

## **An introduction to Plymouth City Council's Transformation Programme**

### **I Context**

#### **1.1 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**

- 1.1 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><b>WE ARE DEMOCRATIC</b></p> <p>Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.</p>	<p><b>WE ARE RESPONSIBLE</b></p> <p>We take responsibility for our actions, care about their impact on others and expect others will do the same.</p>
<p><b>WE ARE FAIR</b></p> <p>We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.</p>	<p><b>WE ARE PARTNERS</b></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"> <li>■ The Council provides and enables brilliant services that strive to exceed customer expectations.</li> <li>■ Plymouth's cultural offer provides value to the city.</li> <li>■ A Council that uses resources wisely.</li> <li>■ Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>■ More decent homes to support the population.</li> <li>■ A strong economy creating a range of job opportunities.</li> <li>■ A top performing education system from early years to continuous learning opportunities.</li> <li>■ Plymouth is an attractive place for investment.</li> </ul>	<ul style="list-style-type: none"> <li>■ We will prioritise prevention.</li> <li>■ We will help people take control of their lives and communities.</li> <li>■ Children, young people and adults are safe and confident in their communities.</li> <li>■ People are treated with dignity and respect.</li> </ul>	<ul style="list-style-type: none"> <li>■ Citizens enjoy living and working in Plymouth.</li> <li>■ Plymouth's brand is clear, well known and understood globally.</li> <li>■ Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.</li> <li>■ Our employees are ambassadors for the city and the Council and they are proud of the difference we make.</li> </ul>
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#Plymouth   
[www.plymouth.gov.uk/ourplan](http://www.plymouth.gov.uk/ourplan)

- 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:

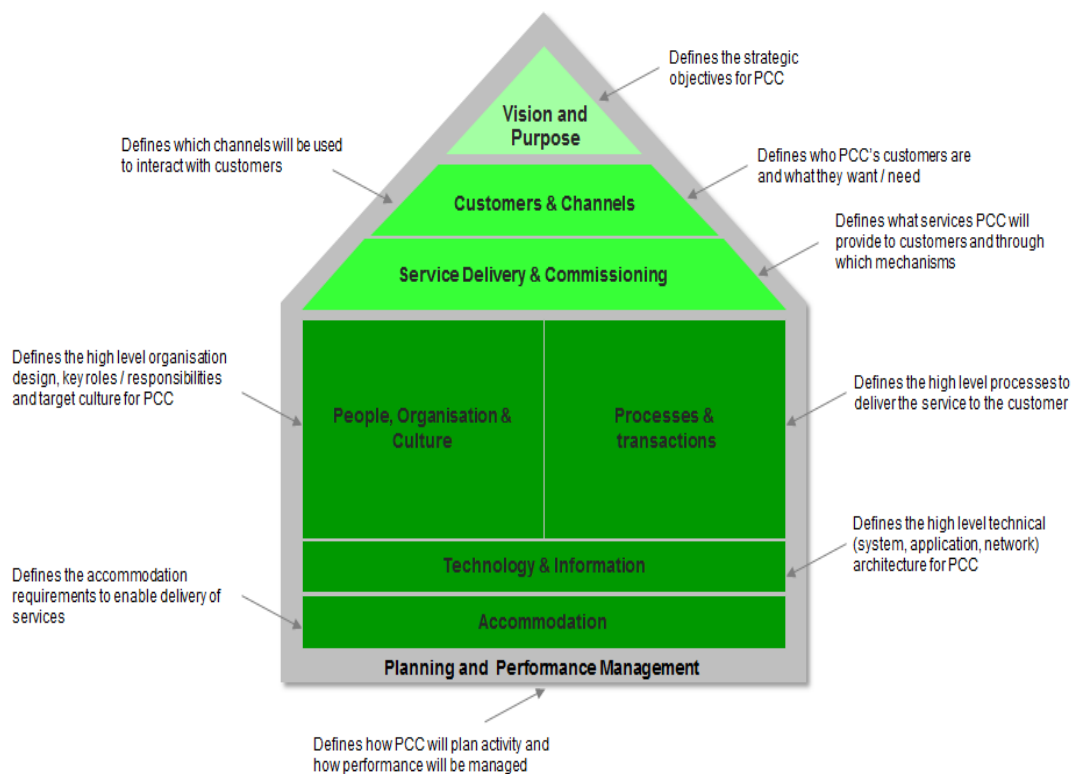
- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Redevelopment of the Civic Centre and future accommodation requirements (Cabinet approval September 2013)
- Modernising Adult Social Care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

