

# TRANSFORMATION PORTFOLIO SCOPE AND BENEFITS CHANGES

Co-operative Scrutiny Board 18 February 2015



**PLYMOUTH**  
CITY COUNCIL

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## **Purpose of the report**

This report has been compiled at the request of Co-operative Scrutiny Board and provides a focused review of the scope and reported benefits of the Transformation Programmes following Budget Scrutiny on 12 and 14 January 2015.

## **Executive Summary**

Appendix I shows the financial report on Transformation Benefit Realisation. The remainder of this report provides detailed descriptions to support the information provided in the financial report.

The report has been split into six sections;

- Sections 1-5 describe the five Transformation Programmes in detail with reference to scope, costs and benefits.
- Section 6 introduces the ICT Programme discussed during the budget scrutiny 12 and 14 January 2015.

## **Transformation Programme Detail**

### **I. Customer and Service Transformation (CST)**

#### **I.1 Scope**

The original scope for CST was as follows:

- Work to improve the measurement and analysis of customer service within the Council

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

- Work to transform the way services are delivered by the Council

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

#### **I.1.1 Out of scope**

Services fully externalised from the Council, i.e. those for which the Council no longer retains responsibility (such as Plymouth Community Homes) are out of scope of the programme.

- The delivery of alternative delivery models for individual or collections of service is outside of the scope of this programme and will be the responsibility of the Growth and Municipal Enterprise (GAME) Programme.
- Accommodation will be the responsibility of the People and Organisational Development (P&OD) Programme, specifically this relates to the provision of the new shop and the accommodation to support the expansion of the contact centre.

### **1.1.2 Changes in Scope Since conception**

There have been a couple of changes in the outline scope of the programme since conception. Firstly, customer insight was moved to the CCO programme, CST will now be dependent upon CCO for this work to be completed. The other change is that alternative service delivery will not, for services reviewed by CST, be the responsibility of the GAME programme. In addition, the programme has evolved to focus initially on the design and delivery of the new shop (a Type 2 review) and the Customer Service Strategy. The focus then moved to review Revenues and Benefits (again a Type 2 review) and it is now involved in reviews of services including the Libraries, Register Office and Cemeteries and Crematoria (again Type 2 reviews).

### **1.2 Benefits Identified at Programme start**

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

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

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

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

- Customer satisfaction
- Data quality improvement

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

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

The accommodation requirements from this programme are as follows:

- Provision of a new city centre “shop” to provide customer services from, replacing the Civic Centre
- Expansion and coordination of the contact centre to allow channel migration from service reviews
- Expansion and coordination of the transaction centre to allow channel migration from service reviews

### 1.3.1 Changes in expected benefits since programme start

No changes have been made to the benefit categorisation described at the outset of the programme, however the Customer Service Strategy has used the language of tier shift (meaning process efficiency) and channel shift to encompass channel shift and channel migration. The focus of this report is based on the financial aspects of the programme but clearly there is a significant focus upon achieving customer satisfaction and efficiency of operation. The programme has also identified additional benefits in improved processes to recover unpaid Council Tax and Housing Benefit over payment.

The programme has delivered savings as follows up to December 2014:

Restructure savings in Revs and Bens	£180k
Recovery benefits	£171k
Total (to date)	£351k

The programme is therefore currently £76.5k ahead of planned financial benefits with additional recovery activity scheduled through to the end of the year likely to increase this further.

