

**BRISTOL CITY COUNCIL
CABINET
3 March 2015**

REPORT TITLE: Change Programme Monitoring Report

Ward(s) affected by this report: All

Strategic Director: Max Wide / Strategic Director, Business Change

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Purpose of the report: To provide a regular six monthly report to Cabinet on progress with the Council's Change Programme.

RECOMMENDATION for the Mayor's approval:

Cabinet is requested to:-

- Note the progress with the delivery of the change programme
- Note the actions being taken to mitigate risks
- Note the progress with building the capacity of staff to deliver change now and in the future

The proposal:

1. **Executive Summary:**

The Single Change Programme was initiated in October 2013 and is described in detail in the Cabinet report of July 2014 and updated in the Cabinet report of October 2014. In the former report the operating principles, financial business case (including savings targets) and investment requirements are set out. This report is a scheduled update on progress with the Programme.

Overall the Programme, currently comprising of 25 projects, is progressing well with a further 9 further projects being recently successfully delivered and a further 16 in progress, including 2 new projects – Facilities Management Redesign and Property Management Redesign. Two major deliveries since the last report include the successful completion of the Restructure Project and the move to the new 100 Temple Street office together with the opening of the new Citizen Service Point. Our first new style digital services have gone live, initially for residents parking in St Paul's and Clifton, with a pipeline of other services about to migrate including licencing, registrations, concessionary travel and complaints. The number of people with a 'citizen account' continues to grow as people begin to use the new digital services.

Spend on the programme is in line with budget. Good progress has been made with the delivery of financial benefits, with £23m having been realised, and a further £12m of efficiencies, largely through category management (reductions achieved through the re-negotiation of contracts), well underway. We are confident also that we have sight of a further £8.6m distributed across redesign, income generation and asset management work streams.

The remaining c £22m savings needed in the next 2 years will be delivered through a combination of service redesign work, early intervention and closer working with partners. Work is underway to establish firm plans for the delivery of this next tranche of savings, but it is prudent that the programme should remain at an 'AMBER' risk level until this is finalised.

It is vital that we learn from our work and strive to continuously improve. It became clear during the restructuring exercise that we needed to do more to invest in the skills and capabilities of our service managers so that they could themselves deliver re-designed services now and into the future. We are in the early stages therefore of delivering an Applied Course in Service Re-design. This modular course is attended by 'cohorts' of service managers working on clusters of projects sponsored by Directorate Leadership Teams, with targets for saving and improvements identified at the start and verified during the 'discovery' phase of the course. These projects are delivered, during the lifetime of the course, by service managers who are backed by change support teams. The first cohort of service managers entered the programme at the end of January, with subsequent groups being initiated during February and March. All service managers will complete the course and taken together, the cohorts will deliver a substantial contribution to the service redesign effort.

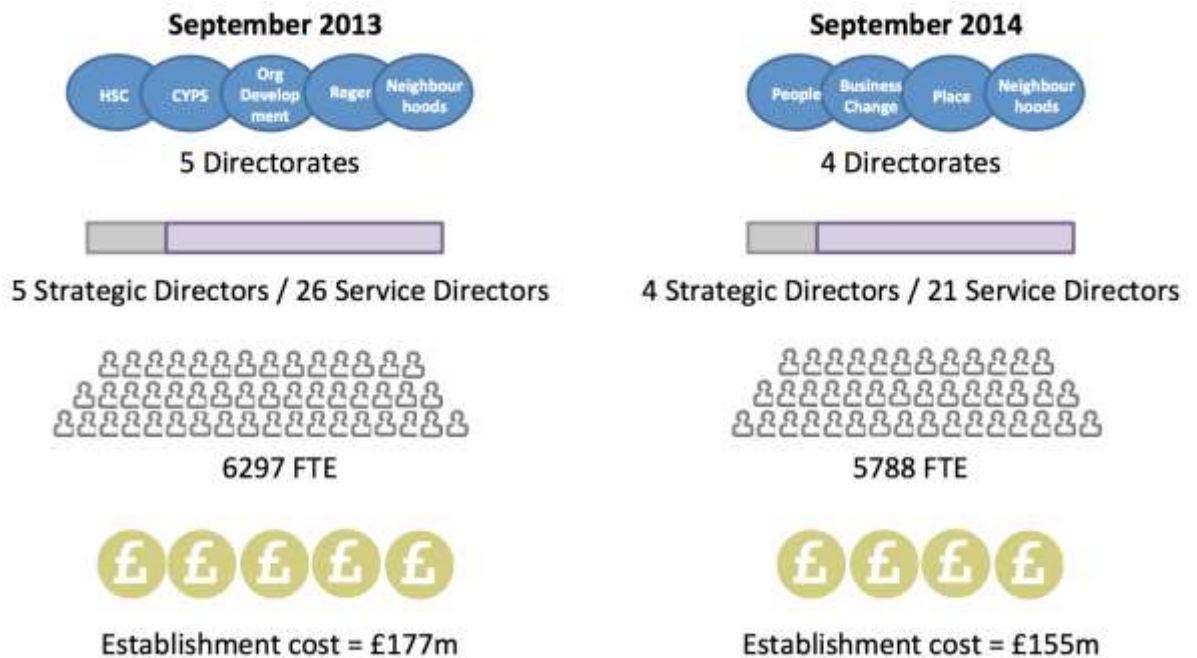
Further work is underway to identify the source of the remaining savings with a particular focus now on 'step 2' projects which we have described previously (see July 2014 Cabinet report) as "outcome driven, focused on 'doing better things'. Addressing areas such as more effective working with partners, optimising the use of public sector resources, building the sustainability and resilience of the City, listening to citizens and understanding the things that they find genuinely helpful to commission a set of services that achieve better outcomes." This will help to create a modernised organisation and a service offering very different to that of today, re-designed 'from the outside-in'.

