CMT		X		
	SMT		X		
	Team Plymouth Managers			X	
	Trade Unions			X	
	Employees			X	
	Line Managers			X	

Partner Engagement

The following partners (see below) will be closely involved with transformation and will work with us on shared goals and objectives; to ensure alignment of priorities, and the realisation of benefits. This list of partners may change to reflect the scope of the relevant programme as will the nature of the engagement as it becomes more clear as to how partners will need to be involved with each programme.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Partners	Devon and Cornwall Police				X
	New Devon Clinical Commissioning Group				X
	Plymouth Hospitals NHS Trust				X
	Plymouth Community Healthcare				X

	Plymouth University				X
	City College				X
	University of St Mark and St John				X
	DELT				X
	Plymouth Community Homes				X
	Zebra Collective				X
	Public Health England				X
	Ofsted				X
	Plymouth Chamber of Commerce				X
	Devon and Somerset Fire Service				X
	Peninsula partnership Local Authorities				X
	Schools (PAPH/SHAP/PLT /Schools Forum)				X
	LEP				X

Customer and Community Engagement

Each transformation programme will impact on our customers and our communities to some extent. Where we redefine services that we deliver to customers and communities we will seek to build in at the outset of the business case one version of the facts and a 'voice for all' with support for customers and communities to influence, co-design and co-produce including minority communities. This will be used to produce robust and real intelligence for transformation programmes to ensure evidence based decision making at the earliest possible stage, with feedback given on the outcomes of consultation. Even those changes focused fundamentally on internal transformation, are likely to contain elements which have an impact on our customers, their access to services and the conduct / approach of Plymouth Council staff. For example, where there are staff office moves which mean customer access and channel shift occurs, then customers or residents in the neighbourhoods / locations from which service will be delivered or changed could help shape our services by expressing their expectations. This should be built in at the outset of the business case.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Communities and Customers	Communities of Identity			X	X
	Communities of Interest			X	X
	Communities of Geography			X	X
	Customers			X	X

Member Engagement

All transformation programmes will need to understand how and when to utilise the democratic decision making processes available to them, and be aware of the importance, where appropriate, of ensuring elected member/political engagement throughout the transformation process. This will often involve existing opportunities for member engagement and information sharing. Furthermore, elected members, where appropriate, will also need to receive feedback from other engagement strands to aide broader understanding of how we are using a co-operative approach to engagement throughout the transformation programme.

This list of elected member stakeholders may change to reflect the scope of the relevant programme:

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Elected	Cabinet		X	X	

Members	Shadow Cabinet				X
	Member Transformation Board			X	
	Council's Scrutiny Function			X	X
	Transformation Advisory Group			X	X
	Members		X		X

All transformation programmes will need to understand where their particular stakeholders are in terms of their particular changes and understand the methods required to move them to their new state, understand the appropriate communications channels and the appropriate communications methodologies. The Stakeholder engagement team will also need to understand how to influence the internal PCC change should the system within which it exists require PCC to change its direction to meet the needs of the partners and deliver a truly co-operative approach.

4. Financial Case

The People & Organisation Development Programme is highly dependent on the Blueprint, Business Architecture and other transformation programmes and therefore any option and financial analysis will be informed by those activities.

4.1 Cost-Benefit Analysis

The Programme Brief indicated that no direct financial benefits had been attributed to this programme although intermediary benefits had been identified. The costs associated with this programme are indicative and have been provided to inform type of cost based on previous staff transfer and learning and development activity.

Total Estimated Additional Financial Benefits (£k)	
Total Estimated One-Off Net (Cost) / Benefit (£k)	(£2,534,595k)
Total Cost Required to Develop till Next Checkpoint	£1,668,665k
Estimated Payback from Start of Project (Months)	0
Estimated Annual Return on Investment	0
Project Duration (Months)	36

Complexity (0-7)	7
Strategic Alignment	High
Total Cost Avoided (£k)	

Refer to Appendix A for detailed cost benefit analysis

4.2 Expected Costs

It is expected that there will be the following areas of programme cost, most however will be unknown until the other four programmes develop outcomes:

- a) Resourcing costs to support the programme management of activities.
- b) Capital and Revenue costs to support the decant of the Civic Centre (already approved).
- c) ICT infrastructure costs (Capital) to support the future state. (To be identified)
- d) Design and development costs of creating the future design of accommodation assets.
(Revenue in the main some will be able to be capitalised)
- e) Associated infrastructure capital costs (These will be created post the outcomes from other programmes and will need to be agreed by portfolio board at that time)
- f) Associated organisation costs for TUPE and Pensions etc will need to be offset against the projected benefits identified in other programmes.
- g) Costs involved in creating and sustaining a learning and development activity to support capability change.
- h) There will be a number of costs (unidentified as yet) surrounding activities from other programmes which include but are not limited to:
 - i) Costs of transferring staff and support teams to achieve the task
 - j) Full Organisational Diagnostic review to understand current capability and the route to future operational capability
 - k) Organisational changes to support new ways of working
 - l) Infrastructure changes to support restructuring ie contact centre

a) Programme Management Office

The decant of the Civic Centre has been subsumed within the P&OD programme. Elements of the original £1.825m allocated for the Civic Decant over the period FY's 2013-2015 will also support the Programme Management office to deliver the wider elements of the programme. The net increase in costs to the £1.825 to deliver the other elements of P&OD is seen as a further £629,000 and is created through the need to provide project resource to facilitate the delivery of the Workforce Delivery Project over the same period. This represents an increase in currently allocated budget of £9K in the current financial year and £620K in the next financial year.

Projects within the programme have been stalled or stopped whilst waiting for the Civic Centre project to reach fruition in order to minimise risk exposure to the market. As a result of this the OBC revenue costs will need to be re-profiled once clarity on delivery timelines is known from other programmes.

b) Capital and Revenue Costs to support the Civic Decant

The costs associated with this element have already been approved through Cabinet and Full Council. The future locations of staff and services decanting from the Civic Centre will support the Pioneering and Caring priorities of the council by providing the essential customer services in the centre of the city. This moves the more process driven elements to other areas across the city reducing the cost of operating and limiting expenditure to essential sites thus freeing up finances for front line services and removing inequalities in access across public buildings. The resolution of the Civic Centre site links to the Accommodation Transformation Strategy and forms part of the council's Medium Term Financial Plan. The annual revenue cost to the Council of the recommended solution can be contained within existing revenue budgets held for the Civic Centre subject to lease negotiations. This includes the lease arrangements for commercial properties required to support staff and the customer facing services. There is a risk of increased ICT operational costs for the recommended solution but these costs are subject to review.

The operational costs to deliver the programme will be £1.825m over the financial years 2013-2015.

There will be a requirement for Capital investment in assets to achieve the occupancy levels required and further investment in ICT infrastructure to support decant and flexible operations in the future. There will clearly be a resource cost to be met to achieve decant from the Civic Centre. This cost is circa £3.436m. Resolution of the Civic Centre site removes one of the biggest financial risks to the council which is of the order of £69m should the authority refurbish the building themselves. This has featured on the strategic risk register since the listing of the buildings in 2007. Doing nothing and maintaining the building in its current status represents a serious health and safety risk as significant investment is required to ensure structural stability and builds up increased liability for the future.

A number of opportunities have been created by seeking alternate ways of working resulting in opportunities for closer working with partners to improve community safety and deliver services more aligned to the needs of the city. The provision of more flexible ways of working across the city will improve service delivery and access to services across the city in the long term.

Post the cost / benefit analysis of 71 New George St it became apparent that the purchase of the buildings long leasehold was more beneficial to PCC. As a result a further £627K capital was approved to purchase the long lease. This is described in detail in the briefing paper attached to the Capital Programme Business Case. Subsequent revenue savings will be captured through the Operations Expenditure (OPEX) cost reductions of the Civic Centre. The revenue required to support the borrowing for the capital is also captured within the OPEX costs for the Civic.

c) Learning & Development

In a previous phase of work on understanding the financial implications of the transformation programme, some assumptions were undertaken on the requirement to undertake training and development in order to provide a capability change to the organisation. This was assumed to be 80% of current L& D budgets held across the organisation. This cost was identified as being £0.8m, over three years £2.4m. An exercise is in motion to identify actual spend against budget allocations across the organisation to identify potential funding to support whole organisational capability change against designed operational need.

A requirement for a resource cost to define the behaviours of the organisation and monitor them as - £0.2m (based on 1 lead plus 2 supportive roles). This annual cost over the three year transformation equates to £0.6m.

d) Accommodation

Whilst costs have been identified to manage the decant of the Civic Centre as discussed above, other elements such as the delivery of satellite sites, asset disposal/rationalisation as well as the delivery of requirements that fall from the other programmes are yet to be identified. Capital and revenue funding will be sought once a complete understanding of the trajectory of the council is known in support of the other programmes. It may be necessary to seek funding on a case by case to deliver colocation projects as they become clear.

4.3 Expected benefits

The People and Organisation Development Programme is an enabling programme and as such is dependent upon the other programmes. The programme will be seeking to understand direct and indirect benefits in order to contribute towards the savings being made. There are however a number of benefits that have already been identified as defined below:

Process related benefits

- This programme facilitates the entire transformation programme
- Improved organisational flexibility (proportion of vacancies filled by internal staff, reduced number of redundancy payments, reduced external recruitment costs, improved staff morale, lower turnover of staff) this enables right people capacity and capability in the right place and at the right time
- More efficient and effective management of people (more agile, improved resilience and speed of delivery and realisation of benefits)
- Improved people information will improve decision making and help deliver benefits faster
- Improved ICT infrastructure and operational resilience (Assumes 2nd data centre)
- Improved business continuity through flexible adaptive systems and structures to alternate locations.
- Improved transactional services and customer service

Environmental benefits

- Reduced Carbon footprint across the operational estate

- Reduced travel between business and associated groups impact on carbon, traffic and mileage
- Increased occupational density
- Reduction of car parking spaces increases alternate modes of transport; increased adoption of the green travel plan
- Reduced landfill and landfill tax due to cost avoidance and improved recycling and community support
- Staff able to work more flexibly and if necessary closer to or from home.

People related benefits

- Improved employer/external reputation leading to improved recruitment, retention and external customer perception
- Expected benefits are to be achieved in improving the engagement with our workforce
- Improved employee satisfaction
- Reduced staff turnover
- Reduced absence and long term sick lower than national average
- Improved retention & attraction of key talent
- Achieve excellence level of the workplace wellbeing charter
- Reduced reportable accidents per 1000 FTE
- Cohesive workforce (increased joined up working, systems approach and co-design and delivery)
- Improved staff satisfaction through training and development
- The right skill base for the organisation in the short, medium and long term
- Job creation and community support through waste recycling
- Greater transparency, improved deployment and succession, career, talent management

Finance related benefits

- Reduced utility bills across the operational estate
- Reduced Carbon Taxation across the operational estate
- Reduced spend on accommodation stores in the long term
- Reduced spend on ICT hardware
- Reduced OPEX Costs (includes FM)
- Reduced Maintenance Costs
- Reduced Lease costs
- Reduced cost of restructuring
- Reduced travel costs to the organisation
- Reduction in Backlog Maintenance across the estate
- Improved staff satisfaction with the working environment
- Reduced recruitment costs
- Reduced absence and long term sick lower than national average

5. Management Case

5.1 Programme Plan Workforce Delivery

This programme has multiple dependencies and at this point in time, the programme plan is indicative and will be informed by the other programmes and the Blueprint activity.

An indicative programme of work has been defined, highlighting key activities and typical sequencing. The future organisation will be delivered based on a phased approach (i.e. function by function) and the P&OD programme will provide support to enable this. It is important to note that this is an indicative programme which needs to be aligned and consequently validated with the portfolio office and other programmes on a continuous basis.

It is also based on some transition principles.

- Where activities need to be undertaken across the organisation they will be done on the future state organisation
- Phasing of activities will be defined once the requirements and plan from the Blueprint and the other Programmes has been received.

Scope	Key Activity	Description
Workforce Delivery	Diagnostics	Describing the as is and the to be through consultation and analysis e.g. role descriptions, skills and competencies requirements
	Gap analysis	Ensure enablers are in place and barriers removed to achieve the change include requirements
	Product Development	Design and develop the products required to be delivered or commissioned.
	Testing	User testing to ensure the requirements are met
	Revision	Changes post testing
	Implementing	Implement changes to processes and products
	Evaluation	Evaluate roles & capabilities based on future organisation
	Staff consultation	Start process for 90 day consultation period
	Engagement & Communications	Develop strategy and plan then implement and ongoing
	Transfer	Coordinate movement of enterprises alongside Business Architects to deliver new structures.
	Consolidate skills requirements	Development of the consolidated capability gaps and the skills aspects of the high level role/structure requirements to inform the training needs assessment
	Organisation training needs assessment	Based on capability assessment and skills gaps
	Job families definition	Consolidate current job families to allow for flexible career pathways, to suit the future needs of the organisation
L&D Programme definition	Define the learning and development initiatives to up-skill staff and close skill gaps	

	Rank order of jobs incl. modelling	Define the modelling changes and ranking
	Consolidate behaviour requirements	Development of the consolidated behaviour aspects of the high level role/structure requirements to inform the training needs assessment
	Initiatives to embed new ways of working	Identify artefacts to impact behaviour and develop behavioural management plan and discipline

5.2 Programme Plan Accommodation Infrastructure Delivery

Accommodation Infrastructure	Decant From Civic Centre	Clearance of the Civic centre in line with the purchase requirement with minimum interruption to current business operations.
	Design of the future Business Infrastructure Need	Development of a future business infrastructure alongside Plymouth Partners
	Estate Analysis vs suitability and need	Complete estate analysis of the current stock holding between operational and commercial in order to reduce cost and focus customer need with delivery. Mapping and creating a system need with partners to deliver services effectively across Plymouth
	Design and creation of new operating infrastructure	Development of community hubs, rationalisation of operational estate and provision of first class facilities and systems to support a dynamic workforce.

5.3 Risk Analysis

Description		Likelihood	Impact	RAG Status	Mitigation
POD RSK2	Insufficient Capital to complete task	4	3		Scrutiny and validation of business case against other priorities
POD RSK3	Insufficient Revenue to complete task	4	3		Scrutiny and validation of business case against other priorities
POD RSK7	Capital Programme on investment priority vs transformation	4	4		Scrutiny and validation of business case against other priorities
POD RSK25	ICT Capacity to deliver solutions to time line	4	3		Close liaison with Prog Managers and ICT management team to ensure delivery.

POD RSK42	TCU fails to be provided in time for VP	4	3		Close liaison with Prog Managers and ICT management team to ensure delivery.
POD RSK43	RTPI fails to be provided in time For VP	4	3		Close liaison with Prog Managers and ICT management team to ensure delivery.
POD RSK44	Data Centre Shut Down and Move	4	3		Close liaison with Prog Managers and ICT management team to ensure delivery. Clear messaging to members, TPG that the re-provision of the Data Centre and the move of the data centre in the Civic Centre is not in scope for this programme.