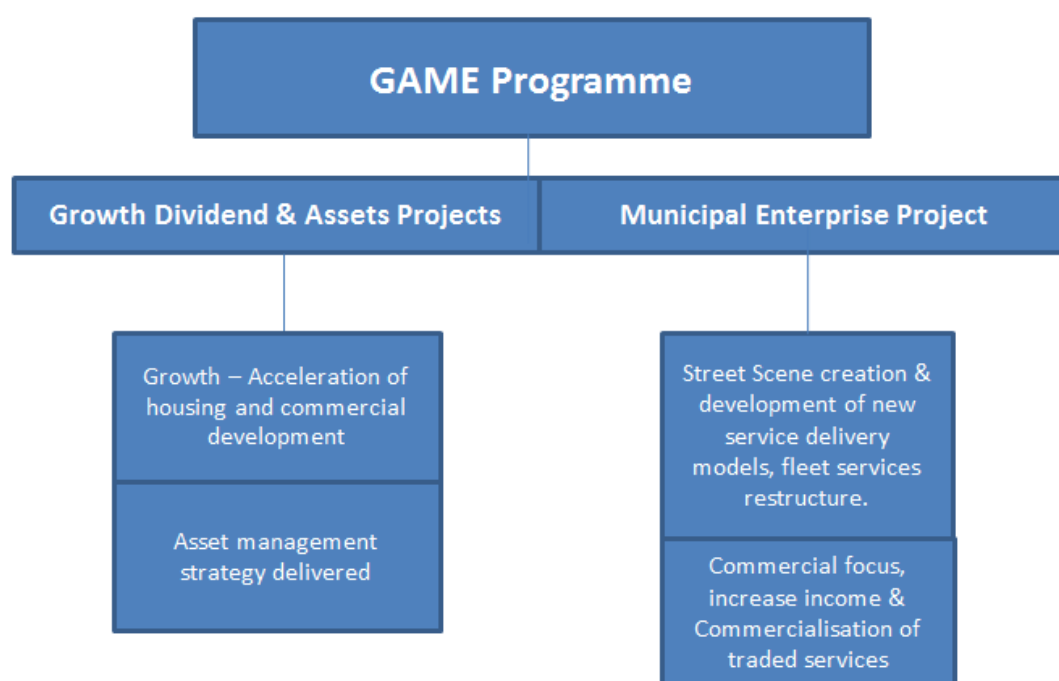
Following the delivery of the Customer Service Strategy, a revised set of benefits for the programme were also submitted reflecting the anticipated schedule of service reviews and activity now planned for the programme going forward.

Project	2015/16	2016/17
	£m	£m
Modernise Customer Services	0.876	0.754
Customer Services Management review	0.270	-
Public Protection service review	0.100	0.100
Channel Shift	-	0.335
<b>Total</b>	<b>1.246</b>	<b>1.189</b>

## 2. Growth, Assets and Municipal Enterprise (GAME)

### 2.1 Scope

The original scope of the GAME programme at outline business case was as depicted in the following diagram.



#### 2.1.1 Out of Scope

The elements that were seen to be outside of the scope of the GAME programme were as follows and remain the case to date.

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

#### 2.1.2 Changes to scope

Since the commencement of the programmes is as follows:

- Asset Management Strategy is now out of scope of GAME and is now being delivered by P&OD.
- GAME's ICMF project now includes re-negotiating contracts for People Passenger Transport provision.

## 2.2 Benefits

The benefits initially predicted in the outline business case are shown in the table below vs current forecast for this financial year and the forecast for the coming year. Again for the purposes of the request, this report focuses on the financial benefits but there are significant intangible benefits being realised by this programme to improve the services delivered to and received by the people of Plymouth.

PROJECT	Budget 2014/15 (Recurring)	Latest Forecast 14/15	Budget 2015/16	MILESTONES
	£000's	£000's	£000's	2014/15
Growth Dividend	2,539	2,989	1,950	NHB already being paid. Council Tax and Business Rates based on trends for the first 6 months with forecast to year end.
Creating a Brilliant Co-operative Street Service and Fleet Consolidation	800	610	2,004	Management restructure successfully completed in Oct 2014. WCR - New routes have successfully been implemented since 19th January. Part Year savings will be realised.
Commercialisation	700	700	795	Commercial Manager appointed internally recruited in March 2015. There is currently a secondment in this role. The appointments have helped to secure forecast savings of £700k for the current year.
Integrated Transport	0	0	770	Business Case signed off in 2014/15 that will realise staff travel savings. Passenger Transport analysis is currently under review.
Step ups built into the MTFF	4,039	4,299	5,519	

### 3. Integrated Health and Wellbeing (IHWB)

#### 3.1 Scope

The original scope within the Outline Business case was based around the following elements:

- **Integrated Commissioning:** Building on co-location and existing joint commissioning arrangements the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets.
- **Integrated Health and Care Services:** Focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place; with an emphasis on those who would benefit most from person centred care, such as intensive users of services and those who cross organisational boundaries
- **Integrated System of Health and Wellbeing:** A focus on developing joined up population based, public health, preventative and early intervention strategies; based on an asset based approach focusing on increasing the capacity and assets of people and place.
- **Cooperative Children and Young People Services:** A focus on the early provision of less intensive service supports, working in a multi-disciplinary, multi-agency, family-focussed

way, which will prevent situations from becoming critical and requiring expensive, statutory service responses.