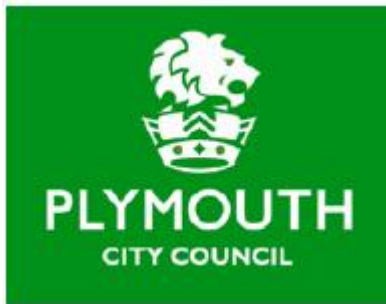
## 5.5 Customer's Quality Expectations

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.





## Outline Business Case

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

## 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
<b>Net benefits</b>	<b>- £ 330k</b>	<b>- £ 335k</b>	<b>£3,297k</b>	<b>£3,550k</b>	<b>£6,183k</b>
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:

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

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

### 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
<b>Internal Management</b>	David Trussler		X		
	Programme Manager	X			
	Other Programme SROs			X	
	Change Manager	X			
	Project Managers	X			
	Members			X	
<b>Internal Staff</b>	Staff Representative (including union)	X		X	
	Team Plymouth			X	
	Employment Liaison Committee			X	
<b>External Stakeholders</b>	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	
<b>TOTALS</b>	<b>Cost</b>	<b>£329,910</b>	<b>£985,215</b>	<b>£503,160</b>	<b>£1,818,28</b>

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
<b>Total</b>	<b>£8,000k</b>

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	■									
<b>Establish CCO</b>										
Strategic 'Brain'			Design & initiate 'brain'				Fit CCO to new services & size			
Commissioning & Procurement										
<b>Support Services Transformation</b>										
Finance, HR & Support Services										
ICT Migration & Shared Convergence										
FM & Admin Support										

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
<b>I Strategic 'Brain'</b> 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"> <li>• providing engagement, leadership and intelligence for PCC</li> <li>• enabling robust decision-making and direction-setting for the Council</li> <li>• owning the values and ethos of the Co-operative Council</li> </ul>	



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

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

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

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

## 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



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 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:

- 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:

Impact >1 department?	Yes
Involve partners?	Yes
Involve suppliers?	Yes
Affect customers?	Yes
Involve >20 FTEs?	Yes
Require significant organisational change?	Yes
Require IT or process change?	Yes
Complexity Score:	7
Projected project duration (months)	24

Risks / Comments

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 maximising external sector participation and delivering the expected outcomes. External partners both co-operative and private sector participation is required to deliver support service transformation

External partners both co-operative and private sector participation is required to deliver support service transformation

The programme will need to engage customer to improve end user experience for all related support services

Need participation from all the AD, partners and external supplier to make this programme a success

The programme will establish a leaner, more agile strategic centre that has the right capacity and capability to provide leadership and direction setting

Any new infrastructure, software or system required for the line of business not included in the budget

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	

**8) Responsibilities**

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

**9) Decision Summary**

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

Additional Comments

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## 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

<b>Develop Services</b>	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
<b>Deliver Services</b>	Deliver Service and Manage Demand	2	5	3	Refreshed performance management measures for service delivery and contract management
<b>Manage External Partner-ships</b>	Manage Partner Relationships	3	5	2	Governance and legal frameworks have been re-defined to support increased partnerships

					with external organisations
<b>Manage Knowledge Improvement and Change</b>	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
------------------	-------------	-------------	-------------	-----------	----------

<b>Staff</b>	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.

<b>Stakeholder Type</b>	<b>Stakeholder</b>	<b>Responsible</b>	<b>Accountable</b>	<b>Consulted</b>	<b>Informed</b>
<b>Partners</b>	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.

<b>Stakeholder Type</b>	<b>Stakeholder</b>	<b>Responsible</b>	<b>Accountable</b>	<b>Consulted</b>	<b>Informed</b>
<b>Communities and Customers</b>	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:

<b>Stakeholder Type</b>	<b>Stakeholder</b>	<b>Responsible</b>	<b>Accountable</b>	<b>Consulted</b>	<b>Informed</b>
<b>Elected Members</b>	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

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

powerpoint

**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.