5.4 Interdependencies

The *People and Organisation Development Programme* is dependent upon:

- **Blueprint v2.0** – 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 sit the Portfolio Office, and the P&OD programme team will engage with the Blueprint team 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.
- **Other transformation programmes** – which are expected to define resource capacity, capability and behaviours for those programmes to be successful.
 - The Co-operative Centre of Operations programme will redesign PCC’s internal directing and managing services, and will provide the requirements needed to form the organisational design – which will be developed by the Co-operative Centre of Operations and enabled by the P&OD programme.
 - The Customer and Service Transformation programme will transform services that PCC choose to retain in-house. There will be interfaces between the services transformed by the Customer programme and the support needed to redesign organisational aspects provided by the P&OD programme.
 - The Asset project within GAME will design and deliver an Asset Strategy for Plymouth City Council. The P&OD will feed requirements ways of working into the Strategy, but will also be dependent upon it being successfully delivered, and aligned to the delivery of other programmes
 - Health and Well-being programme will be responsible for designing and delivering new service delivery models and the P&OD programme will enable and support this work with a view of the impact on people
- **Finance** – which will provide a timely financial envelope for any capital and recurring workforce costs

- **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.

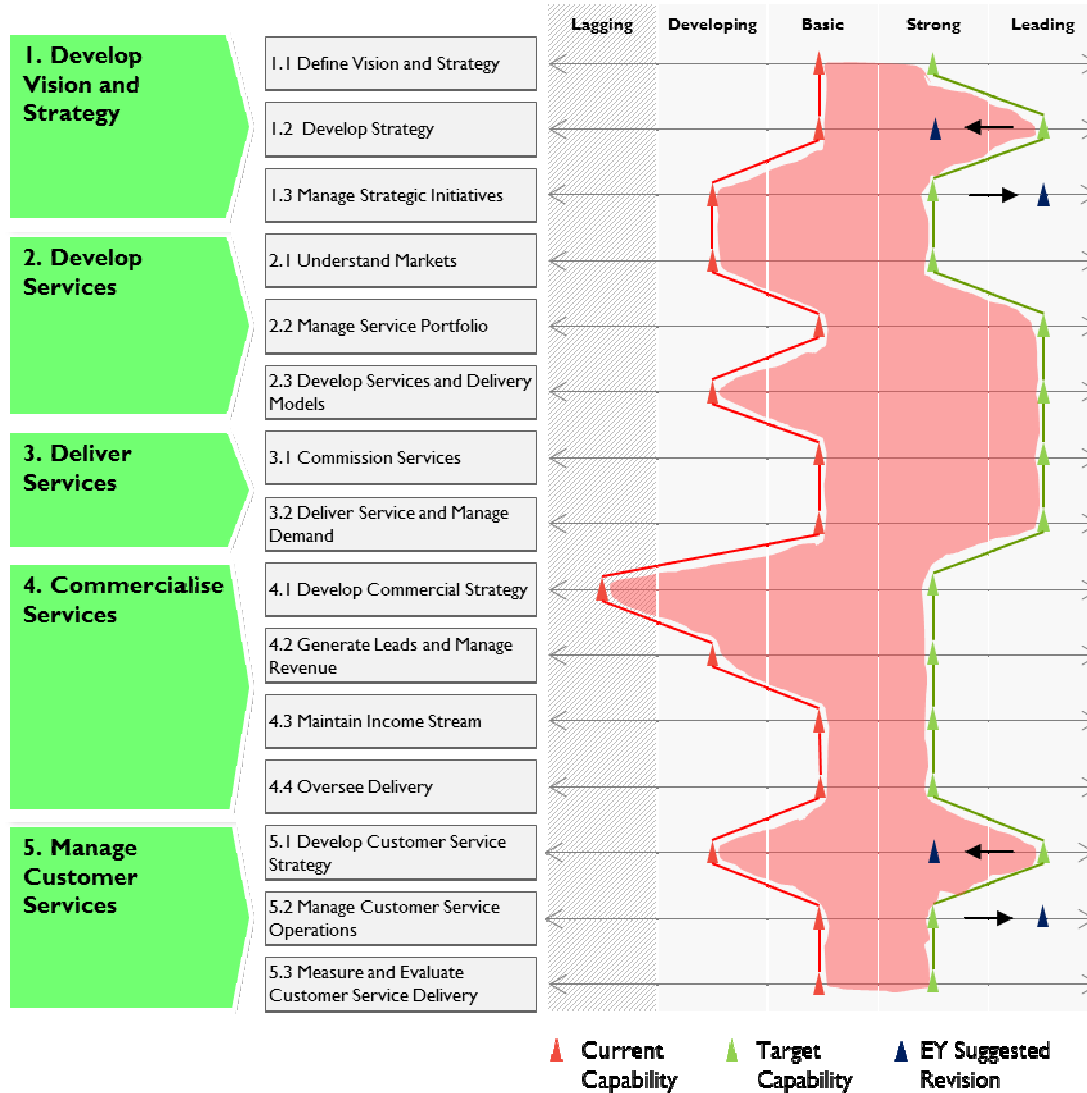
All documents pertaining to the standards, processes, tools, methodologies and assurance to be applied to all Programmes and Projects in the Transformation Portfolio will be found in the Portfolio Office Folder as shown above.

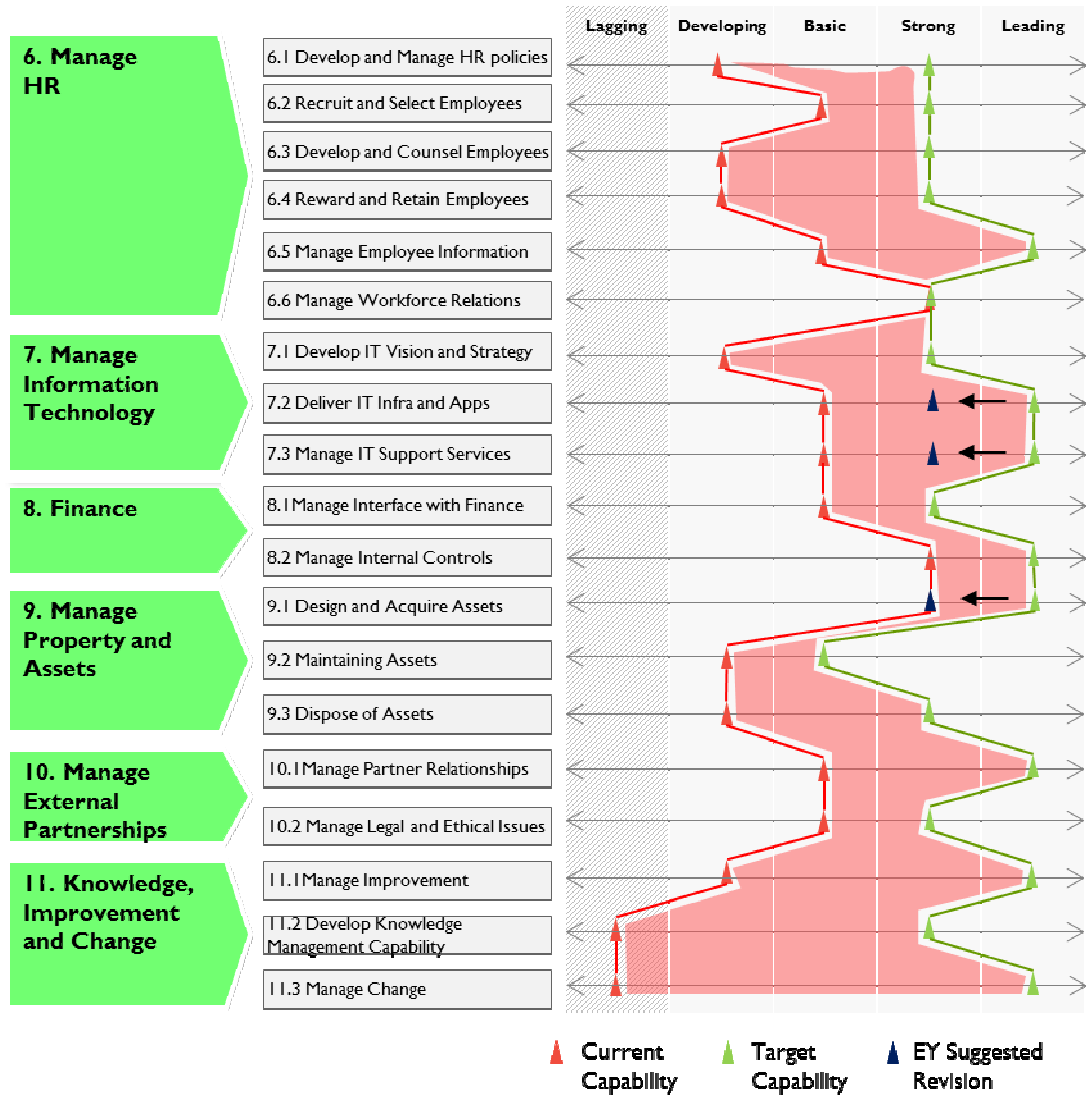
All files for specific Programmes and Projects will be filed by Programme and Project.

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







Northern, Eastern and Western Devon
Clinical Commissioning Group



Outline Business Case

Programme Name:	Integrated Approach to Health & Wellbeing		
Date:		Version:	2.0
Programme Projects:	<ol style="list-style-type: none">2. Integrated commissioning3. Co-operative children's and young people's services4. Integrated community health and social care provision		
Author:			
Owner (SRO):	Jerry Clough, Carole Burgoyne		

CONTENTS

1. Executive Summary	173
2. Vision.....	174
3. Strategic Case	175
3.1 Case for Change.....	175
3.2 Aim.....	183
3.3 Outcomes.....	184
3.4 Scope	186
3.5 Out of scope.....	189
3.6 Assumptions	189
4. Options Appraisal	190
4.1 Integrated approach to commissioning and integrated health and social care services	190
4.2 Conclusions.....	192
5 Management Case	199
5.1 Programme approach.....	199
5.2 Programme structure	201
5.3 Programme Plan.....	204
5.4 Programme Organisation	205
6 Financial Case	208
6.1 Addressable Spend.....	208
6.2 Approach to Benefits.....	208
6.3 Cost and Benefits Analysis	210
6.4 Expected Costs.....	211
7 Risks and compliance.....	213
7.1 Risk Analysis.....	213
7.2 Interdependencies	213
7.3 Constraints.....	213
7.4 Stakeholders	213
8 Programme Organisation.....	214
8.1 Benefits Management	214
8.2 Guiding Principles and Methodologies	215
8.3 Quality Management.....	215
8.4 Portfolio level Benefits Management	215
8.5 Risk Management Strategy	215
8.6 Methodologies.....	215

8.7 *Equality Impact Assessment* 216
8.8 *Any other tools / methodologies / processes / standards / assurance*..... 216
8.9 *Programme documents* 216

9 Appendices 217

I. Executive Summary

Plymouth City Council and Northern, Eastern and Western Devon CCG are facing a combination of severe budget pressures, and rising demand for services. These challenges will require system-wide changes, and it is in this context that the two organisations have committed to create a vision for integrated commissioning, health and social care provision, and provision of services focused on children and young people. All of this will help to achieve the Health & Wellbeing Board's vision of "Healthy, happy, aspiring communities."

The programme is aligned to the wider PCC transformation portfolio of programmes, which has been developed to deliver the Council's Blueprint for future service delivery. It will also play a key role in describing what an integrated suite of community health and social care services may look like in the future, which will then feed into the CCG's Transforming Community Services programme as part of its procurement timescales.

The programme will aim to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how the organisations commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth. As part of this, the programme recognises the importance of investing in preventative and early intervention services in order to reduce demand on higher cost community and bed based services, particularly acute services, which have been under sustained pressure for much of the last 12 months. The programme will consist of the following three projects:

- Integrated Commissioning
- Co-operative Children and Young People's Services
- Integrated Community Health and Social Care Provision

Services that will form part of the integrated provision project have been grouped into three categories, which correspond to differing levels of need and complexity, and allow a focus on the aim of 'investing to save' as noted above. These three categories are:

- *Wellness* - Universal or preventative services.
- *Community intervention* - Targeted services for those who may be at risk in the future, and services for people who need support in the community.
- *Complex and bed based care* - Services people with complex needs, who cannot be supported in the community.

Instead of restricting the programme to a single option, a combination approach is proposed which will enable momentum to be maintained while further detailed analysis and design work can take place to inform a further options appraisal of the preferred vehicle to deliver the operating model of integrated care.

The benefits shown in this business case (of approximately £11.1m per annum across both organisations) are highly indicative, and as part of full business case development, further analysis of preferred workstreams will be done, to provide a more robust financial case. This approach will require a detailed analysis of service provision, in order to develop a series of 'mini-business cases' which will enable an informed strategic view to be taken by the Programme Board. There are five themed workstreams that have been identified for each of the Co-operative Children and Young People's Services and Integrated Health and Social Care projects.

The programme approach is underpinned by a governance framework and terms of reference agreed by the board and detailed within this document.

2. Vision

The vision for the Health and Wellbeing programme is to establish a collaborative, integrated and strategic approach to how CCG and PCC with some partners commission and deliver services, with the aim of improving patient/service user experience and improving outcomes for residents in Plymouth from the resources available.

To achieve this vision the CCG and PCC will deliver better services that are co-designed with the individual person/patients. These transformed services will maximise the choice and control for the person/patient. Through working in a collaborative and integrated manner with key partners, the CCG and PCC will promote the independence for the person/patient.

Through integrating Health and Social Care, the transformed services will be focused on reducing health and social inequality for the children, families and adult residents of Plymouth. The programme will deliver three discrete elements:– integrated commissioning; an integrated adult provider and a redesigned, collaborative approach for services for children and their families.

The outcomes from the programme are the prioritisation of delivering an enhanced prevention and early intervention capability. Children, young people and adults will feel safe. They will be treated with dignity and respect. They will feel they have control over the services that meets their needs and personal outcomes.

3. Strategic Case

Public sector organisations across the country are facing a combination of severe budget pressures and increasing demand for services. The NHS as a whole is committed to finding £20bn of savings from its budget by 2014/15, whilst Local Authorities are seeing budget reductions of approximately 26% as a result of this year's Comprehensive Spending Review, to go with a similar reduction implemented as part of the last Comprehensive Spending Review in 2010.

System wide changes will be needed in order to meet these combined challenges. Plymouth City Council (PCC) and Northern, Eastern and Western Devon CCG ('NEW Devon CCG' or 'the CCG') are looking to seize the opportunity created by sector wide reform, to create a vision for integrated commissioning and service provision that will help to improve outcomes, reduce cost in the system and align to the Health & Wellbeing Strategy.

It is widely recognised that there is no blueprint for integrated care, however, there is recognition that a whole system approach is needed. This means not only working across the whole of the local health, public health and social care systems but also working with other local authority services, key stakeholders, people and communities. This approach fits with PCC's ambition of being a co-operative council and supports the ethos of collaboration set down by all partners.

3.1 Case for Change

3.1.1 Local Strategic Drivers for Health & Social Care Integration

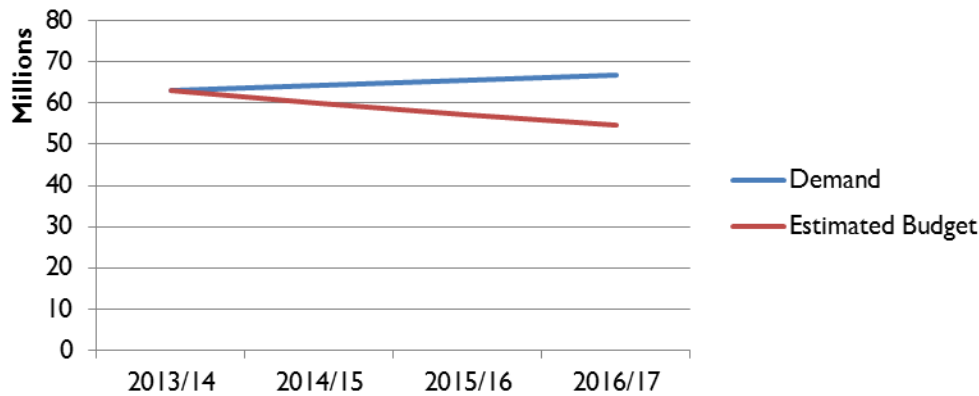
Local demographics and demand

The city of Plymouth has a population of approximately 260,000, which is projected to increase by 2.4% by 2017. The population of those aged 65 and over, who as a group are more likely to have long term conditions or social care needs, is projected to increase to 46,700 by 2016, an increase of 4.7%.