### 3.2 Change of Scope

Thus far there has been no change of scope in the outline business case.

### 3.3 Benefits

The benefit delivery for this programme is the most complicated of the programmes and is achieved across a number of organisations and at various levels. This report explains the construction of the benefits as well as the predictions.

#### 3.3.1 Integrated Delivery Project

Delivery of Health and Social Care integration will deliver improved outcomes for people living within Plymouth whilst realising a range of recurrent cashable benefits.

The tables below illustrate how the benefits will be realised across the system.

Capability Delivered	Project Benefits	Programme Benefits	Council Values
Integrated IT	Reduction in number of professionals involved in individuals care	Organisational Benefits	<b>We are Democratic</b>
Single assessment framework	Improved ability to manage the whole system, reduce duplication and wastage and manage variations in demand		
Single Management Structure	Increased Wellbeing scores	Financial Benefits	
Support 24/7	Outcome measures to be determined through contracts		
Intensive co-ordinated multi agency intervention	Increase in carer assessments and support plans	Improvement for Staff	<b>We are Responsible</b>
Rapid assessment/treatment services	Increased positive response to Individual journey survey (TBD) of those still at home 91 days after hospital discharge.		
Shared commitment to common vision and goals	Reduction in hospitals admissions	Improvement for the Environment	<b>We are Fair</b>
Single Community provider delivering improved local health	Reduction in number of delayed transfer of care (days) per 100,000		

and wellbeing	Reduction in non-elective admissions	Improvement for Partners	<b>We are Partners</b>
Simplified collaborative arrangements with opportunities for integration with a greater number of partners	Improved patient experience – more seamless care		
	Greater and more flexible career opportunities	Improved Customer Experience	

<b>Delivery</b>	<b>15/16</b>	<b>16/17</b>	
Staffing Efficiencies	£ -	£ 125,000	
<b>Current Total</b>	<b>£ -</b>	<b>£ 125,000</b>	
Business Case (November Cabinet)	£ -	£ -	
Difference	£ -	£ 125,000	
Budget Scrutiny	£ -	£ 125,000	
Difference	£ -	£ -	

### 3.3.2 Integrated Commissioning Project

In order to address the challenges facing both organisations the CCG and Plymouth City Council will align existing budgets and develop integrated strategies in the following areas:

- Wellness
- Community
- Complex
- Childrens

The tables below illustrates how the benefits will be realised across the system.

<b>Measure</b>	<b>KPI</b>	<b>Benefit Area</b>
Improved carer satisfaction	Adult Social Care Outcomes Framework	Customer, Organisation, Staff, Partners, Environment
Improved client satisfaction	Better Care Fund and Adult Social Care Outcomes Framework	Customer, Organisation, Staff, Partners, Environment
Proportion of older people (aged 65+) who were still at home 91 days after hospital discharge	Better Care Fund and Adult Social Care Outcomes Framework	Customer
Social Care Quality of Life	Adult Social Care Outcomes Framework	Customer
Self-Reported Wellbeing - People with a low happiness score	Public Health Outcomes Framework	Customer, Partners



Reduced long term admissions to residential and nursing care for older people (65+)	Better Care Fund performance metric	Organisation, Financial, Environment
Reduction in delayed Transfers of Care per 100,000 (days)	Better Care Fund performance metric	Organisation, Financial, Environment
Total non-elective admissions in to hospital (general & acute), all-age, per 100,000 population	Better Care Fund performance metric	Organisation, Financial, Partners, Environment

