

BRISTOL CITY COUNCIL CABINET 7 October 2014

REPORT TITLE: Single Change Programme – monitoring update

Ward(s) affected by this report: All

Strategic Director: Max Wide, Strategic Director, Business Change

Report author: Max Wide, Strategic Director, Business Change
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Richard Billingham, Service Director, HR
Peter Gillett, Service Director, Finance, S151 Officer

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Purpose of the report:

The purpose of this report is to update members on the progress of the Single Change Programme and to seek approval on plans for further development.

RECOMMENDATION for the Mayor's approval:

1. To note the progress to date with the Single Change Programme against original timescales, savings and improvement targets.
2. To approve plans for the further development of the Programme.

Key background / detail:

1. The Single Change Programme was adopted by the Council in September 2013. The Programme set out a number of projects with target timescales for the delivery of savings and improvements that were considered necessary to comply with the Medium Term Financial Plan (MTFP) and the Corporate Plan. These targets were medium level estimates of what could be achieved, based on appraisals of potential savings in Bristol and on comparisons with similar projects elsewhere.
2. In the Cabinet report in July, we promised an update on progress that would show how the Programme is progressing, which projects are on track and which, if any, are either falling short or exceeding original estimates. This report therefore gives an overview of the progress of the projects and the Programme as a whole.
3. As we deliver the current Programme, it is necessary to consider the future needs of the Council, given the likelihood of further austerity measures in the next Comprehensive Spending Review (CSR), and the demographic pressures that may translate into increased demand for services. Taking a long term view, it is clear that broader more ambitious projects will be needed to deal with this situation and it is important that work begins now to scope and resource these projects - collectively we

are calling this 'Step 2' of the Change Programme – and this will be the subject of future cabinet reports.

Aims of the Programme:

4. The Change Programme has three broad aims:
 - a) **Reduce costs:** The Programme sets out to contribute £49m of the £98m savings required by the Medium Term Financial Plan over 3 years.
 - b) **Preserve and improve services:** The Programme sets out to minimise service cessation and reduction.
 - c) **Develop a culture that enables us to face the future:** The Programme seeks to develop a united, disciplined organisation with common aims and processes.

Progress to date: Financials

Revenue

5. Total budget savings included in the Medium Term Financial Plan (MTFP) rise from £16m in 2014/15 to £98m in 2016/17. The Change Programme is a major contributor to these targets, projected to deliver a minimum net saving of £49m as shown in the table below:

Change Programme Savings	2014/15 £m	2015/16 £m	2016/17 £m
Workstream			
Restructure	-22	-26	-28
Redesign	-	-4	-8
Category Management	-	-6.5	-10
Income Opportunities	-	-0.5	-2
Process Review	-2	-2.5	-8
Assets	-1.3	-3	-8
Total Savings Target for programme	-25.3	-42.5	-64
Less Investment/Risk	30	15	15
Net Saving	4.7	-27.5	-49

6. The Programme as a whole is on track to deliver on its targets. Progress is monitored weekly and where issues occur, action taken to rectify any delays and to correct or absorb any variation from original targets and timescales.
7. Significant savings which will be delivered this year include:
 - The Restructure workstream: which is forecast to achieve in-year savings of £12.1m, rising in a full year to £21.2m;
 - The Category Management workstream - which is forecast to deliver £4.1m by 31st March 2015, ahead of schedule.
8. Total one-off revenue funding of £62.1m is in place to fund delivery of the Council's change programmes. This includes severance costs arising from the restructure, as

well as investment in new processes and technology including the People Directorate Health and Social Care Transformation projects.

9. Cumulative gross savings arising from the Change Programme of £124.8m are forecast over the MTFP period, and the benefits of investments made will continue to produce ongoing annual savings beyond the 3 years of the current MTFP.
10. It should be noted that all expenditure and income projections are based on prudent assumptions of both costs incurred and savings to be achieved.
11. Looking beyond the existing MTFP, the next spending review period will require further significant savings from the Council from 2017/18 and beyond. Early indications are that additional budget savings of £49m would be required by 2019/20.

Capital

12. The Capital Programme includes provision for the Bristol Workplace of £40.5m and a small allocation of £1.6m for the Health and Social Care Transformation project. Bristol Workplace is a long-term project with benefits to be achieved over a 25-year period for which benefits, both financial and non-financial, are already being delivered.