Public Health outcomes in Plymouth are worse than elsewhere in England in 28/32 of the measures shown in Plymouth's 2013 Health Profile. The health of people in Plymouth is generally worse than the England average: deprivation is higher than average and about 10,200 children live in poverty. Life expectancy for both men and women is lower than the England average. Estimated levels of adult 'healthy eating' and smoking are worse than the England average. Rates of sexually transmitted infections, smoking related deaths and hospital stays for alcohol related harm are worse than the England average.

The increase in population, and particularly the increase in older people, is likely to put significant strain on both health and social care services in years to come. The graph below illustrates the projected increase in demand for adult social care services (increase of 2% per annum) against the projected budget reduction for these services over the next four years:

Estimated budget gap for ASC provision



This analysis, which does not factor in inflation or the impact of the Care Bill, projects a deficit of over £12m in 2016/17 for adult social care provision alone in a 'do nothing' scenario.

Winter 2012/13 saw significant pressure on Derriford Hospital, main acute hospital in the region, with the hospital frequently being placed on black alert due to surges in demand. Unless significant action is taken to relieve pressure on admissions and increase the flow of discharges where possible, this pressure is likely to be present again this winter and in future years.

Financial imperative

At a local level there are considerable financial pressures. Plymouth City Council is committed to reducing spend by £65m over the next three years, of which approximately £16m may be allocated to reduced spend on Social Care service delivery.

In addition, the CCG is forecasting a 1% reduction in acute spend, and flat budgets for community and mental health services, in 2014/15. There are likely to be similar budget positions in future years.

Therefore of key concern for both organisations is the on-going sustainability of the services and service quality in the face of the financial targets, and both organisations recognise that there is a need for a strategic and innovative response to achieve the level of savings required.

The local case for change is also supported by the significant reductions in budgets within the Local Authority meaning that the status quo is no longer a financially sustainable option to deliver the Council's statutory requirements. ELAF services are currently funded by three main funding streams:

- Local Authority funding - for services undertaken to fulfil its statutory duties.
- Traded Income made up of a range of services and products that are sold to schools.
- Specific ring-fenced grant funding

Health & Wellbeing Strategy

The Health and Wellbeing Board's vision is "**Happy, Healthy, Aspiring Communities**". The purpose of the Board is "To promote the health and wellbeing of all citizens in the City of Plymouth". The Health and Wellbeing Board has set out three parallel core programmes to promote integration, with the aim of delivering healthy, happy, aspiring communities.

4. **Integrated Commissioning:** Building on co-location and existing joint commissioning arrangements the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets.
5. **Integrated Health and Care Services:** Focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place; and an emphasis on those who would benefit most from person centred care such as intensive users of services and those who cross organisational boundaries
6. **Integrated system of health and wellbeing:** A focus on developing joined up population based, public health, preventative and early intervention strategies; and based on an asset based approach focusing on increasing the capacity and assets of people and place

Underpinning the board and its aims are three key principles of working together, which are:

- Working together and with those that the Board serves to take joint ownership of the sustainability agenda
- Ensuring systems and processes are developed and used to make the best use of limited resources
- Ensuring partners move resources (both fiscal and human) to the prevention, and health and wellbeing agenda

The Plymouth Children & Young People's Plan

The Plymouth Children & Young People's Plan 2011-2014 includes the following priorities:

7. Equipping young people with skills, knowledge and opportunities to make a successful transition to adulthood
8. Improving levels of achievement for all children and young people
9. Providing all children with the best possible start to life
10. Tackling risk taking behaviours through locality delivered services

Education, Learning and Family Support services play a critical role in supporting the successful delivery of the outcomes associated with these priorities. Although there has been some success in improving levels of achievement among children and young people, there are a number of wider health outcomes where further work is required. These include breastfeeding and teenage pregnancy rates.

A review of Children's Centres in the city was recommended by the Joint Commissioning Partnership in May 2013, in order to prepare for re-commissioning and probable funding reductions from PCC as a result of budget pressures. Against this backdrop, it will be important to consider how an integrated suite of services for children and young people, offered across public sector partners, may help in achieving outcomes within the Children & Young People's Plan and Health & Wellbeing Strategy, whilst also working within the reduced resource envelope available.

Children in need of protection

There has been a significant increase in the number of looked after children subject to a Child Protection Plan in Plymouth in 2013, and there is an urgent requirement to develop an enhanced prevention and early intervention strategy in order to manage demand resulting from vulnerable children and families.

PCC Transformation Programme

Plymouth City Council has an extremely large funding gap which has the potential to increase over the next three years without significant intervention. A review of existing transformation work identified the following issues within the People Directorate which needed intervention in the guise of transformational change in order to achieve the objectives outlined in the organisation's corporate plan:

PCC's adult social care service has gone through a major transformation but has not been fully integrated with health provision with services provided around the customer.

11. Joint Commissioning is in place for some services but not all and there are opportunities to identify ways to achieve this and deliver value for money and more effective decision making.
12. The cooperative commissioning centre of excellence has not been fully developed and there needs to be an agreed approach to integrated commissioning with health and other partners
13. Services for children and young people could be integrated with schools, health and other partners in a more cost effective way which would deliver services cooperatively.
14. Some social care services that Plymouth City Council delivers could be more cost effective if they were delivered in an alternative way.

Transforming Community Services

NEW Devon CCG has initiated a programme, called Transforming Community Services, to remodel community health provision across each of its three localities. This programme aligns to the national Transforming Community Services programme, and the current programme plan involves the re-procurement of community services in Plymouth by April 2016. The CCG intends to issue an ITN to suppliers in March 2014, and this programme will therefore need to consider whether it is appropriate for TCS to procure an integrated suite of community health and social care services, and if so, how this process can be managed.

National Strategic Drivers for Health & Social Care Integration

Many users of health and social care services experience care that is fragmented, with services reflecting professional and institutional boundaries when it should be co-ordinated around the needs of patients. This can result in duplication, inefficiency, gaps in care, feelings that 'no-one is in charge' and ultimately poor outcomes. This has been the context within which health and social care integration has been promoted as a model of care in recent legislation, policy and academic commentary by key stakeholders.

Research suggests current health and social care arrangements have failed to keep up with increasing population and patient expectations. It is clear that a more strategic approach needs to be taken to Health and Social care. The Kings Fund (*Transforming the delivery of Health and Social Care; The case for Change, September 2012*) has commented that partaking organisations should be prepared to de-commission outdated models of care, support NHS organisations to innovate and adopt established best practices; recognise the potential of new providers as an important source of innovation; develop a culture that values peer support for learning and innovation and encourage players at the local level to test new models of care.

Health & Social Care Act 2012

The Health and Social Care Act 2012 contains a number of provisions to enable the NHS, local government and other sectors, to improve patient outcomes through more effective and co-ordinated working within the context of economic austerity. The Act provides the basis for better collaboration, partnership working and integration across local government and the NHS at all levels. The Bill identifies Clinical Commissioning Groups (CCGs) as being best placed to promote integration given their knowledge of patient needs, and the commissioning power to design new services around these needs. This is endorsed by early findings from the Department of Health's 16 Integrated Care Pilots (evaluated independently in the RAND report, 2012) which suggest that GPs in particular are taking on responsibility not only for the individual patient but also for that person's journey through the system.

The Care Bill

Published on the 10th May 2013 and based on the White Paper *Caring for our Future*, the Care Bill takes account of the Dilnot Commission Report into the funding of care and support and the Law Commission report to codify Community Care law into a single piece of legislation. The Care Bill addresses the fact that the current social care system is inadequate, unfair and unsustainable. The Care Bill is designed to create a new principle where the overall wellbeing of the individual is at the forefront of their care and support. It also places a new duty on Local Authorities to promote integrated care, mirroring the duties in the Health and Social Care Act 2012. The Bill makes it clear that this refers to housing, health and social care delivery/commissioning and not just health and social care. It will have profound delivery and financial implications, not just for social care but for the whole Council, through the new duty to assess self-funders, requiring a commensurate increased social work resource, and the new financial thresholds for care requiring the Council to track the care payments of people self-funders and step-in with financial support at a much earlier point than is currently the case.

The Integration Transformation Fund

The Integration Transformation Fund (ITF) is a 'game changer': it creates a substantial ring-fenced budget for investment in out-of-hospital care and sees the establishment of a pooled budget of £3.8bn, which will be committed at local level with the agreement of Health & Wellbeing Boards. Investment should be targeted at a range of initiatives to develop out of hospital care, including early intervention, admission avoidance and early hospital discharge - taking advantage, for example, of new collaborative technologies to give patients more control of their care and transform the cost effectiveness of local services. This will require investment in social care and other Local Authority services, primary care services and community health services. CCGs and Local Authorities are required to develop a shared view of the future shape of services and a condition of accessing the money in the fund is that CCGs and local authorities must jointly agree an Integration Plan for how the money will be spent.

National Quality Board

In the context of a vastly changing NHS landscape, the National Quality Board has issued a report; *'Quality in the new health system; Maintain and improving quality from April 2013'* which describes how quality will operate in the new system. This will have implications for both health and social care organisations regarding how best to align these systems in terms of quality assurance.

Public Health Outcomes Framework 2013-1016

The Public Health Outcomes Framework addresses two key outcomes:

15. Increased healthy life expectancy
16. Reduced differences in life expectancy and healthy life expectancy between communities.

It requires the NHS, social care and voluntary sector communities to all work together to make this happen. It describes a whole system approach, refocused around achieving positive health outcomes for the population and reducing inequalities in health, rather than focused on process targets. Much of the proposed new public health system that is described in the document depends on the provisions of the Care Bill, which has yet to be passed by Parliament.

Adult Social Care Outcomes Framework

The Adult Social Care Outcomes Framework (ASCOF) was first launched by the Department of Health in March 2011 and was recently updated in March 2012. It is used to demonstrate the achievements and strengths of adult social care in delivering better outcomes through describing a set of outcome measures. The framework is useful from both a national and local context in terms of benchmarking, highlighting risks, reporting success, managing service improvement etc.

NHS Outcomes Framework 2014/15

The NHS Outcomes Framework (NHSOF) has recently been updated for 2014/15, and describes a set of outcome measures across five domains:

17. Preventing people from dying prematurely
18. Enhancing quality of life for those with long term conditions
19. Helping people to recover following episodes of ill health or injury
20. Ensuring people have a positive experience of care
21. Treating and caring for people in a safe environment and protecting them from avoidable harm

As with the Public Health Outcomes Framework and Adult Social Care Outcomes Framework, the NHSOF is a useful tool in terms of benchmarking, highlighting risks and reporting successes, and the three frameworks together provide an important narrative around the co-operation required between health and social care in order to achieve improvements on these metrics.

NHS Call to Action

NHS England has recently published “The NHS belongs to the people: a call to action”, which sets out the challenge facing the NHS, and states that the NHS needs to change in order to meet these demands and make the most of new medicines and technology. The paper focuses on the changing dynamics of supply of, and demand for, NHS services, and there is a particular emphasis on the increase in the proportion of the population with long term conditions. The paper makes the point that it is important to manage patients with long term conditions differently, by supporting them to provide their own care. In this context, an integrated

system of health and wellbeing services should have as one of its aims the promotion of independence and self-management of long term conditions, with appropriate targeted support.

Closing the NHS Funding Gap

This report, by the health service sector regulator Monitor, details ways that NHS commissioners and providers may close the anticipated funding gap in the NHS, which is anticipated to grow to up to £30bn a year by 2021. It focuses on potential productivity gains that can be split into the following four categories:

- Improving productivity of existing services
- Delivering the right care in the right setting
- Developing new ways of delivering care
- Allocating spending more rationally

All of the above categories will be key considerations for this programme, with delivering care in the right setting and improving the productivity of existing services being of particular importance.

Effective implementation of national education policy

The Coalition Government has set out a series of radical reforms which will change the educational landscape. These reforms impact on both the delivery of our services and on our statutory functions.

The White Paper “The Importance of Teaching” sets out the principles for this changing landscape, which include:

22. A strong strategic role for local authorities as champions for parents, families and vulnerable pupils, taking action where there are concerns about the performance of any school in the area, and using their intervention powers to act early and effectively to secure improvement in maintained schools.
23. A more diverse approach to the provision of school improvement
24. Freedom for local authorities to define what role they will play in supporting school improvement for local schools.
25. Placing school-to-school support at the heart of very many local authority school improvement strategies.
26. Making it easier for schools to learn from one another
27. Ensuring schools have access to best practice, high-quality materials and improvement services which they can choose to use.
28. Rewarding schools which effectively support weaker schools and demonstrably improve their performance.
29. Ensuring that schools below the floor standard receive support

This concept of greater involvement in school to school support draws from evidence of good practice. ‘The Missing Link’ recent research published by the Association of Directors of Children’s Services reports on the characteristics of LAs who are successful in managing effective school improvement and highlights the importance of a collaborative partnership working between schools and the local authority.

The Academies Act 2010

Local schools are seeking a new and responsive arrangement in service delivery where they have influence over the design of services. Schools and Academies consider that the present models were not utilising the skills of teachers in schools and are not always delivering what they want or need. We are also not using effectively the skills of schools in the delivery of our statutory duties. The national policy direction has altered the face of the educational landscape. The role of the LA is changing rapidly - especially in its relationships with schools. The Academy and Free School initiatives mean that the LA must have a different role; in essence it retains its statutory functions and strategic responsibilities but has less power to influence and intervene.

Meanwhile schools are free to make a wide range of decisions and their ability to trade and purchase services from a variety of sources is increased. Schools are coming together to share their views and make their voice heard in relation to the type and quality of service they wish to access. The LA needs to respond swiftly and positively as schools make budget and expenditure decisions for future years.

The Children and Families Bill 2013

The Children and Families Bill takes forward the Coalition Government's commitments to improve services for vulnerable children and support strong families. It underpins wider reforms to ensure that all children and young people can succeed, no matter what their background. The Bill reforms the systems for adoption, looked after children, family justice and special educational needs. It will encourage growth in the childcare sector, introduce a new system of shared parental leave and ensure children in England have a strong advocate for their rights.

As part of this Bill the Government is transforming the system for children and young people with special educational needs (SEN), including those who are disabled, so that services consistently support the best outcomes for them. The Bill extends the SEN system from birth to 25, giving children, young people and their parents greater control and choice in decisions and ensuring needs are properly met, by replacing old statements with a new birth- to-25 education, health and care plan; offering families personal budgets; and improving cooperation between all the services that support children and their families, particularly requiring local authorities and health authorities to work together.

Working Together to Safeguard Children (2013)

This guidance governs how organisations and individuals should work together to safeguard and promote the welfare of children. It requires Local agencies to have in place effective ways of identifying emerging problems and potential unmet needs for individual children and families. This includes assessment of the need for early help and the provision of early help services which are coordinated and not delivered in a piecemeal way. Services included within the early help offer are high quality support in universal services, family and parenting programmes, assistance with health issues and help for problems relating to drugs, alcohol and domestic violence. Services may also focus on improving family functioning and building the family's own capability to solve problems; this should be done within a structured, evidence-based framework involving regular review to ensure that real progress is being made.