<b>Commissioning</b>	<b>15/16</b>	<b>16/17</b>	
Existing management actions	£ 836,000	£ 836,000	
Supported Living Savings	£ 64,000	£ 149,000	
Commissioned Contracts	£ 255,000	£ 510,000	
Salary Savings	£ 20,000	£ 40,000	
Deloitte Measures	£ 1,008,000	£ 1,987,000	
Extra Care Developments	£ 500,000	£ 505,000	
Unknown schemes	£ 313,000	£ 1,500,000	
<b>Current Total</b>	<b>£ 2,996,000</b>	<b>£ 5,527,000</b>	
<b>Business Case (November Cabinet)</b>	£ 4,276,000	£ 7,901,000	
<b>PCC Savings</b>	<b>£ 2,738,027</b>	<b>£ 5,051,356</b>	
<b>CCG Savings</b>	£ 1,538,000	£ 2,850,000	
<b>Difference</b>	<b>£ 257,974</b>	<b>£ 475,644</b>	Attributable to original numbers looked at whole system
<b>Budget Scrutiny</b>	£ 2,996,000	£ 5,527,000	
<b>Difference</b>	<b>£ -</b>	<b>£ -</b>	

The further schemes will be worked up in the near future and will address further budget pressures against the directorate. These will be linked to cost and volume demand across the directorate. This essentially meets the position originally predicted in the business case of £55k in 15/16 and £1000k in 16/17. The programme now has a better understanding of the benefits; as at the time of the business case production the estimates took into account the whole commissioning system including the CCG and other areas in the people directorate such as children's services. More detail is now available and a clearer picture is available which avoids double counting and other project areas delivering some of the benefits.

### 3.3.3 Co-operative Children and Young People Services Project

An early help approach will be adopted across all of the areas within the scope of this project to ensure prevention is prioritised and thus health and social inequality is reduced from the outset. The focus will be on reducing the cost and volume within children's placements and diverting children on the edge of care.

The table below illustrates how the benefits will be realised across the system.

<b>Workstream</b>	<b>Benefits</b>
Educational Catering	Co-operative working with schools to ensure that all schools can deliver their obligations regarding Free School Meals.

	ICT, HR policies and finance systems which are appropriate to a commercial organisation. Opportunity to increase service provision beyond catering to schools.
Early Help	Reduction in expensive, statutory provision of services. Increased elimination of issues for children and young people. Increased educational attainment. Increased resolution of family issues.
Cluster Implementation	Reduced costs to the Council through management reductions and increased capacity being delivered through partners. Co-operative working with key partners creating improved services to the child or young person. Increased educational achievement.
Youth Services	Increased level of community involvement through trained volunteers, community development and joint delivery. Reduction in funding requirements through integrated management and delivery. Increased level of Preventative and Targeted Support. Improved offer for particularly vulnerable groups e.g. Care Leavers, Service alignment and response to recommendations from national learning such as the Jay Report. Increased opportunities for Young People to have involvement in the decisions that affect them.
Trading Services	Service subsidies eliminated. Surplus for re-investment created. Increased efficiency of workforce.

<b>CYPS</b>	<b>15/16</b>	<b>16/17</b>	
CSC	£ 1,500,000	£ 3,500,000	
<b>Current Total</b>	<b>£ 1,500,000</b>	<b>£ 3,500,000</b>	
Budget Scrutiny	£ 1,500,000	£ 3,500,000	
<b>Difference</b>	<b>£ -</b>	<b>£ -</b>	

The table above outlines the figures submitted to budget scrutiny which identifies a £1,500k benefit in 15/16 in Children's Social Care; this was not present in the original business case. This has come about through the impact of the Ofsted recommendations and re-scoping of the Children's project, the original Children's Project benefits are highlighted in the table below. The impact of the re-scoping on the original plans is still underway and further details will emerge in due course.

Original benefits scoped through the CYPS project are detailed below:

CYPS other	15/16	16/17	
			Additional transformation benefits to address budget gap in childrens
SEND (less traded element)	£ 9,080	£ 18,165	
Traded Cluster	£ 387,383	£ 1,162,150	
Family Support	£ 100,000	£ 200,001	
Youth Services	£ 124,670	£ 249,340	
<b>Current Total</b>	<b>£ 621,134</b>	<b>£ 1,629,656</b>	
Existing Management Actions	£ 450,000	£ 450,000	
Current Total	£ 1,071,134	£ 2,079,656	
<b>Business Case (November Cabinet)</b>	<b>£ 1,071,000</b>	<b>£ 2,080,000</b>	
<b>Difference</b>	<b>£ 134</b>	<b>-£ 344</b>	

## 4. Co-operative Centre of Operations

### 4.1 Scope

The Outline Business Case for the Cooperative Centre of Operations (CCO) Programme was published. It formalised the aim that:

“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.”