Single Change Programme – brief description and current status

Adult Care System Service Director Lead: Mike Hennessey	Implement a new Case Management system to simplify and improve care management procedures, allowing re-organisation and reduction in staff numbers whilst maintaining care standards. This work is progressing well and delivering the predicted savings and improvements.
Admin & Business Support (ABS) Review Service Director Lead: Di Robinson	Redesign the way we provide generalist, specialist and technical administration and business support functions within the Council. This allows us to reduce the numbers of staff and costs associated with administration whilst delivering better services as well as better role definitions and clearer career progression opportunities for staff. The review is now almost complete with new structures about to go live.
Bristol Workplace Service Director Lead: Siobhan McHale	To transform our workplace so that we can make better use of the building space we have and to modernise our working practices. This allows us to consolidate our property estate, establishing three main buildings and enabling us to stop leasing or to dispose of other properties. The project is on track with the temporary closure of City Hall imminent and our new building at 100 Temple Street now ready to absorb staff.
Citizen Service Point (CSP) - 100 Temple Street Service Director Lead: Lucy Murray-Brown	To open a new Citizen Service Point in December in the ground floor at 100 Temple Street to provide a new and improved offer to our citizens accessing the associated services. This will provide a much better environment for staff and visitors alike. Current paper-based processes for accessing services and carrying out transactions will be automated for the vast majority of citizens with staff on hand to assist people who need help to access these new procedures. Automation will allow us to reduce the number of staff needed to process transactions. This will in time apply to all the transactions that citizens use. The projects underway target the high volume transactions as priority. These are: <ul style="list-style-type: none"> • Evidence Handling / Verification • Housing benefit applications • Council tax collection • Concessionary Travel & Bluebadges • Housing Advice & Assessment

Tenant Experience Service Director Lead: Mary Ryan	To help Housing Delivery improve the client experience. We have procured an updated Housing Management System, which allows us to reduce errors and track cases accurately leading to improved processes and increased self-service. This allows us to provide a better experience whilst reducing staff numbers.
Redesign Projects	<p>We are redesigning a number of services to make them easier for citizens to access online, providing clear simple ways of applying, reporting, paying and tracking the progress of requests using modern digital methods on the web, smartphones and tablets, in order to speed up the time it takes to apply and receive the service, and reduce the need for people to call or visit the council to chase progress. This approach removes manual paper-based work from Council officers saving time and money, and allowing them to focus on the people who need us most due to their complex needs. Redesigned services also pay attention to those people who don't currently use digital services but could, assisting them to go online and do it themselves for the first time. This redesign process applies to:</p> <ul style="list-style-type: none"> • Licencing – Di Robinson • Residents Parking Permits Online – Peter Mann • Highways & Lighting – Reporting – Peter Mann • Single View of the Customer – Steve Barrett • Registrations Redesign – Sanjay Prashar <p>All of these projects are on track and will enable us to safely reduce staffing numbers</p>
HR System Replacement Service Director Lead: Richard Billingham	To replace our existing HR System and introduce a new performance management system.
Freedom of Information & Complaints Service Director Lead: Lucy Murray-Brown	Full end-to-end redesign of the Complaints and Enquiries process to improve the customer experience, provide a stream-lined and transparent service and to provide better data & information to the organisation. This project has completed its design phase and is now being embedded in the organisation
Income Generation Service Director Lead: Peter Gillett	<p>To review all fees and charges to increase income and explore and exploit revenue income generation opportunities. A conservative benefits range of £2-3 million over 3 years has currently been attached to this work.</p> <p>This project is slightly delayed from its original timescale awaiting the appointment of a permanent finance Director. This appointment has been made and work is now underway to get the project back on track.</p>
Category Management Service Director Lead: Nick Hooper	Identifying categories of similar spend & seek ways to improve management of spending money with 3rd parties. Savings realised through a range of approaches, including negotiation of existing contracts, re-procurement of services and improved demand management.
Asset Management Service Director Lead: Robert Orrett	<p>To achieve a step change in the way property is managed Council-wide. To implement an Asset Management Strategy that will enable accommodation that is fit for purpose and offers us best value for money. To understand the scale and condition of our property estate so that positive choices can be made about its future use.</p> <p>This project is slightly delayed due to lack of capacity through the restructure project, this has now been remedied.</p>
Integrated Education System Service Director Lead: Paul Jacobs	<p>To define, evaluate, procure, implement & manage the development of an integrated solution for Children's Services, significantly reducing the number of core IT systems on the estate for the use of Children's Services.</p> <p>There is a delay in the implementation of this project owing to market failure in delivering the product we need. We are working with other councils to persuade other suppliers to enter the marketplace with an offer that meets our needs.</p>
Organisation Restructure Service Director Lead: Richard Billingham	<p>Organisation-wide restructure affecting all levels of the organisation to release approximately 700 staff and to realise savings in the region of £22m in 2014/15. The project is very close to achieving its original target, delivering 98% of the predicted savings to date. The full year impact of savings to date is £21.2m. This has been achieved primarily through Voluntary Severance.</p>

Next steps in the programme:

13. The Programme is on track to deliver the savings and improvements required. The horizon beyond 2016/17 now comes into view as we look toward the next Comprehensive Spending Review. Inevitably there will come a time when efficiency programmes run out of track, where it will no longer be possible to reduce costs by reducing the cost of supply. In this case, we will need to look more ambitiously at the benefits to be gained through working more closely with our partners, sharing services and trying to find ways to reduce demand. In the July report to Cabinet we characterised these different approaches as 'steps'. Step 1 is about 'doing (existing) things better', Step 2 is about doing better (or new) things.
14. The Change Programme should utilise all those people who can contribute to change, those people who have not played a role need to do so rapidly, in particular, Service Managers need to be brought into the Change Programme to deliver Step 1 change in the near future. The ability to deliver efficiency; to re-design process and to integrate technology needs to become a standard expectation of people who hold the role. This means that Service Directors could then be freed up to lead the more complex, 'future proofing' change required by Step 2.
15. To facilitate this we are planning to deliver a step change in the training and development of staff. For Service Managers a dedicated modular course is being developed to help them design, develop and implement Step 1 change projects. We are currently identifying the projects that would need to be completed and then, through an Applied Course in Service Improvement, Service Managers will be supported throughout the process, with inputs on digital integration, service redesign, process redesign and other improvement techniques.
16. The projects will be clustered into cohorts of 6-8 on the basis of similarity, and those cohorts will then proceed through a 6 month long, modular course similar to that being piloted through the Cabinet Office and Government Digital Service at present. The Course would encapsulate an approach to change that would develop through implementation and review. It would be an expectation that each Service Manager would attend within a 1 year period and that objectives would be included in their Performance Management & Development Scheme (PMDS).

Consultation and scrutiny input:

a. Internal consultation:

Strategic Leadership Team
Assistant Mayor
Deputy Mayor

b. External consultation:

Not applicable

c. Business Change Scrutiny Commission

The Business Change Scrutiny Commission will regularly review progress of the Single Change Programme as part of its 2014/15 work plan.

Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the (subject) decision :

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	The Programme may not deliver the required benefits and hence leave a gap in the MTFP which would have to be funded by unscheduled budget reductions	High	Medium	Weekly monitoring by Change Board ensures that project slippage s are identified and acted on early.	Medium	Low	Strategic Director of Business Change
2	The Programme may overspend on the agreed investments	High	Low	Control over spending profiles and any variance from them is reported at Change Board.	Low	Low	Strategic Director of Business Change
3	Service Managers do not have the capacity to deliver change projects through the Applied Course	High	High	Ensure that Directorate Leadership Teams have control over the planning of projects and the staff nominated for inclusion in the course. Ensure that support is available between modules to carry out the necessary work	Medium	Medium	Richard Billingham

FIGURE 2

The risks associated with not implementing the (subject) decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		(Before controls)					
		Impact	Probability		Impact	Probability	
1	We fail to deliver the £49m required for a balanced budget as approved by Council on 18 February 2014	High	High	Implement the change programme as described in the business case	High	Low	Max Wide
2	We will not be able to support the necessary levels of service redesign to deliver a flexible and efficient council required by the City Vision.	High	High	Implement the service redesign projects within the change programme, enabled by the core building blocks	High	Medium	Max Wide

Public sector equality duties:

The Single Change Programme itself has the potential for a number of impacts on both staff and service users. Full Equality Impact Assessments (EqIAs) have been undertaken for previously agreed change programmes, such as the Bristol Workplace Programme, Admin and Business Support Review and Organisational Redesign. These EqIAs have identified a number of impacts and proposed mitigation measures. This monitoring report does not impact further on staff or service users.

Individual projects which result from the Single Change Programme will continue to require full EqIAs to identify potential impacts on staff and customers. EqIAs will also need to be carried out on any further services that change for customers as a result of internal restructuring.

Monitoring, on an on-going basis, any positive or negative impacts resulting from the

Single Change Programme and taking action to mitigate against negative impacts will be key in ensuring the council continues to meet its Public Sector Equality Duties.

Anneke Van-Eijkern, Equalities Officer, 29 May 2014

Eco impact assessment

This monitoring report does not in itself have significant impacts. Pre-existing programmes within the proposal that received prior Cabinet approval (for example the Bristol Workplace Programme: https://www.bristol.gov.uk/committee/2012/ua/ua000/0704_11.pdf) have already been subject to eco impact assessment, for which agreed mitigation measures still apply.

Overall, the Programme is likely to result in highly significant environmental impacts, primarily through changes to buildings, staffing and technology. The net balance of these impacts is likely to be positive, but will depend on the design and mitigation measures incorporated into each primary element.

Steve Ransom, Environmental Programme Manager, Energy Service, 27 May 2014

Resource and legal implications:

Finance

a. Financial (revenue) implications:

These are set out above in the main body of the report. Savings associated with the change programme are a key element within the Medium Term Financial Plan totalling £64m gross savings by 2016/17. Ongoing monitoring of the achievement of these savings will be essential.

Advice given by Peter Gillett, Director of Finance
Date 22/09/2014

b. Financial (capital) implications:

Advice given by Peter Gillett, Director of Finance
Date 22/09/2014

As covered in the report, the Capital Programme includes provision for the Bristol Workplace of £40.5m and a small allocation of £1.6m for the Health and Social Care Transformation project. Bristol Workplace is a long-term project with benefits to be achieved over a 25-year period.

Comments from the Corporate Capital Programme Board:

Not applicable

c. Legal implications:

There are no specific legal implications arising from this report.

Advice given by: Sanjay Prashar, Interim Service Director, Legal Services
Date: 23/09/14

d. Land / property implications:

Not applicable

e. Human resources implications:

The impact of the restructuring has been minimised by the service re-design guidance given to Service Directors.

Advice given by: Richard Billingham Service Director Human Resources

Date: 19/09/2014