Welfare Reform Act 2012

The Coalition Government has enacted a series of reforms to the welfare system, which are intended to make the system fairer, and support more people into work. The reforms include a simplification of the benefit structure, with the creation of the Universal Credit. In terms of housing benefits, a cap has been introduced as well as the 'spare room subsidy' for houses deemed to be under-occupied.

Research by the National Housing Federation has shown that nearly 2,000 households in Plymouth have been affected by the changes to housing benefits in particular, with an average loss of income of £711. This is likely to place additional strain on certain housing services provided by PCC, and this programme will need to consider the impact of reducing budgets on rising demand for these services.

Transfer of Public Health to Local Authority control

From April 2013, Public Health functions have moved to be under the control of local authorities. In the context of this programme, this provides a significant opportunity to improve public health indicators in Plymouth, by leveraging on the existing capability within Public Health, and the local knowledge and transformational capability that exists within PCC.

Integration of Health and Social Care – A Strategic Response

In response to these financial and strategic challenges, PCC and NEW Devon CCG have explored the potential for health & social care integration across Plymouth City and the wider Derriford Hospital footprint, and have reached a joint decision that integration by both parties is a key mechanism to meet their respective financial challenges whilst also complying with legislative and political requirements and improving outcomes for service users and patients.

3.2 Aim

The programme aims to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how PCC and the CCG commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth.

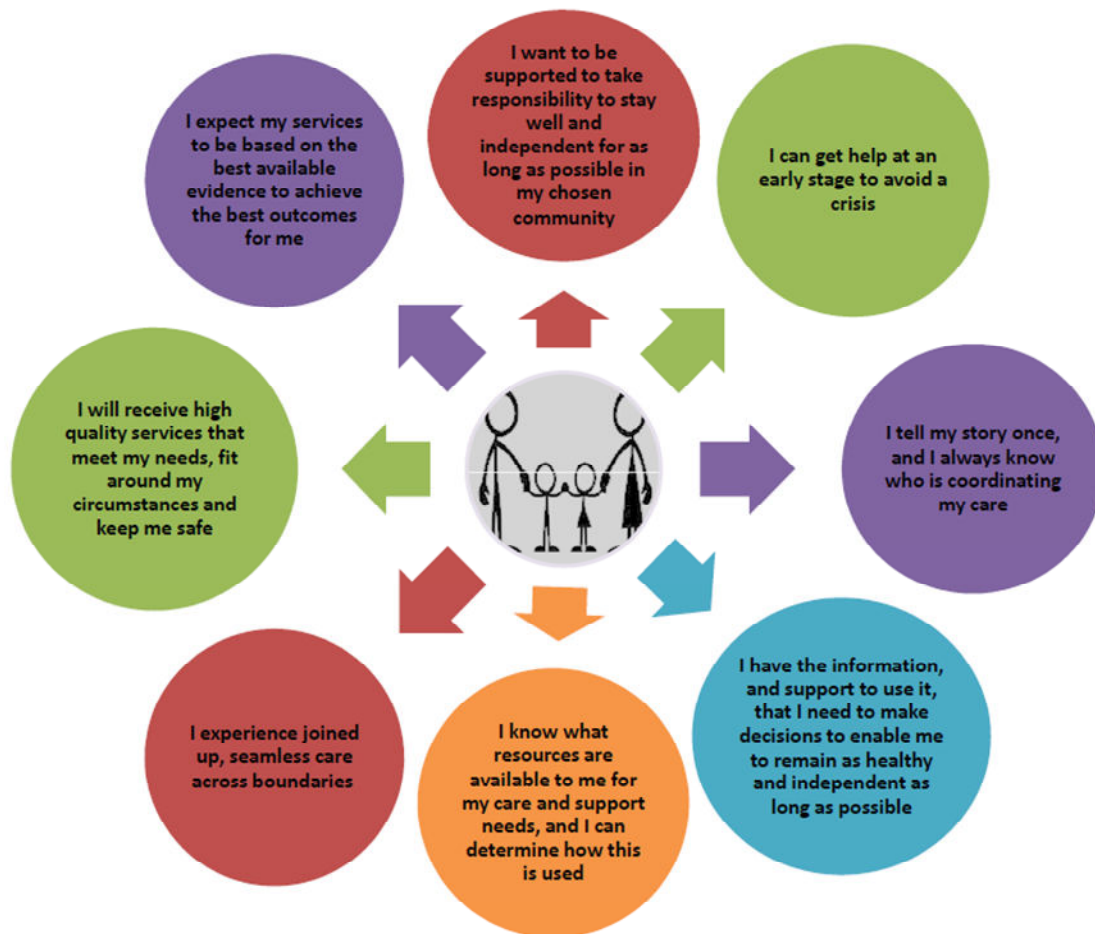
In line with the strategic aims for integration set down by the Health & Wellbeing Board, the programme has the following five aims:

4. Building on co-location and existing joint commissioning arrangements, the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets
5. Focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place.
6. An emphasis on those who would benefit most from person-centred care such as intensive users of services and those who cross organisational boundaries
7. A focus on developing joined up population based, public health, preventative and early intervention strategies

8. An asset based approach to providing and integrated system of health and wellbeing, focusing on increasing the capacity and assets of people and place.

3.3 Outcomes

The following “I statements”, have been developed nationally and approved by the Plymouth Health & Wellbeing Board, describe the desired outcomes, which people who use integrated health and wellbeing services will experience. It is recognised that further work on these will be undertaken to put into a local context and also to develop “I statements” for children and to make accessible for those with Learning Disabilities:



The diagram over the page illustrates outcomes for other key stakeholders:

<p>For the workforce</p>	<ul style="list-style-type: none"> • Providing greater and more flexible career opportunities and ability for up skilling/ skills transfer between professionals • Integrated workforce plan designed to deliver service strategies • Fewer barriers to effective decision making • Ability to focus on delivering support to citizens • Focus on culture change, empowering staff to take ownership of delivering high quality services
<p>For commissioners</p>	<ul style="list-style-type: none"> • Established protocols and pathways to ensure clear governance arrangements are in place • A system that is accountable to users and has been designed with their involvement • Joint investment in early identification, prevention and early intervention to prevent escalation of needs • Financial risk sharing arrangement to ensure value for money • Transparent performance and financial framework supported by joint governance to ensure robust management of quality and costs • Development of strong working relationships between community services, acute services and Primary Care through implementation of Integrated Case Management
<p>For providers</p>	<ul style="list-style-type: none"> • Critical mass of services to enable flexible use of resources • Opportunity to invest due to greater financial certainty and delivery flexibility • Increasing productivity and accelerating improvements in service quality through working with all stakeholders to redesign services. • Reducing waste in the system through eliminating the amount of duplication • Making better use of community assets due to flexibility and removal of organisational boundaries • More integrated back-office and support function to provide seamless support and enable efficiencies • Simplified contracting arrangements and more focus on effective delivery

There are three overall outcomes of the programme:

- i. **Integrated Commissioning:** a single, integrated and co-ordinated approach to commissioning across the social care and health system
- ii. **Co-operative Children's and Young People's Services:** alternative delivery models for a variety of children's and young people's services, including many of those currently provided by the Education, Learning and Family Support Assistant Directorate within PCC, in conjunction with partners. The exact shape, size, form and number of these will be dependent on business case development
- iii. **Integrated Health & Social Care Provision:** an alternative delivery models for health and social care services, and to facilitate the development of an integrated health and social care economy within Plymouth

3.4 Scope

The scope of the programme will cover a range of services currently commissioned or provided by PCC's People Directorate, and a range of services that are commissioned by the Western Locality and Partnerships Locality of NEW Devon CCG.

It is important to recognise that, although there may be some services which will not be redesigned and will continue to be delivered in the same or a similar way, it is likely that changes in other parts of the economy will have an impact on the demand and spend in these services areas. At present, these services have been included within the addressable spend analysis that is laid out below.

The following criteria have been devised to establish a baseline of services across PCC and NEW Devon CCG that are within the scope of the programme.

Service spend is in scope if:

- Some or all service outcomes are shared
- Service requires input and decisions from two or more parties
- Requires single input from one party but service users significantly overlap

Service spend is out of scope if:

- Outcomes are aligned but not dependent on others
- Service operates effectively independently of others although activity and spend may be impacted by changes in other service areas.
- Limited overlap in service users

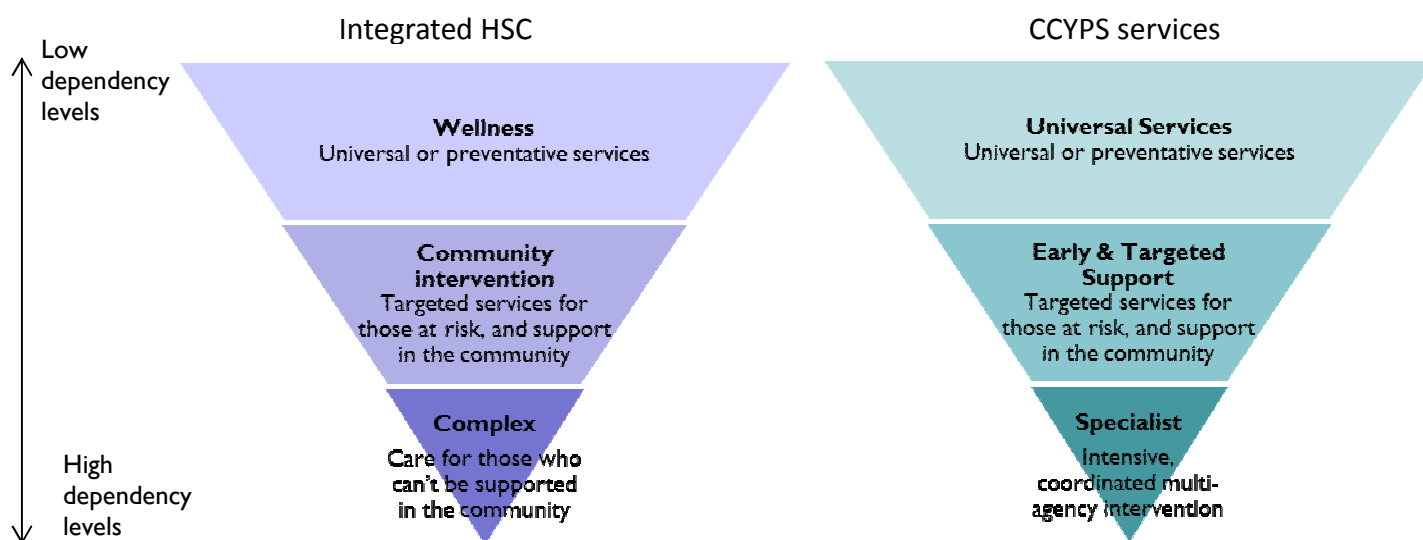
By assessing each service against these criteria, a baseline list of services that are in the scope of the programme has been devised. The detailed list of these services across PCC and NEW Devon CCG can be seen in the embedded spreadsheet in Appendix H. Note that this list is subject to agreement by the HWB Integration Programme Board and as such there may be changes.

In addition to considering whether services are in or out of scope of the programme, services that will form part of the integrated provision project have been grouped into three categories, which correspond to differing levels of need and complexity. These three categories are:

- *Wellness* - Universal or preventative services. This includes many Public Health services, such as smoking cessation and sexual health campaigns, and PCC services that do not require a FACS assessment. The category also includes early years prevention and early intervention services, and best start to life services
- *Community intervention* - Targeted services for those who may be at risk in the future, and services for people who need support in the community. This includes community nursing, domiciliary care and supported living
- *Complex and bed based care* - Services people with complex needs, who cannot be supported in the community. This includes acute, residential and nursing care

The diagram below shows how PCC and CCG services may be conceptualised as part of an integrated economy. The top of the triangle represents patients or service users with lower levels of need and therefore lower levels of dependency on Council and CCG services. The bottom of the triangle represents service users with higher levels of needs and higher levels of dependency. Services are mapped to this

framework to provide a common baseline of services in scope:

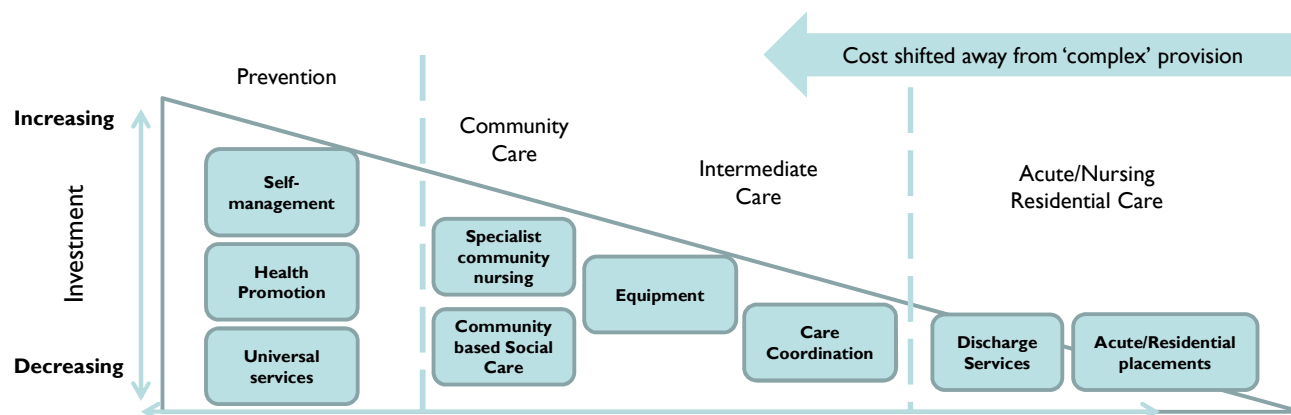


The two triangles are provided in order to reflect the different language which is recognised by partners across the scope of services, with commissioners and providers of services in the scope of CCYP services understanding the terms “Universal, Targeted and Specialist” services, in line with the current PCC Early Intervention and Prevention Strategy. However, the boundaries between levels of support and intervention described across both triangles are intended to be consistent and for ease, the terms used for Integrated HSC services (Wellness, Community and Complex) are used throughout this document.

The table below provides some examples of the types of services which have been categorised under each level of care:

Project	Category	PCC examples	CCG examples
INTEGRATED HEALTH AND SOCIAL CARE PROVISION	Wellness	Stop smoking; Contraception and sexual health; Drug and alcohol services	Counselling
	Community Intervention	Community equipment; Reablement; Domiciliary care	Community nursing; RITA; Podiatry
	Acute and bed based care	Nursing care; residential care	A&E; Elective/non-elective inpatient
CO-OPERATIVE CHILDREN AND YOUNG PEOPLE	Wellness	Outdoor education; Early years service; Youth services	-
	Community Intervention	Youth Offending Team	-
INTEGRATED COMMISSIONING		Joint Commissioning team; Community Safety; Housing renewals; ODPH	Western Locality; Partnerships

The intention is to move the balance of spend away from Complex provision towards services in Community and Wellness, in order to manage the demand and avoid costs incurred:



The estimated addressable spend for each of the projects that comprise the Integrated Health & Wellbeing Programme is as follows:

Project	Category	PCC	CCG
HEALTH AND SOCIAL CARE PROVISION	Wellness	18,977,621	38,203
	Community Intervention	58,259,377	47,269,301
	Complex and bed based care	33,178,472	155,330,275
CO-OPERATIVE CHILDREN AND YOUNG PEOPLE	Wellness	11,011,687	-
	Community Intervention	11,405,628	-
COMMISSIONING		2,949,258	1,143,510
	TOTAL	135,782,042	203,781,289

Some simplifying assumptions have been made about certain aspects of addressable spend in scope. These are as follows:

- All Plymouth Community Healthcare spend relates to individuals from Plymouth – this is because there is a separate Community Health services provider that covers the remainder of the Western Locality (which is within Devon County Council area)
- 60% of Plymouth Hospitals NHS Trust spend commissioned by the Western Locality of the CCG is attributable to individuals from Plymouth – this is because approximately 60% of the population of the Western Locality live in Plymouth, and Derriford Hospital is the only major acute care provider within the Western Locality
- For certain areas of CCG Partnerships commissioned spend, we have assumed that 45% of the spend relates to the Western Locality (as approximately 45% of the population covered by NEW Devon CCG live in the Western Locality), and of this spend, we have assumed that 60% is attributable to individuals living in Plymouth (as 60% of the population of the Western Locality live in Plymouth)

The addressable commissioning spend shown in the table above does not currently include finance and/or business support from either PCC or CCG at present. Further development of the programme comes with a requirement to determine whether these areas of the organisations are in scope, and if so from a CCG perspective, which parts of the organisation are serving Plymouth territory. There are also likely to be other sources of public sector funding (such as work and pensions) which will need to be considered as part of the next phase of work.