It identified seven outcomes, which remain critical to PCC today, and lead us towards our “Pioneering Plymouth” objective, by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources:

- 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

Solid progress was made towards these objectives in 2014, as we will articulate below, and much of the important preparatory work is now in place to allow us to deliver the critical benefits that were estimated at the outset and committed to at the January 2015 Budget Scrutiny.

#### 4.1.1 Changes in Scope

There were no significant reductions in the scope of the programme since its original conception. Elements of additional scope to the CCO Programme include providing hands on support to other programmes.

## 4.2 Benefits

A comparison of the estimated savings in the Outline Business Case (from Dec '13) and the achievable savings (vs FY14/15 base) agreed at Budget Scrutiny (in Jan '15), are shown below:

Year	Est. Saving (Dec '13)	Achievable Saving (Jan 15)
FY 14/15	£650k	£851k (achieved)
FY 15/16	£3,800k	£1,500k
FY 16/17	£3,550k	£1,604k
FY 17/18	N/A	£1,300k
<b>Total</b>	<b>£8,000k</b>	<b>£5,255k</b>

Over and above the contribution CCO would make to the cost saving agenda, were 8 key non-financial (qualitative) benefits that CCO would deliver that contribute to Values and Objectives from the Corporate Plan, and enable the other programmes to deliver savings effectively:

- 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)*

We remain on track to deliver these politically important benefits, with the most significant transformations being seen across our organisation in late FY15/16. Below we share highlights of CCO's achievements to date and a forecast timeline of the changes to come.

### CCO's Key Achievements To-Date

**DELT:** In partnership with NEW Devon CCG, PPC launched a Local Authority Trading Company (LATC), known as DELT, on the 1<sup>st</sup> Oct 2014. Placing our ICT service into this new 'vehicle' has delivered a £605k annual saving to PCC, opens opportunities for us to generate an income by selling services commercially, allows us to attract and retain ICT leaders and experts who can improve the quality and range of services we offer, and pioneers a model that we might adopt for other potentially tradable services. It has also created one of the largest ICT services companies on the Peninsula and protected jobs in Plymouth that otherwise gravitate to the M4 corridor.

**Concierge:** In 2014 The Facilities Management project delivered the Ballard House Concierge Service, which raised the efficiency and effectiveness of all our staff by allowing them to focus and spend more time on the critical tasks they perform.

**iTrent Rollout:** CCO has begun the rollout of an interim 'Self Service' solution for Employees and Managers, that will improve the efficiency and effectiveness of our HR function before the full service review that takes place in FY15/16.

Intelligent Client Function: This primarily seeks to assure compliance against Service Level Agreements, delivering more value, pushing the supplier to optimise processes to industry best practice standards and dynamically responds to changes in a client's priorities / needs.

Strategic Initiative Support: CCO is providing hands-on Project Management and Business Analysis to the teams managing the 2015 Election, Community Engagement Framework and extension of our use of the ModGov software – this has involved creating clear plans and helpful process maps to assure safe and successful delivery.

Integrated Health & Wellbeing (IHWB) Support: CCO is guiding IHWB on the Service Level Agreements they will put in place for HR, Finance, Legal, Procurement and other services, which PCC will provide to Plymouth Community Healthcare (PCH) when our staff TUPE across in March 2015. We are also shaping the process by which the uptake of these services will be monitored and charged, in an initiative that sees CCO work with IHWB, Customer Services Transformation (CST) and People & Organisational Development (POD). This creates a critical income generating opportunity for PCC by allowing us to offer these services to all PCH staff (i.e. beyond those who TUPE across) as our capacity allows and capabilities evolve in the coming year.

#### **4.3.1 Changes to original benefits**

The Risk Assessment in the Outline Business Case identified two key factors that would impact the CCO Programme, and its Financial Benefit projections. The first was that the “financial benefits are based on inadequate initial analysis, not achievable without unacceptable impact on services”, and as such all estimates would be highly speculative. The second was that further analysis was 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”. These factors had a significant effect on the ‘achievable’ projected benefits agreed at Budget Scrutiny, which agreed that, while CCO remained critical for its non-financial benefits and ‘enabling’ benefits to other programmes, it would make a more limited financial contribution to cost savings than was initially speculated and over a longer time horizon.