Within the Integrated Health and Social Care provision project, it will be necessary to draw up a list of

services where a redesign and reconfiguration of services is desired, and it will be this process redesign that informs the new integrated operating model.

3.5 Out of scope

The scope of the programme will not include certain Children's Social Care services (including assessment and case management of Looked After Children or those subject to a Child Protection Plan) that are currently provided in-house by PCC, although it will include the budget for commissioned children's services (e.g. Looked After Children placements) within scope.

The programme will not include in its scope any services commissioned by the Northern or Eastern Localities of the CCG, or any services commissioned by the Western or Partnerships Localities where there is an obvious geographical disconnect between the service commissioned and Plymouth city boundaries (e.g. mental health services in Devon County Council's area).

GPs and Primary Care services are assumed to be out of scope initially, although strong links to these providers will need to be maintained to engage them throughout the process of developing the new operating model for health and social care provision. The scope may be widened to directly include these services if a change in commissioning responsibilities for these (from NHS England to CCGs) takes place within the timescale of this programme.

3.6 Assumptions

It is assumed that all services within the Council are to be considered for their potential to be delivered using an alternative model. The development of the Blueprint will inform services on which this programme should focus, while the Outline Business Cases will provide the type of alternative model which is considered to be the preferred option for each service area.

ICT, TUPE and other governance arrangements relating to alternative delivery models are to be determined.

4. Options Appraisal

To deliver this programme, commissioners jointly agreed a framework for assessing the chosen solutions for each project area. This ensured both organisations have confidence that the locally developed model will meet a set of core design priorities. The choice of type of operating model or delivery vehicle can be informed by a number of criteria, of which some will be more important than others. This set of criteria has been agreed and used to shape in the service assessment for PCC's Blueprint development and can be used to appraise the options for new delivery models in health and wellbeing:

Criteria	What is most important?
Cost	Delivery at the best possible cost <i>Does the model deliver within the available resources and is the financial governance and management robust?</i>
Quality	Delivery at the highest possible quality, which are responsive to customer needs and focused on outcomes <i>Does the model improve quality of provision? Does the model lead to improved patient/public outcomes? Does the model ensure dignity is a key element of delivery?</i>
Manage Risk	Ability to control, mitigate and manage risk of failure (including financial, reputational, delivery, operational) <i>Does the model ensure user safety is paramount? Does the model put at risk clinical governance standards and accountability? Does the model put at risk safeguarding standards and accountability?</i>
Flexibility	Ability to flex service offering to demand <i>How easily can resources be redirected to different areas of demand, either geographic, need or both?</i>
Collaboration	Ability to work with another organisation to deliver the service <i>To what extent does the option allow for collaboration?</i>
Generate Income	Ability to generate revenue <i>Are services which can generate income able to exploit this possibility?</i>

4.1 Integrated approach to commissioning and integrated health and social care services

Outlined below are options for redesigning the way that the local authority and health organisations in Plymouth commission and deliver services with a view to achieving a range of financial and non-financial benefits. These have been appraised through a workshop with the Programme Board and a preferred option selected which provides the future direction of travel for Plymouth:

Table of Options for Integrating Health and Social Care

	Commissioning	Provision	Health and Wellbeing
1. Minimum	Commissioners come together with shared line management but commissioning budgets remain separate	Providers chose to collaborate around particular pathways or services	Organisations respond individually to Health and Wellbeing Board strategy and priorities
2.	Commissioners come together with shared line management and pooled commissioning budgets (for services in scope of integration) but employer remains the existing organisation	Providers come together in a lead provider model on a pathway or service model basis	Organisations agree a planned programme of initiatives for collaboration around the health and wellbeing strategy and priorities
3.	Commissioners and pooled budgets transfer into one existing organisation (via TUPE), thereby changing employer for some staff	Provision is merged in to a single provider entity on a horizontal, vertical or pathway basis	Organisations create new entities or partnerships for particular aspects or initiatives within the health and wellbeing strategy
4. Maximum	Commissioners and pooled budgets come together to create a new commissioning entity with potential to grow in terms of geography, scope and partners	Provision is merged in to a single provider, integrated across all aspects of health and social care for the city	Organisations form a new entity or formal partnership to take forward a city wide, comprehensive health and wellbeing programme

4.2 Conclusions

Instead of restricting the programme to a single option, a combination approach is proposed which will enable momentum to be maintained while further detailed analysis and design work can take place to inform a further options appraisal of the preferred vehicle to deliver the operating model of integrated care.

At this stage, an initial appraisal of options for delivery vehicles for both integrated commissioning and provision has enabled certain options to be ruled out, so that the focus of work can be narrowed to further explore those options which are preferred. The outcome of this initial appraisal is detailed below:

Integrated commissioning

The ambition for intergrating commissioning is to achieve level 4, i.e. creating a new commissioning entity with potential to grow in terms of geography, scope and partners. The following options were considered to define the preferred model to be used to deliver integrated commissioning:

	Description	Benefits	Risks
1	Commissioners come together with shared line management but commissioning budgets remain separate	<ul style="list-style-type: none"> • Budget reduction through reduced management function • Ability to retain control of own organisation spend • Commissioners can be aligned to particular services/groups of services to manage total spend • Potential for 'cross-fertilisation' through commissioners sharing skills and expertise across service areas • Support joint commissioning, maintains expertise and ensures relationship management across partners • Can develop consistent approach 	<ul style="list-style-type: none"> • No oversight of complete budget so unable to manage integrated spend strategically • Potential risk of destabilisation as organisations can still act independently • Providers have to deal with more than one organisation to discuss contracts • Commissioners can retain a 'silo' mentality • Low ability to extend to include further organisations
2	Commissioners come together with shared line management and pooled commissioning budgets (for services in scope of integration) but employer remains the existing organisation	<ul style="list-style-type: none"> • Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Minimise transactional costs of moving staff across organisations • Minimise risk of challenge on grounds of TUPE • Legal agreement binding pooled budget to promote stabilisation 	<ul style="list-style-type: none"> • Retention of original employer may create artificial barriers, preventing holistic service delivery • Can cause operational confusion through different T&Cs

<p>3 Commissioners and pooled budgets transfer into one existing organisation (via TUPE), thereby changing employer for some staff</p>	<ul style="list-style-type: none"> • Alignment of roles and grades across the function • Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all commissioning – simpler for providers • Greater opportunities for career specialisation and progression for staff • Could be divested into a separate entity at a later date 	<ul style="list-style-type: none"> • Will require robust shared governance • Receiving ‘host’ organisation assumes superior position in decision-making • Loss of influence by transferring organisation • Potential for destabilisation if trust breaks down between the two organisations • Potential negative impact on staff T&Cs • Risk of challenge over redundancies if TUPE follows a restructure • Transactional time and cost of transferring staff
<p>4 Commissioners and pooled budgets come together to create a new commissioning entity</p>	<ul style="list-style-type: none"> • Potential to sell services to other organisations/broaden remit of commissioning function • Potential to broaden membership to other organisations • Perception of independence makes partners equal • Strategic and operational oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all commissioning – simpler for providers • Greater opportunities for career progression for staff 	<ul style="list-style-type: none"> • Cost of creating a new entity • Cost of overheads of operating a new entity • Potential increased procurement costs • Lack of accountability for the commissioning entity • Potential challenge under terms of ‘state aid’ • Perception of ‘outsourcing’ the commissioning function is politically unsavoury

The options which were identified as the preferred options to explore further were 3 & 4. This is due to the potential of these options to broaden the scope and scale of the commissioning function in future.

Co-operative children’s and young people’s services

In relation to those services, which fall within the scope of Cooperative Children and Young People’s Services, it has been agreed that Level 4 (*Integration via a new (unspecified) delivery vehicle*) above, describes the preferred future delivery arrangements for these services. This means that the service delivery options for the Cooperative Children and Young People’s Services will seek to have single vehicle responsible for the delivery of integrated services, outcomes and statutory duties.

The services within the scope of the Cooperative Children and Young People’s Services have been organised into 5 theme clusters:

1	Education Catering Services
2	Service for Adult Education (PACLS)
3	Targeted Services (SEN)
4	Enrichment and Aspiration
5	Knowledge and Intelligence

To arrive at the service delivery clusters, a capability assessment approach was taken, where ELAFs current capabilities were assessed against its value streams or in simple terms, its desired outcomes.

Through this assessment an understanding of the performance and value (i.e.. performance against outcomes) of these capabilities were determined. This assessment also involved determining which capabilities belonged in the same value stream clusters (outcome cluster), which of these capabilities would deliver outcomes better or perform better if they remained in house and which were best delivered via a different vehicle, requiring an integrated delivery option and identifying the best suited delivery model for each cluster.

Each of these clusters will complete an options appraisal of viable alternatives to establish which is the most appropriate for that cluster and consider the range of partners, which could be involved in a new entity that would be responsible for the delivery of integrated services and work towards the council's cooperative objectives. The first stage of the options appraisal will be to validate the scope of the cluster, to ensure that links between the functions in-scope and those in the Integrated Health and Social Care Provision project are explored e.g. SEN provision, Child and Adolescent Mental Health services.

In developing level 4 integration, the following assessment was done to define the preferred model for the Cooperative Children's and Young People's services;

Description	Benefits	Risks
<p>1 Council and Partners come together with shared line management but service delivery budgets remain separate. Examples of this already exist within the Children's and Young People's services, however, does not proffer the cost cutting benefits that are sought from this transformation programme. (e.g. PTSA)</p>	<ul style="list-style-type: none"> • Budget reduction through reduced management function • Ability to retain control of own organisation spend • Ability to manage total spend • Can develop consistent service delivery approach 	<ul style="list-style-type: none"> • No oversight of complete budget so unable to manage integrated spend strategically • Potential risk of destabilisation as organisations can still act independently • Customers have to deal with more than one organisation to discuss contracts • Potential of retaining the 'silo' mentality • Low ability to extend to include further organisations
<p>2 Council and Partners come together with shared line management and pooled Service Delivery budgets (for services in scope of integration) but employer remains the existing organisation. Examples of this already exist within the Children's and Young People's services, however,</p>	<ul style="list-style-type: none"> • Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Minimise transactional costs of moving staff across organisations • Minimise risk of challenge on grounds of TUPE • Legal agreement binding pooled budget to promote stabilisation 	<ul style="list-style-type: none"> • Retention of original employer may create artificial barriers, preventing holistic service delivery • Can cause operational confusion through different T&Cs

does not proffer the cost cutting benefits that are sought from this transformation programme. (e.g. Neighbourhood and Informal Learning)

<p>3 Council and Partners budgets transfer into existing organisations (via TUPE), thereby changing employer for some staff</p>	<ul style="list-style-type: none"> • Alignment of roles and grades across the function • Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all service delivery – simpler for providers • Greater opportunities for career specialisation and progression for staff • Could be divested into separate entities at a later date 	<ul style="list-style-type: none"> • Will require robust shared governance • Receiving ‘host’ organisation assumes superior position in decision-making • Loss of influence by transferring organisation • Potential for destabilisation if trust breaks down between the two organisations • Potential negative impact on staff T&Cs • Risk of challenge over redundancies if TUPE follows a restructure • Transactional time and cost of transferring staff
<p>4 Council and Partners come together to create a new service delivery entity in form of a Mutual or Cooperative Enterprise</p>	<ul style="list-style-type: none"> • Potential to sell services to other organisations/broaden remit of service delivery function • Potential to broaden membership to other organisations • Perception of independence makes partners equal • Strategic and operational oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all service delivery – simpler for stakeholders • Greater opportunities for career progression for staff 	<ul style="list-style-type: none"> • Cost of creating a new entity • Cost of overheads of operating a new entity • Potential increased procurement costs • Potential challenge under terms of ‘state aid’
<p>5 Council and Partners come together to create new service delivery entities, which would be a ‘Honey-Comb’ of Cooperatives and operate through a Joint venture approach</p>	<ul style="list-style-type: none"> • Potential to sell services to other organisations/broaden remit of service delivery function • Potential to broaden membership to other organisations • Strategic and operational oversight of complete integrated budget so can plan effectively 	<ul style="list-style-type: none"> • Cost of creating new entities • Cost of overheads of operating new entities • Potential challenge under terms of ‘state aid’

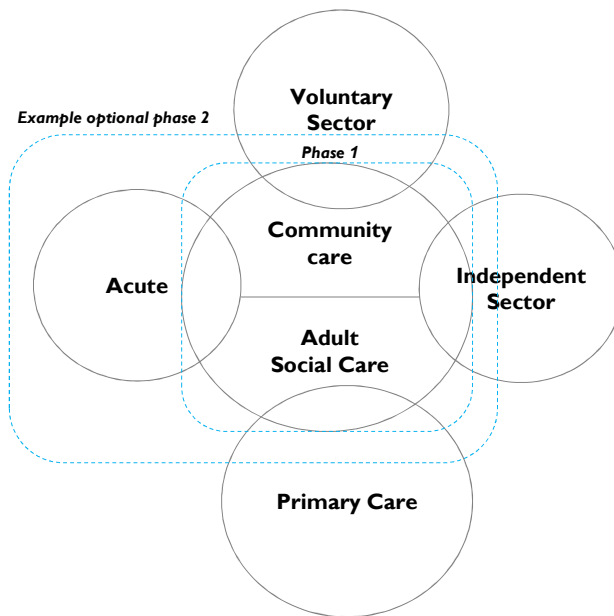
The options identified as the preferred options to explore further were 3 & 4 from the above table. This is because these options are best suited to deliver the outlined goals for the Co-operative Children’s and Young People’s services and also have the potential to broaden the scope and scale of the Co-operative Children’s and Young People’s services delivery function in future.

An evaluation of the best-suited entity for each service cluster will have to be done on a case-by-case basis, through engagement with Service Delivery Partners. Assessment of each case will consider the following design criteria.

- **Quality** – Does the entity improve the quality of services?
- **Cost** - Does the entity allow lower costs or improved value for money for the Council?
- **Co-operative Council** – Does the entity achieve the Council’s aim of being a Co-Operative Council?
- **Risk** – Does forming the entity pose as a high risk to the Council?
- **Income Generation** – Does the entity explore the opportunities for income generation?

Integrated provision

With regard to integrated provision, Level 4 Integration above received the greatest level of support. This will establish a single integrated provider of community health and social care through a structural integration. The option includes an option for the single provider to act as a ‘lead provider’ and sub-contract areas of service to other providers. The first phase of integration will be to focus on *horizontal* integration, with the option to extend to include elements of *vertical* integration at a later date:



To define Level 4 integration, the following options were considered to define the preferred model to be used to deliver a single integrated provider:

	Description	Benefits	Risks
1	Providers come together (legal construct unspecified) into a single entity	<ul style="list-style-type: none"> • Fully integrated processes for finance, performance management and governance • Full integration/ centralisation of back office and business functions (HR, IT, medical records and assessment) • Legally binding arrangement, restricting opportunities for entry /exit • Integrated budget avoids cost shunting • Seamless organisation from patient perspective • Staff within one organisation • Opportunity to create single organisational culture, vision and strategy • Commissioner will need to manage only one provider relationship and contract 	<ul style="list-style-type: none"> • Costs associated with the transaction process and the management of organisations change and requires full support of merging organisations • Increased risk on a single provider, posing a threat to local economy and required savings • Divestment – may lose core areas of provision to integrating organisation • Regulation (transitional) – meeting service standards during protracted period of integration.
2	Providers come together (legal construct unspecified) but not into a single entity	<ul style="list-style-type: none"> • Shared commitment to common vision and goals • Separate statutory bodies – retain autonomy and identity • Finance, performance and governance arrangements stabilised by e.g. S75, SLA • Multiplicity – simplified partnership arrangements, with lower barriers to entry, mean opportunities for integration with a greater number/ range of partners • No staff transfer – continuity of pensions and job specifications, and avoidance of TUPE liability • Local partnerships strengthened, as possible precursor to more extensive integration 	<ul style="list-style-type: none"> • Costs associated with the transaction process and the management of organisations change and requires full support of merging organisations • Continuation of operational status quo – i.e. executive sponsorship but partner organisations view themselves as separate and distinct • Planning of which organisational departments will integrate, and organisational management of integration process is both time consuming and has additional costs associated
3	Accountable lead provider model	<ul style="list-style-type: none"> • Centralised governance and management • Single point of responsibility to improve care and deliver better outcomes and better health • Incentives to invest in ‘upstream’ disease prevention and health promotion as well as diagnosis/treatment • Promotes ‘make or buy’ decisions, hence creating opportunities to align clinicians across traditional boundaries and to encourage clinical collaboration • Greater incentive and freedom to innovate • Stronger accountability for patient-oriented outcomes • Commissioning of individual services shifts from commissioner to lead provider hence giving the principal provider greater 	<ul style="list-style-type: none"> • Require extensive reconfiguration of services, contracts and payment mechanisms , especially for the lead provider and therefore has its own cost and risk implications • Increased financial risk on lead provider • Risk of creating new silos centred on conditions and diseases in place of existing silos • Staffing transition costs and implications where lead provider chooses to ‘make’ the service – potential TUPE

autonomy and lower resource requirement for the commissioner to manage contracts

- Allows for sub-contracting with the third sector, therefore potential opportunity to attract new providers who can offer better quality of care at reduced prices

Further assessment and due diligence will be required to understand the potential benefits of structural versus operational integration. The current programme describes benefits which are not exclusive to structural integration and more analysis will need to be undertaken to understand whether full structural integration of either commissioning or service provision will deliver additional benefits over those which can be obtained through operational integration, based on formal or informal partnerships, as it is the transformational change which is planned to deliver the largest gains.

There are a variety of options for delivery vehicles and contracting mechanisms that could be used to ensure that assessment of structural integration is meaningful and manageable. Consideration must be given to whether there is an organisation which is best placed to provide this integrated service and the preferred procurement process to determine the future provider.

Following this outline business case and through the next stage of the programme, a detailed target operating model covering governance, staffing, finance, activity, funding and contracting will need to be developed in partnership with the proposed provider(s), if level 4 integration remains the preferred option following further assessment and legal advice on procurement and competition rules. It is clear that further discussion needs to take place before a formal options appraisal to decide on the future delivery vehicle for integrated health and social care.

It is recommended that a staged approach to integration should be adopted, commencing with the detailed design for operational integration, in order not to lose current levels of momentum and benefits which can be derived in the short term while further analysis of the benefits of structural integration are undertaken.

5 Management Case

5.1 Programme approach

The proposed approach is to develop more detailed analysis of the costs and benefits which will be derived from integration, to develop a robust evidence base on which to conduct a full options appraisal of the possible delivery vehicles for integrated health and social care and a Full Business Case for the chosen option. This will also allow the process of obtaining legal advice regarding the procurement process to determine the future provider to happen concurrently.

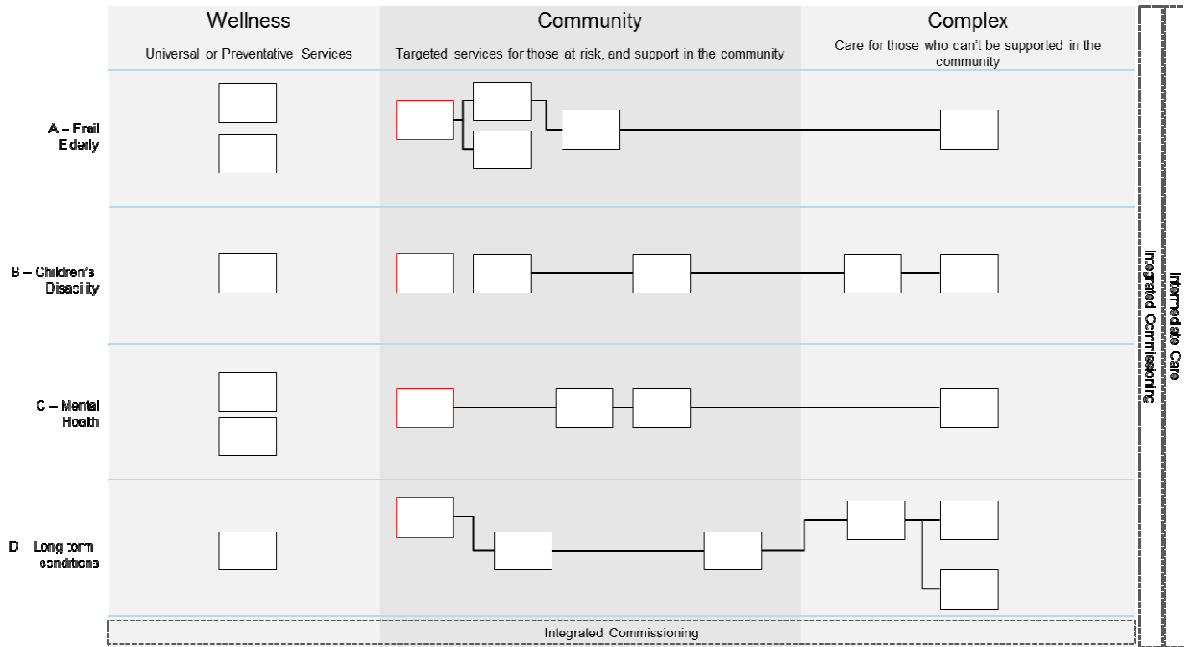
This approach will require a detailed analysis of specific areas of service provision in order to develop a series of 'mini-business cases' which will enable an informed strategic view to be taken by the Programme Board. In addition, this work will inform the detailed design of the future operating model, regardless of the vehicle chosen to deliver this.

Therefore, the initial project workstreams have been divided as follows:

Integrated Health & Social Care Services	Co-operative Children's & Young People's Services
Workstream A Frail Elderly Care	Workstream A Education Catering Services
Workstream B Children's Disability	Workstream B Service for Adult Education (PACLS)
Workstream C Mental Health	Workstream C Targeted Services
Workstream D Long Term Conditions	Workstream D Enrichment and Inspiration Services
Workstream E Integrated Commissioning	Workstream E Knowledge and Intelligence Service

The programme outcomes are primarily about improving health and wellbeing – so the workstreams reflect this by focusing on service users and care pathways, with an integrated delivery structure designed from the outcomes of these workstreams. These have been chosen because as the largest cohorts of service users, they represent the largest proportions of the addressable spend. In addition, people within these cohorts who use both health and social care services will be most affected by an integrated approach to health and wellbeing and therefore it addressing these first will provide a framework on which to build more discreet parts of the system. The aim of the workstreams will be to map the care pathways across the stages of need, with all associated activities, service providers, time and costs documented.

An illustrative example is shown below:



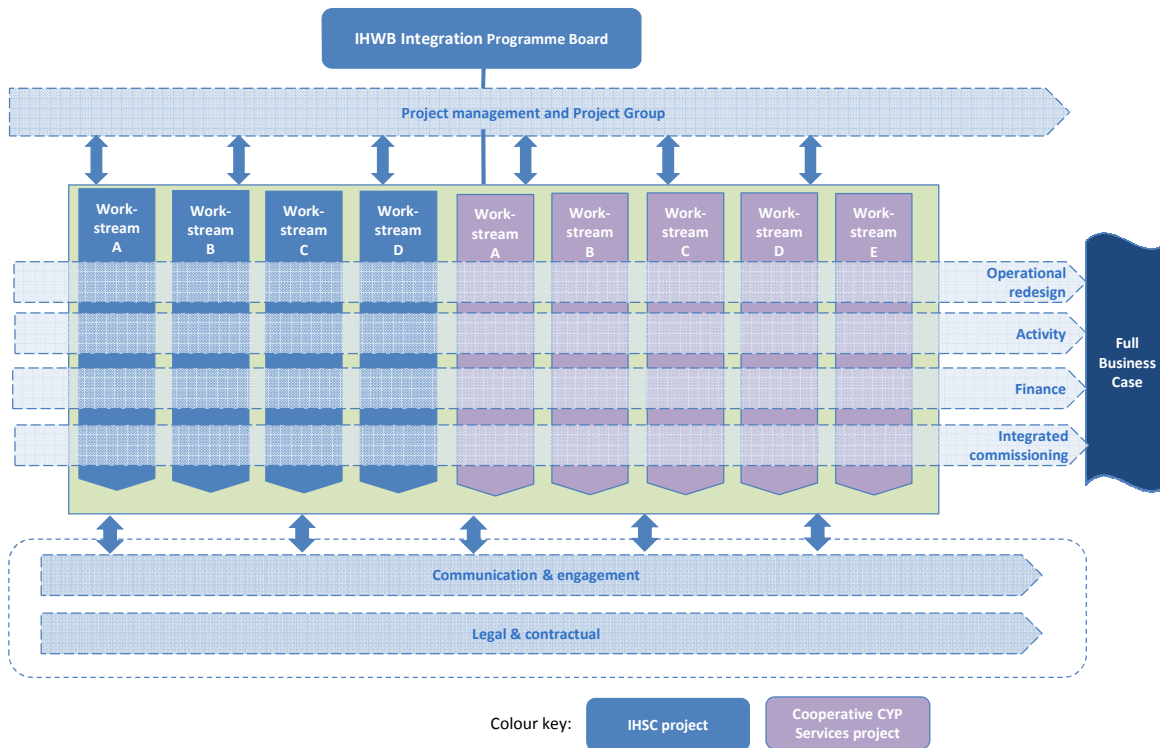
In the diagram above, red boxes represent the first point of contact for a service user or patient, while other boxes represent interactions that a service user or patient has with services.

Once conclusions are consolidated from all the relevant workstreams, potential integration options can be appraised as part of the full business case, which will give a more detailed picture of the expected benefits of the future provision and commissioning structure.

The integrated commissioning workstream will address how integrated commissioning could be applied across the whole system and will inform the decision on how the commissioning function will operate in future.

5.2 Programme structure

The proposed programme structure to deliver the Full Business Case is as follows:



Activity will be managed through a project management office and underpinned by two enabler workstreams of Legal and Contractual and Communications and engagement.

The key activities for each workstream are listed in the following tables:

Delivery workstream: Operational redesign	
Purpose: To undertake a detailed analysis of the current pathways/service clusters and develop detailed specifications for the reconfiguration of services in the themed workstreams listed in the table above	
Key activities	Key outputs
Challenge, validate and update scope assumptions underpinning the OBC and identify gaps	Updated, consistent and tested assumptions underpinning operational redesign and information gaps added to workstream plan
For IHSC project: Working with Activity workstreams, analyse the existing pathway and design the 'to be'	Completed 'to be' service specifications based on a modernised, optimised safe and sustainable integrated

service for each division, based on a demand and capacity model	
For Coop CYPS project: Analyse functions and establish clusters, and undertake an options appraisal for the future delivery of each cluster	Preferred option
Develop the cost benefit analysis of implementing the new operational model for each division/cluster	Detailed cost and benefit analysis
Contribute to development of FBC document	Relevant technical input to the following sections: Strategic Context Option Appraisal Preferred Option

Delivery workstream: Activity	
Purpose: To develop detailed activity projections and resource requirements in order to inform the final redesign specifications.	
Key activities	Key outputs
Work with Operational design leads to agree parameters and assumptions to be used in Activity modelling	Agreed parameters used to determine capacity requirements are clearly set out (e.g. occupancy rates, daycase rates etc)
Develop or modify Activity modelling tools to deliver the required information within the agreed parameters	Demand and capacity model to establish future service requirements
Assess impact of national policy initiatives (demand management, shifts to primary care, choice, personalisation etc.)	Activity projections linked to decisions about primary and community care services and how acute provision is being delivered
Contribute to development of FBC document and appendices	Relevant technical input where required

Delivery workstream: Finance	
Purpose: To work with service areas to inform the service reconfiguration and develop the Financial business case	
Key activities	Key outputs
Detailed financial to define costs of new operating model	FBC Financial Case including: <ul style="list-style-type: none"> • Cost benefit analysis • Transitional costs • Long Term Financial Model (LTFM)

Review , track and update the benefits throughout the project	Updated benefits appraisal and visibility of transitional costs including consideration of double running costs and redundancy costs Benefits realisation plan
Identify resources required to deliver the implementation	Workstream implementation plan including transitional costs and benefits
Contribute to development of FBC document and appendices	Relevant technical input to the following sections: Financial Analysis Cost benefit (VFM) analysis

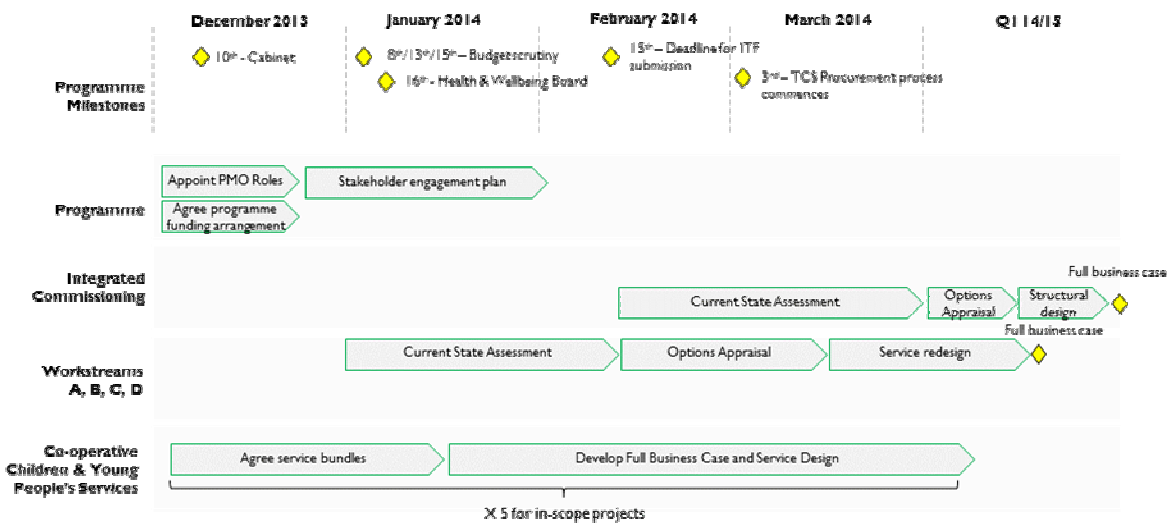
Enabling workstream: Legal and contractual	
Purpose: To deliver the activity required to provide the appropriate legal and technical support	
Key activities	Key outputs
Work with leads from each Workstream to identify legal and contractual issues	Milestone plan for legal and contractual engagement
Identify the procurement process to be followed in accordance with EU regulations and undertake the work needed to complete the necessary procurement documents	Compliant procurement process
Ensure the programme is linked in to TCS procurement process	Procurement specification alignment
Ensure employment issues e.g. (TUPE, Redundancy) are planned for correctly	Legal compliance with employment law requirements
Contribute to development of FBC document and appendices	Relevant technical input where required