## **5. People and Organisational Development**

### **5.1 Scope**

The original scope for P&OD was as follows:

#### **Workforce Delivery Project (WD)**

- Redefinition of role descriptions to support the redesign of services, improved collaboration greater flexibility and the development of job families
- Development of job descriptions (where appropriate)
- Identification and development of a job families approach within the organisation
- Ensure a reward, recognition system and Terms and Conditions that align with the organisations strategies and priorities
- Ensure key policies and guidelines support the transition and the future state organisation
- Ensure a recruitment strategy that aligns with the future state organisation
- Development of appropriate consultation material and methods to meet the scale of change
- Definition of the knowledge, skills and behavioural and technical competencies requirements for the future organisation

- Specification requirements of programmes and interventions to improve and develop the knowledge and skills of the organisation and third party groups to meet current and future requirements
- Development and implementation of strategic workforce planning, succession and talent management arrangements, processes and tools to ensure the right people capacity and capability in the right place at the right time
- Delivery of flexible new ways of working
- Management of the transfer of workforce/assets out of the organisation into new delivery models
- Support the specification and delivery of ICT requirements to support the users of the products delivered by this programme

### **Accommodation Infrastructure Delivery Project (AI)**

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

#### **5.1.1 Out of Scope at Programme Start**

The following activities were not within the scope of the Programme:

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

#### **5.1.2 Changes in Scope Since conception**

There have been no changes in the outline scope of the programme since conception; however the programme has evolved and met the needs of the business. This has been particularly evident in Accommodation and Infrastructure (AI), which has responded to changes made by the business to achieve positive outcomes alongside transformation eg.

- Provision of the First Stop Shop on long lease – Full refurbishment of a city centre shop unit to deliver a front of house service and direct access to Council services.
- Responded to changes in expected staff numbers and available desk spaces at Ballard house by use of empty Council owned assets both within the city centre and in outlying areas to accommodate services/staff. The investment in these properties will

provide greater income opportunity should future workforce flex enable occupation through open market. The investment now has realised carbon savings and improved the working environment for Council staff and users of these services.

- Provision of the Coroners' Service accommodation at Derriford Business Park, realising multiple savings and synergies through service co-location and accommodation improvements.
- Provision of the new central library in liaison with the History Centre Project and further work to provide suitable infrastructure at local libraries to develop the services available at these locations.
- Provision of a fit for purpose storage and rationalisation facility for the History Centre Project.

## 5.2 Costs at Programme Start

It was expected that there would be the following areas of programme cost; most, however, were identified as unknown until the other four programmes developed outcomes:

- a) Resourcing costs to support the programme management of activities.
- b) Capital and Revenue costs to support the decant of the Civic Centre (Already approved at Programme start).
- c) ICT infrastructure costs (Capital) to support the future state. (Still to be fully identified)
- d) Design and development costs of creating the future design of accommodation assets. (Revenue in the main, some have been capitalised)
- e) Associated infrastructure capital costs (These were to be created post the outcomes from other programmes and have been agreed through Council governance processes as required.)
- f) Associated organisation costs for TUPE, pensions, redundancies etc. were to be offset against the projected benefits identified in other programmes.
- g) Costs involved in creating and sustaining a learning and development activity to support capability change.
- h) A number of unidentified costs surrounding activities from other programmes, which included, but were not limited to:
  - Costs of transferring staff and support teams to achieve the task
  - Full organisational diagnostic review to understand current capability and the route to future operational capability
  - Organisational changes to support new ways of working
  - Infrastructure changes to support restructuring i.e. contact centre
- i) Portfolio Office - The decant of the Civic Centre was subsumed within P&OD. Elements of the original £1.825m allocated for the Civic Decant over the period FY's 2013-2015 have also supported the Portfolio Office to deliver the wider elements of the programme. The net increase in costs to the £1.825 to deliver the other elements of P&OD was seen as a further £629,000 and was created through the need to provide project resource to facilitate the delivery of the Workforce Delivery Project over the same period. This represented an increase in the original budget of £9K in the then current financial year and £620K in the next financial year.
- j) Capital and Revenue Costs to support the Civic Decant - The costs associated with this element were previously approved through Cabinet and Full Council. The operational costs to deliver the programme were forecast to be £1.825m over the financial years 2013- 2015. There were expected requirements for capital investment in assets to achieve the occupancy levels required and further investment in ICT infrastructure to support decant and flexible operations in the future. The resource cost to be met to achieve decant from the Civic Centre was forecast as circa £3.436m. Resolution of the Civic Centre site removes one of the biggest financial risks to the

council, which is in the order of £35m should the authority refurbish the building themselves. This has featured on the strategic risk register since the listing of the buildings in 2007.

- k) Learning & Development - In a previous phase of work on understanding the financial implications of the transformation programme, some assumptions were undertaken on the requirement to undertake training and development in order to provide a capability change to the organisation. This was assumed to be 80% of current L&D budgets held across the organisation. This cost was identified as being £0.8m, over three years £2.4m. There was also an identified requirement for a resource cost to define the behaviours of the organisation and monitor them (£0.2m, based on 1 lead plus 2 supportive roles). This annual cost over the three year transformation equated to £0.6m
- l) Accommodation - Whilst costs were identified to manage the decant of the Civic Centre, other elements such as the delivery of community hubs, asset disposal/rationalisation as well as the delivery of requirements that fall from the other programmes were, and still are in some respects, yet to be identified.

### 5.2.1 Changes in Costs since Programme Start

Since the start of the programme, the changes within scope, as detailed above have necessitated changes to the budget profile within AI. These changes have been supported and justified through capital project business cases and have been approved through Council governance procedures. The current AI budget is summarised below:

#### P&OD Capital Financial Summary

Description	£000's	Comments
Cabinet Approval (Sep 13)	3,436	In line with Original Business Case
Purchase of New George Street Lease	627	Revised Business Case CCIB and Cabinet, 10 Dec 13
<b>Original Programme Value</b>	<b>4,063</b>	
<b>Changes to Within Project Scope</b>		
Virement of CCTV Budget Provision from Mayflower Street West Car Park	150	Initial estimate for relocation of CCTV equipment
LED Lighting Enhancements	117	Funded by Salix Loan / Corporate Property revenue maintenance budget
New Approval re Building 1 - Coroners Service	199	Delegated Approval
New Approval re Building 2 - Delt	308	CCIB Approval
Members Accommodation at Ballard House	50	Delegated Approval
Installation of Wi-Fi within Council House Offices	25	Delegated Approval
Staff Entrance and Enhanced Sound Masking at New George Street	33	Delegated Approval
Provision of Cash Machine at New George Street	58	Agree support from approved ICT Transformation Provision
<b>Changes in Project Costs</b>		
Revised Estimate for Council House Separation Costs	128	Delegated Approval



Revised Estimate for CCTV and TCU Provision	920	Requirement to replace current obsolete equipment and related building adaptations CCIB Approval - Following review and production of detailed business case
Uplift to achieve decant of the Civic Centre post tender returns across the project and new accommodation requirements due to changed staff numbers	1,353	Approved by CCIB and the Leader 23 Jan 15
<b><u>Other Amendments</u></b>		
Transfer of Project Management held within approved revenue budget	142	Provision originally held within Revenue Budget for Accommodation Transformation
Other Service contributions and monitoring amendments	24	Net total of other movements
<b>Current Approved Capital Budget</b>	<b>7,570</b>	

There have been no changes of note within the revenue budgets across AI and WD. However, the asset management strategy project is in the process of standing up and this will have associated revenue costs. These have been estimated to be £99,833 to produce the strategy. Once this is formulated it will produce individual workstreams to realise the benefits. These will be costed out once scoped.

### 5.3 Benefits Identified at Programme start

The People and Organisation Development Programme is an enabling programme and as such is dependent upon the other programmes. The programme does not have specific financial benefits and aims to enable the other programmes' benefits. There are, however, a number of benefits that were identified at programme start as defined below:

#### Process related benefits

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

#### Environmental benefits

- Reduced Carbon footprint across the operational estate
- Reduced travel between business and associated groups impact on carbon, traffic and mileage
- Increased occupational density

- Removal of car parking spaces increases alternate modes of transport; increased adoption of the green travel plan
- Reduced landfill and landfill tax due to cost avoidance and improved recycling and community support
- Staff able to work more flexibly and if necessary closer to or from home.