Enabling workstream: Communication and Engagement	
Purpose: To develop and coordinate the activity required to communicate and engage with stakeholders	
Key activities	Key outputs
Work with leads from each service and workstream area to develop a Communications plan	Stakeholder engagement plan
Review map of key stakeholders and evaluate their interests, attitudes and influence to collate into interest groups	Stakeholder map

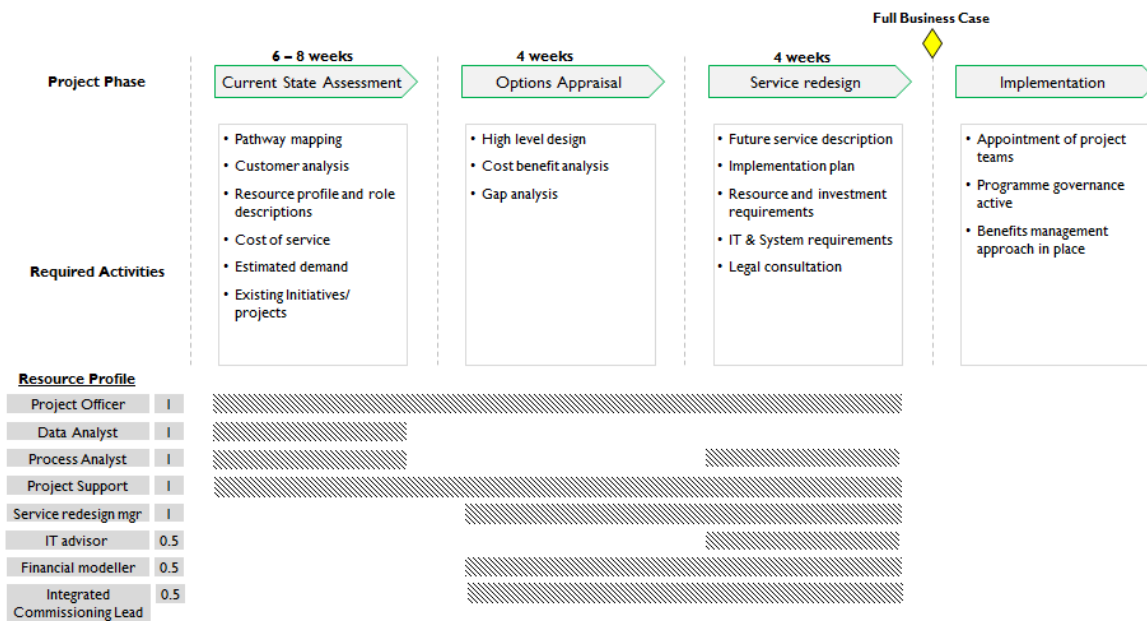
Manage stakeholders and develop appropriate communication and engagement toolkit	Communication and engagement toolkit
Liaise with PCC Transformation Portfolio Communications and Engagement Team	Coordinated communication and engagement activity
Working with HR where appropriate, support and enable communication and engagement with internal stakeholders (e.g. staff) using the toolkit	Newsletters, intranet, email bulletins, workshops, roadshows, documented meetings

5.3 Programme Plan

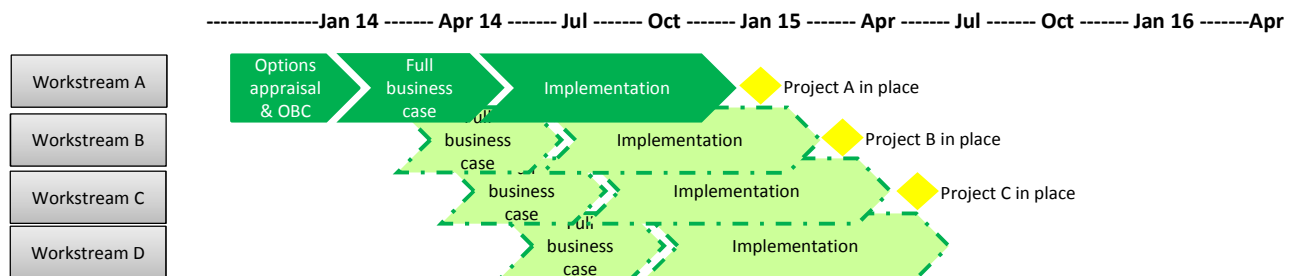
The programme plan shown below is a high level indication of the different projects within the programme.



Below is an indicative high-level project plan for the development of a mini-business case for the integration of a chosen HSC pathway or alternative delivery model for a Cooperative CYPS cluster. This will inform decisions on the required model of delivery at the programme level.



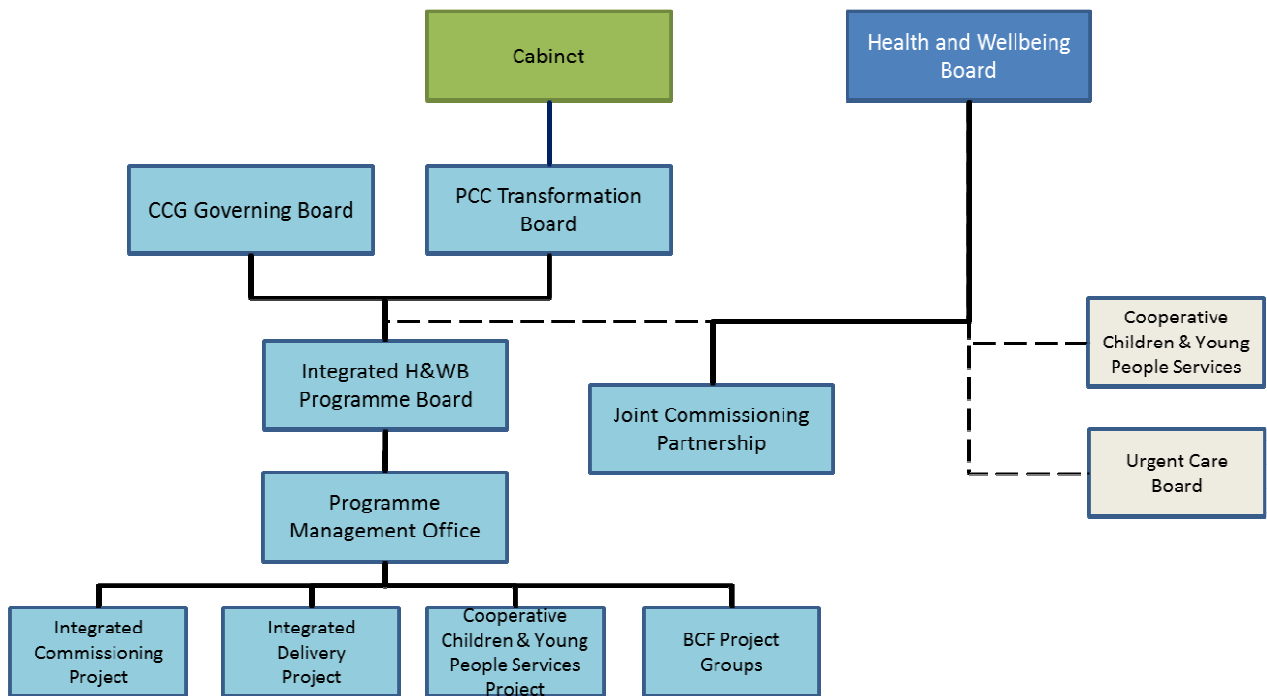
The resource profile set out above is what will be required **per pathway or service cluster**. This means that it is the minimum resource required to deliver one mini-business case at a time. If work is to be completed more quickly, with a number of pathways or clusters being assessed in parallel, the level of resource will need to be increased accordingly:



Refer to Appendix E for a detailed project plan.

5.4 Programme Organisation

The programme has the following governance structure:



This is the indicative role and membership of the new HWB Integration Programme Board and its relationship with other governing bodies. Size and composition are built to enable swift change and can be supplemented to broaden representation:

<p><u>Health & Wellbeing Board</u> Responsible for sign-off of the BCF plans. The Board will provide “systems leadership”. The board will ensure alignment between the BCF plan and the IHWB programme and other initiatives</p>	<p><u>IHWB Programme Board</u> Responsible for steering the overall programme of integration. The Board owns the delivery of the BCF plan and will report progress to Senior Management Boards. The IHWB programme board will sign-off programme and BCF initiatives.</p>	<p><u>Joint Commissioning Board</u> Responsible for BAU commissioning during the BCF and IHWB programme. Maybe merged with the IHWB Integration Board</p>
<p><u>Cabinet</u> Responsible for overseeing the plans and performance of the BCF. The Cabinet has the responsibility for ensuring the BCF aligns with PCC strategies</p>	<p><u>Programme Management Office</u> Responsible for the coordination of the transformation and BCF projects</p>	<p><u>Urgent Care Board</u> Responsible for oversight of BAU functions of urgent care delivery. Will provide leadership of elements of the BCF, where plans impact on urgent care delivery. The Urgent Care Board will be responsible for operational oversight of metrics</p>
<p><u>New Devon CCG Board</u> Responsible for ensuring compliance with overall CCG requirements. Board will monitor the delivery and achievements of targets and benefits of the BCF plan.</p>	<p><u>Project Groups</u> Responsible for designing solutions, identifying benefits, resource requirements and delivering projects.</p>	<p><u>Children’s Partnership Board</u> Responsible for BAU function reporting into the Health & Wellbeing Board for oversight</p>
<p><u>PCC Portfolio Board</u> Responsible for ensuring compliance with overall transformation blueprint and monitoring delivery and benefits of the IHWB.</p>		

The following table provides an overview of the responsibilities of each of these bodies in relation to the HWB Integration Programme:

Programme Activity	PCC transformation	CCG Board	HWB	Integration	PMO	Project Group
Ensure alignment to transformation blueprint	<input type="checkbox"/>					
Ensure alignment to NEW Devon CCG priorities and strategy		<input type="checkbox"/>				
Ensure alignment to Health & Wellbeing Strategy			<input type="checkbox"/>			
Set programme vision and strategy				<input type="checkbox"/>		
Define Programme Scope				<input type="checkbox"/>		
Identify improvement opportunities				<input type="checkbox"/>		<input type="checkbox"/>
Design solution & plan						<input type="checkbox"/>
Identify investment & resource requirements					<input type="checkbox"/>	<input type="checkbox"/>
Sign-off on investment, plan and resources				<input type="checkbox"/>		
Deliver project initiatives						<input type="checkbox"/>
Report on progress, benefits and risks						<input type="checkbox"/>
Monitor progress against plan					<input type="checkbox"/>	
Manage integration interdependencies					<input type="checkbox"/>	

Terms of Reference to govern the HWB Integration Programme Board have been developed and are included in Appendix D

6 Financial Case

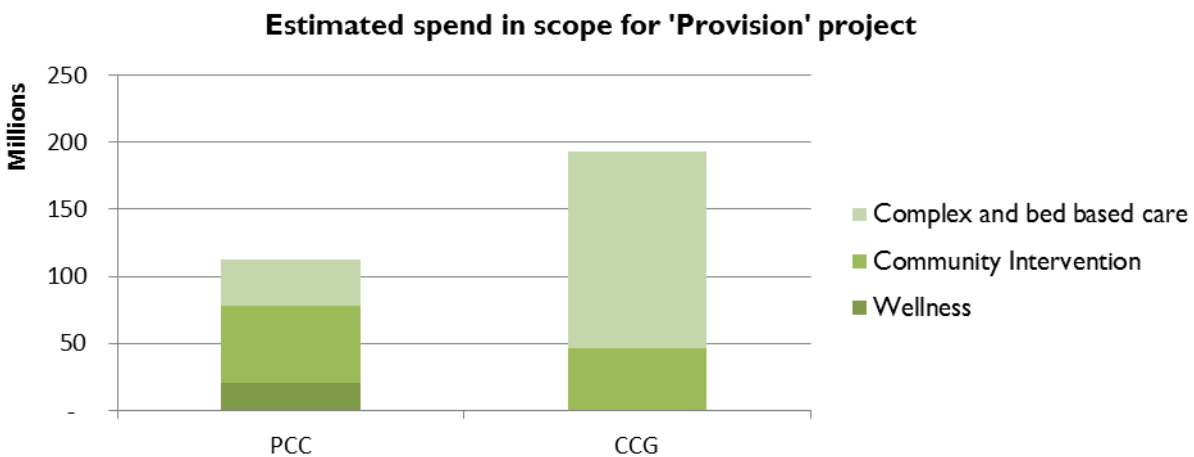
6.1 Addressable Spend

Plymouth City Council and NEW Devon CCG's budgets have been divided into three categories relating to degree of need for the end-user:

- **Wellness:** Universal/preventative services that enable self-management
- **Community intervention:** Services tailored to at-risk individuals supporting adults in the community including intermediate and community bed-based care
- **Complex and bed based care:** Acute, residential and nursing care

Making this distinction allows us to identify the value drivers in the healthcare system, which derive from reducing unnecessary uptake in specialist service. This can be achieved through projects aimed at improving integration within community services (for example).

The graph shows PCC and CCG spend across the three areas of the framework, and is based on the scoping within section 2.3:



At a high level, this early analysis indicates that the majority of PCC resources are directed towards higher cost, Specialist and Help at Home services such as nursing care and supported living. Specialist services such as acute care are dominant within the CCG spend analysed to date.

6.2 Approach to Benefits

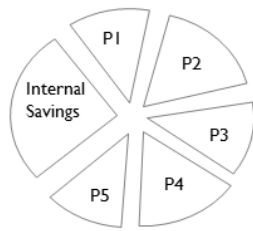
The benefits of the programme can be divided between financial benefits (see 5.3) and health & wellbeing outcomes.

The agreed health & wellbeing outcomes can be divided into the levels of need categories of Complex, Community and Wellness.