### **People related benefits**

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

### **Finance related benefits**

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

#### **5.3.1 Further Benefit Identification**

The asset management strategy project is in the process of defining the potential financial benefits that can be realised through its enactment. This process is at an early stage and has thus far projected the potential to realise approximately £1,800,000 of savings across annual charges, cost avoidance and capital receipts. However, these savings cannot be ratified until further research is carried out and the asset strategy is fully compiled and approved.

#### **5.4 In Action – Evidence that P&OD is enabling other programmes benefits**

##### **CST**

**Modernise Customer Services:** POD ran the capital project to realise the new First Stop Shop to enable customer requests to be resolved at first point of contact wherever possible, thus

reducing the need for case work. It has also met the requirement to accommodate services outside of the first stop provision, including back office functions at Ballard House.

**Public Protection Service Review:** POD is working with the Service to scope their requirement for new office space at Derriford Business Park, thus enabling the decant of the Civic Centre and provision of fit for purpose offices for the current and reviewed service.

## **IHWB**

**Integrated Commissioning and Delivery:** P&OD is in the process of assessing what support can be given to the programme to enable the right accommodation fit for staff. It has begun this process in liaison with Plymouth Community Healthcare.

**Co-Operative Children & Young People Services/Care Act Implementation:** P&OD is supporting BAU during the IHWB Programme and the decant from the Civic Centre. The Family Intervention Project and Families with a Future are moving from the Civic Centre to the Beacon in March.

## **CCO**

**ICT Shared Service Delivery (DELT):** P&OD is providing the new head office location for Delt at Derriford Business Park to enable the new shared services company to operate an efficient and effective service for PCC and CCG. This new office will also help to enable new partnerships for Delt by providing them with a modern and professional image base from which to secure new business. Delt is due to decant from the Civic Centre to their new office space in April.

**Modernise HR, Finance & Corporate Services/Business Support Co-Ordination:** The WD project is enabling the vision and outcomes of the CCO Programme by working to ensure that the Council sees a return on Salary investment (£71M per annum), sees a reduction in the 'cost to serve,' by ensuring that people management processes used by Line Managers and HR Teams are more accountable, flexible and efficient in PCC. It is also aiming to increase income by creating income streams from our 'People' services to partners, where appropriate, through the learning and development project. The WD project is currently piloting:

- A new learning and development process to upskill the workforce for the future state.
- Streamlined role profiles to enable improved flexibility in the workforce
- Leadership and management development to enable our senior team to enact the corporate plan through systems leadership
- Career transition to ensure staff are supported during the transformation process

## **GAME**

**Creating Co-operative Street Services & Fleet Consolidation:** P&OD is working with GAME to ensure that its people are located in the right place to enable an effective and efficient service. The Asset management strategy within P&OD is working with GAME to rationalise the use of Depots across the city.

**Commercialisation:** Supported by the Asset Management Strategy, P&OD is looking at how we use the assets base to enable commercialisation, where appropriate, and reduce costs across the asset base to ensure the council receive best value from their investments.

**Enterprise:** The decant project has enabled 'Surplus Rescue', a social enterprise that is disposing of the surplus office furniture from the office moves across the Council. They are creating jobs and enabling people back into work as well as offering support to the third sector and to start-up businesses. They have achieved a number of regional and national awards.

## 6. ICT Programme

The development of our Transformation Programmes has demanded an evaluation of the capacity and capability of our ICT estate. Legacy ICT systems, which often offer limited capabilities to integrate with other internal departments and, importantly, with our partners, do not offer the required efficiencies of modern ICT systems which can support the transformational change required and achieve significant economies.

ICT is a tool for the business as a whole and we are bringing together an ICT programme which will endeavour to improve the capacity of our ICT estate and provide the necessary vehicle for the changes that need to be brought into fruition from the five transformational change programmes.

- Replace siloed systems with flexible business wide solutions, joined up technology, evaluated holistically within a co-ordinated ICT programme.
- Replace weak infrastructure with modern resilient network and hosting
- Deliver systems to the business requirements and strategy
- Deliver efficiencies and cost savings by increased automation and reliability
- Achieve connectivity not only within PCC but across the peninsular and our partners.
- Deliver an improved service through technology
- Improve our business and management information to enable further change.