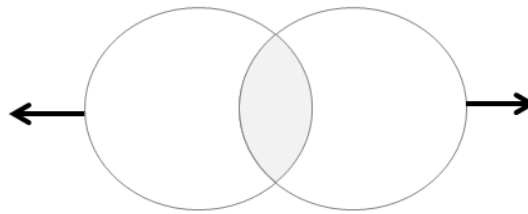
Category	Performance measure	3 year benefits target
Complex/ Community	Delayed transfers of care	Return to national average
Complex	Delayed transfer of care due to adult social care	Return to average of comparator group
Complex	Emergency admissions: not in need of admission	5% reduction in category 1&2 admissions
Complex	Use of bed-based care	5% reduction in emergency admissions 5% reduction in community hospital admissions
Complex	Length of Stay	5% reduction in average length of stay
Complex	Readmissions to ED within 30 days	10% reduction in 30 day readmissions
Community	Potential Years of Life Lost (PYLL) from causes amenable to healthcare for children and young people	Above average (measurements yet to be carried out nationally)
Community	Effectiveness of reablement	2% improvement
Community	Community activity levels	<i>Dependent on project intervention</i>
Community	Activity of Elderly Care Services	National average ratio Community:RC&NC
Community	Proportion of deaths in usual place of residence	2% increase
Wellness	Social care related quality of life	5% improvement
Wellness	Control over daily life	5% improvement
Wellness	Childhood obesity	10% reduction by 2025
Wellness	Young people with complex mental health needs	5% reduction by 2017
User experience	Carer satisfaction	5% improvement
User experience	Patient and service-user experience	70% score on Plymouth I Statements

The majority of the cost savings will be delivered through targeted integration projects, where relevant services can be jointly commissioned based on commonalities or as part of an integrated care pathway. Only once the current spend on these pathways has been mapped can we understand the benefits opportunities fully. The remainder will be internal efficiency savings and revenue generated by the Cooperative Children and Young People's Services which will be quantified once the relevant projects have been defined.

Measured through a series of projects which contribute to programme goals



Cashable benefits Improved Health & Wellbeing



Measured through performance against targets for national indicators

In addition, the Cooperative Children and Young People’s Services project has the potential to generate income. However, this figure is unquantifiable at this OBC stage, as the delivery vehicle(s) for these services have not yet been decided.

6.3 Cost and Benefits Analysis

This table provides the breakdown of potential financial benefits. The targeted integration benefits are highly contingent on which model of integration is adopted and on the current interventions in place in this area. This will be developed further in the full business case. Therefore, the benefits below are an illustration of potential opportunities which require further analysis.

Benefit Description	Category	Annual Benefits			PCC share	CCG share	level of Confidence
		Lower Range of Financial Benefit	Upper Range of Financial Benefit	Average Financial Benefit			
Integrated Commissioning	Cost Reduction	£204,638	£613,915	£409,277	£294,926	£114,351	Medium
Integrated Provision	Cost Reduction	£2,927,539	£5,018,638	£3,973,088	£1,463,269	£2,509,819	Low
Co-operative Children & Young People’s services				£0			
Targeted integration example 1 - Self Management	Cost Reduction	£4,220,991	£8,024,087	£6,122,539	£1,115,262	£5,007,277	Low
Targeted integration example 2 - Community support and falls prevention	Cost Reduction	£2,086,904	£4,373,492	£3,230,198	£1,586,811	£1,643,387	Low
				£0			
				£0			
Projected Total Cost Reduction Benefits (£k)		£9,440,072	£18,030,132	£13,735,102			
Projected Total Income Generation Benefits (£k)		£0	£0	£0			
Projected Total Cost Avoidance Benefits (£k)		£0	£0	£0			
Percentage reduction for double counting		10%	10%	10%			
Optimism bias adjustment		10%	10%	10%			
				Total		£11,125,433	
Indicative Phasing of Average Financial Benefits							
Now	2014/15	2015/16	2016/17	2017/18	2018/19	Total	
	£1,112,543	£6,675,260	£11,125,433	£11,125,433	£11,125,433	£41,164,101	

The nature of the financial benefits vary between projects. For example, the benefits of integrated commissioning are pure cost savings derived from reduced spend on resources to deliver commissioning services. The integrated provision benefits have been identified from the reduction in contract spend through employing mixed-speciality teams, tapering existing contracts and strategic decommissioning.

The benefits of the targeted integration are realised through reducing demand for secondary care services. This is where the greatest potential benefit could be realised, but will require a higher level of analysis to identify and manage direct benefits (this is why they have been attributed a confidence level of ‘low’ at this stage).

Financial benefits for the Co-operative Children’s and Young People’s Services project have not been determined in full yet. A financial business case for the the Education Catering service has been developed, which identifies that by operating in a new delivery model in partnership with schools, the service will no longer require the current £600k level of subsidy it receives annually from PCC. The new model is predicated on the following assumptions:

- An annual reduction in service delivery costs
- A reduced management cost
- Reduced overhead charges through procuring support services competitively
- Extended supply of meals to existing customers
- Any surplus made by the new delivery vehicle will be reinvested in the service, therefore removing the requirement for PCC to commit resources to grow the service

In addition, further additional income may be achieved through

- Expansion of customer base to additional schools
- Expansion of customer base to provide community meals and non-clinical meals for the hospital
- Extension of existing service offering to include breakfast and after-school provision

These three areas are not currently quantified and are less certain, so will need further work to develop as the service settles into the new delivery model.

There is a key risk to PCC in the proposal to procure support services competitively, as this will require PCC to be able to provide these services at prices similar to the external market. If PCC is unable to achieve this price, it will lose income from services such as Education Catering which, with a zero-based budget, will direct spend elsewhere away from the Council in order to achieve value for money. Therefore, the positive cost reduction to PCC derived from the new delivery model may be counteracted by a loss of income. The Blueprint work will need to consider the cost of support services, how best to deliver these competitively as more services are moved outside of in-house delivery and the principles which underpin these proposed externalisations. This will be need to be done as an early activity within the Blueprint programme.

Further work to determine the cost benefit analysis for other areas of Co-operative Children’s and Young People’s Services will be continued as the programme progresses.

Refer to Appendix A for detailed cost benefit analysis.

6.4 Expected Costs

The programme has been designed to develop a full business case for a future integrated operating model.

The programme will be delivered through a programme management office. The cost of which has been estimated below:

Role	Programme Cost (annual)
Senior Project Manager	44,000

Senior HR Advisor	18,500
Business Change Advisor	8,250
Communications Officer	8,250
ICT programme manager	40,000
Finance Lead	9,250
	128,250

The cost of each workstream has been estimated below:

Role	Programme Cost	Business Case Cost
Project Officer	26,000	8,667
Data Analyst	10,000	833
Process Analyst	13,000	1,667
Project Support	20,000	6,667
Service redesign manager	38,000	6,333
IT advisor	7,500	625
Financial modeller	7,500	2,500
Integrated Commissioning Lead	6,500	2,167
Total	128,500	29,458

The costs above are resource time only, and assume PCC will invest internal resources in the programme. The total cost of developing the full business case is estimated below:

Total Costs (£)	
Programme Management Office	32,063
Workstream Business Case (x9)	265,125
Legal advice	20,000
Total	317,188

The latter phases of the programme are highly dependent upon the service redesign; therefore there is no value in attributing costs to this activity at present. The costs above are resource time only, and assume PCC will invest internal resources in the programme. Additional work to further develop programme costings will need to be performed as part of the next phase of work, and this may cause an increase in the estimated programme costs given above, as these have been developed without the full level of detail required. It is likely that the costs shown above would increase if external support was used.

Refer to Appendix A for detailed cost-benefit analysis.

7 Risks and compliance

7.1 Risk Analysis

Refer to Appendix C for detailed risk log.

7.2 Interdependencies

Within PCC, there are key interdependencies with the Blueprint, version 2.0 of which is currently being developed, and the other programmes within the Transformation Portfolio. 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. The other programmes within the PCC Transformation Portfolio will provide support around engaging with staff, developing new ways of working, and redesigning customer services.

NEW Devon CCG have a number of organisational interdependencies. These include those with Devon County Council, and West Devon and South Hams District Councils, since the Western Locality of the CCG (which includes the entire Plymouth footprint) also includes populations within Devon. There is also an interdependency to consider within the Partnerships Locality, which commissions a variety of services across the whole of the NEW Devon footprint, and it is therefore possible that commissioning decisions taken as a result of this programme may have an impact on those in other localities.

The CCG also has to re-commission its community healthcare services contract by March 2016. The current provider is Plymouth Community Healthcare (PCH), who also provide certain Public Health services in Plymouth. The commissioning timescale for this, and the associated 'Transforming Community Services' programme, will influence workstreams concerning other community services.

Another key interdependency is with the Integration Transformation Fund (ITF) submission from Devon County Council, due to the CCG footprint covering both DCC and PCC (and an associated interdependency with South Devon CCG, due to part of their footprint being within DCC).

7.3 Constraints

There is a constraint around delegated authority for approving decisions concerning integration within the CCG. Plymouth City is exclusively within the Western Locality of the CCG, but decisions around integrated commissioning and provision, and the alignment with the Transforming Community Services programme, will potentially affect other localities within the CCG, meaning that the Western Locality board may not be able to sign off on plans on its own, and approval from the CCG board may be required.

A key procurement constraint is that neither PCC nor the CCG will be able to decommission services currently provided by Plymouth Community Healthcare until expiry of the contract in 2016. This may affect the shape of future delivery vehicles, and the scope of services to be included within these.

7.4 Stakeholders

The table below provides a very high level indication of the key stakeholders in this programme of work. An in-depth stakeholder mapping exercise will need to be completed with a detailed engagement plan.

Stakeholder Type	Stakeholder	Responsible	Accountable	Consulted	Informed
Staff				X	X
Partners	NEW Devon CCG	X	X	X	X
	The Police and Crime Commissioner			X	X
	Plymouth Community Healthcare team			X	X
	Plymouth Hospitals NHS Trust		X	X	X
	Plymouth Community Homes			X	
	Schools	X	X		
	DELT			X	
Communities					
Members			X	X	X

8 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.

8.1 Benefits Management

As part of benefits management, initial activity within the Workstreams will be to confirm, validate or update the baseline measures from this OBC.

Benefits management focuses on establishing clear mechanisms for monitoring the programme's achievement of its stated outcomes. The approach is described below:

- Refine the benefits identified in the OBC
- Validate the level of ambition for each benefit consistent with the recommendations
- Confirming the measure(s) for each benefit
- Developing monitoring arrangements:
 - using existing monitoring mechanisms where possible
 - by enhancing these to improve completeness or quality of measurement where considered critical
 - by integrating monitoring of these in to systematic project management reporting arrangements

A benefits scorecard will be developed during the Full Business Case activity to monitor proposals against project objectives. This scorecard will be in line with the PCC Transformation Portfolio Programme framework in order that the benefits of this programme can be incorporated into the wider programme. Benefits management will be integrated into project reporting processes.

8.2 Guiding Principles and Methodologies

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

8.3 Quality Management

Quality Management Strategy and Plan – Portfolio Office

8.4 Portfolio level Benefits Management

Portfolio Level Benefits Management Strategy will be used

8.5 Risk Management Strategy

Corporate Risk Management Strategy

8.6 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.

8.7 Equality Impact Assessment

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

8.8 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.

8.9 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.

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.

9 Appendices

Appendix A – Capability Assessment

- Include relevant capability assessment for the programme (below example for Cooperative Centre of Operations)

Process	Key Activities	Capability			Identified Improvements (Process not Key Activities level)
		Current	Target	Gap	
Develop Vision and Strategy	Define Vision and Strategy	3	4	1	Standardised methodologies for benefit tracking, project and risk management to support strategic initiatives
	Develop Strategy	3	5	2	Revised governance structure/ process for the prioritisation and management of strategic initiatives
	Manage Strategic Initiatives	2	4	2	Future vision and strategies are based on true customer, market insight and are developed on the views of key internal and external stakeholders
Develop Services	Understand Markets, Customers and Capabilities	2	4	2	An in-house analytics capability develops the customer/ market insight required by all council services
	Manage Service Portfolio	3	5	2	There are clear policies/ guidelines on potential delivery models, approaches to market testing and legal/ financial parameters
	Develop Services and Define Delivery Models	2	5	3	Improved cross-directorate knowledge of the dependencies and links between separate services
Deliver Services	Deliver Service and Manage Demand	2	5	3	Refreshed performance management measures for service delivery and contract management
Manage External Partnerships	Manage Partner Relationships	3	5	2	Governance and legal frameworks have been re-defined to support increased partnerships with external organisations
Manage Knowledge, Improvement and Change	Manage Improvement	2	5	3	Standardised project management, change management and benefits tracking methodologies for PCC

Appendix B – Risk Log

No.	Risk	Likelihood	Impact	RAG Status	Mitigating Actions
IHWB_R SK_1	Savings delivered from the integration are not sufficient to meet the funding gap	3	4		<ul style="list-style-type: none"> Scrutiny and validation of the business case, and the projected benefits in further phases Account for optimism bias in financial model when developed
IHWB_R SK_2	Disruption to service delivery with an impact on service quality and reputation	2	4		<ul style="list-style-type: none"> As part of business case phase contingency planning undertaken as part of implementation planning Key scenarios identified and mitigation plans developed
IHWB_R SK_3	Negative impact on service users and threat to continuity of care	2	4		<ul style="list-style-type: none"> Early engagement of key service user representative groups Pathway re-design workstreams led by clinicians and social care professionals
IHWB_R SK_4	Staff/union resistance to the proposed changes and service redesign	3	3		<ul style="list-style-type: none"> Early consultation with Unions Union representation at key workshops.
IHWB_R SK_5	Difficulty in securing agreement across the partners to service redesign causes delay in delivery leading to savings targets being leaked, and delaying benefits realisation	3	3		<ul style="list-style-type: none"> Areas of potential disagreement highlighted and discussed early in the process Identification of key decision makers and a dispute resolution process Formal agreements and protocols in place to enable teams to work

					together
IHWB_R SK_6	Multiple parties involved leading to partial support for business case, which delays implementation	2	3		<ul style="list-style-type: none"> Key stakeholders identified at the start of the project and engaged regularly Communications plan in place and key stakeholders provided with regular updates
IHWB_R SK_7	Baseline data is not robust and the business case is undermined	3	4		<ul style="list-style-type: none"> Validation of the baseline data finance Validation and ownership of the financial model by finance and service areas Validation of the savings opportunities by service professionals
IHWB_R SK_8	Statutory or regulatory differences between Health and Social care lead to tensions	2	4		<ul style="list-style-type: none"> Potential areas of conflict identified early and formal protocols or agreements put in place
IHWB_R SK_9	New legislation introduced which impacts on plans (e.g. Care Bill and Dilnot)	2	4		<ul style="list-style-type: none"> Remain well-informed of policy and legislative developments and build in necessary changes early and challenge solution development
IHWB_R SK_10	Negative impact of procurement or tax requirements on new delivery mechanism, for example VAT regulations	3	3		<ul style="list-style-type: none"> Consider likely impact of during the Options Appraisal process if new delivery vehicles/alternative structures are considered
IHWB_R SK_11	Legal challenge regarding competition and contracting	3	4		<ul style="list-style-type: none"> Ensure notice periods to providers are duly followed and all consultation is documented
IHWB_R	Resources	3	3		<ul style="list-style-type: none"> Develop programme

SK_12	required to deliver integration are not available/ funding does not exist to commission external resources				<ul style="list-style-type: none"> delivery plan and get cross party sign up to this. Cross- party investment planning meeting to agree resource commitment.
IHWB_R SK_13	Footprint of NEW Devon CCG covering both Devon CC and Plymouth CC will delay approval of business case and implementation	3	3		<ul style="list-style-type: none">
IHWB_R SK_14	Transforming Community Services programme does not procure an integrated suite of community services	3	4		<ul style="list-style-type: none"> Prioritise certain aspects of full business case development that provide a view on what services should be procured along with those provided by PCH
IHWB_R SK_15	Failing to reach agreed terms that are compliant with Teckal criteria, due to differing legal opinions	4	4		<ul style="list-style-type: none"> Follow a long term view or phased approach to delivery model design and implementation. (i.e. implementing one delivery model for a short term with a view of moving to another in the long term) Regular compliance checks and discussions

APPENDIX A

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

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.