2. **Programme progress to date**

Projects closed/closing

A number of change projects have recently delivered and are either formally closed or have entered the close down stage:

- **Restructure:** Change Board received the closedown report for this project in November 2014. The project achieved its objectives in enabling 600 people to leave Bristol City Council amounting to 509 full time equivalents. The full year impact of the savings is just over £21m comprising £2.3m savings from tiers 1-3 (our senior leadership staff), £12.67m from BG10-15 (managerial grade staff) and £6.4m from BG 1-9 (our lowest paid staff). The shape and size of the Council has changed significantly therefore in the last year, as the infographic below shows.



- New Citizen Service Point (CSP) 100 Temple Street:** Opened according to plan on the 15th December, the new CSP at 100 Temple Street successfully served 190 citizens in their first week. Feedback to date from both citizens and staff has been very positive, with many highlighting the success achieved through the colocation of front line and specialist back office staff in one building. This is demonstrably enabling faster resolution at the first point of contact and supporting the prevention of escalating need. Operational staff within the new CSP continue to monitor how the new space is being used, ensuring they are being responsive to citizen need.
- Electoral Management System:** a new fit for purpose election management system was successfully implemented on the 9th December according to plan, with handover to business operations undertaken on the 15th January. This was a rapid and highly focussed piece of work that required supportive and highly collaborative work across a number of teams to ensure the new system was in place and working well in advance of the next round of elections.
- Evidence Handling Redesign:** A number of changes to our approach to handling citizen evidence for a range of services were implemented to support the opening of the new CSP. The changes introduced include: the ability to upload certain types of evidence online (reducing the need to come into CSPs); self-service scanners in the new CSP allowing citizens to help themselves, not requiring officer time; introducing the ability for services to begin to share evidence (preventing asking for it twice/using information already available to us); adopting a risk based approach to who is asked to provide evidence and when.
- Housing Advice & Assessment:** Directly in response to the feedback gathered through a range of interviews with citizens, we went live with a number of improvements to our Housing Advice and Assessment service to support the opening of the new CSP. Changes include: easy to absorb, targeted and honest information, advice and guidance on the website (directly responding to citizens requests that we provide honest communication so they understand what options

are and aren't available to them); access to the specialist Housing Advice Team in the same appointment and in the same building (with the view to providing support to those who need it most at the first point of contact and prevent escalating need); introduction of an online self-assessment tool to help citizens understand the next steps available to them and provide easy to understand advice and guidance.

- **Local Tax:** A range of improvements to existing services, as well as new initiatives, were successfully launched. Improvements include:
 - Reworked web content for exemptions and discounts, making it clearer for citizens if they qualify, as well new clearer landing page and an 'Explain my Bill' information sheet;
 - Improved web content for customers who are struggling to pay;
 - Simplified reminder letters and enforcement action letters to make clear what citizens need to do;
 - Redesign of the annual bill, making it easier for citizens to understand and removing unnecessary information, allowing important details to be more prominent (completed – will go live Feb 2015).

- New offerings delivered include:
 - On-line form for students with the ability to attach evidence (removing the need to complete by hand and post to the council – over 1000 forms have been received through the online channel since launch in September);
 - Introduction of a highly visual recovery process leaflet to aid citizens to understand what happens if don't pay (replacing current word heavy two sided leaflet);
 - The ability for citizens to set up Direct Debit on-line rather than via a paper form (will go live April 2015).

- **Housing Benefits:** A range of improvements have been delivered to reduce the number and simplify the content of the letters associated with the service. Existing online claim forms have been simplified and made easier to use based on citizen feedback. The ability to upload evidence online has also been created. The backlog of claims experienced in the latter half of 2014 has now been cleared and further opportunities to improve this, high volume process identified.

- **Residents Parking Permits:** Residents in St Paul's and Clifton Village now have the ability to apply and pay for their permits online. The roll out of the Clifton Village alone has seen 65% of the applications to date coming in via the digital channel. If the digital channel had not been turned on and these applications had needed to be processed manually, in the same 2 week period the Permits Team would have needed an extra 4 FTE to process what would have been an additional 296 hours of work. This capability will now be rolled out to the remaining new zones, as well as pre-existing zones allowing 12 month renewals to be undertaken online.

- **Concessionary Travel & Blue badges** – each year we receive 1,600 new applications for free Older Persons bus passes. All applicants have had to prove

their identity, age and address by presenting original documents at a CSP or by post; there was no on-line channel. This project introduced a new online channel, made improvement to and simplified the existing paper application (for those customers still requiring this channel), improved web content, introduced a 'print on demand' policy at the CSP (reducing the need to store lots of paper), redesigned internal processes to make them simpler and improved data capture. Within the first 2 weeks of launch we had 33 successful applications and received very positive feedback from users of the website.

Live projects

A number of our live projects are focussed on redesigning the current service offering seeking ways to improve citizen experience, decrease the time taken to deliver, reduce any areas of duplication and seek opportunities to reduce costs.

- **Freedom of Information (Fol) and Complaints Redesign** – improved internal processes for Fol requests, complaints and statutory complaints to increase speed of handling, improve customer experience and remove waste. Introduction of a new online channel for citizens integrated with a new fit for purpose back end system – including improved online information advice and guidance. Go live for Fol will be March 2015 with statutory and non-statutory complaints services to be released at set increments over the following weeks. A related element of this project is looking at the roll out of these improvements across Mayoral Correspondence.
- **Licensing Redesign** – introducing a range of process improvements and a new online offering for taxi driver applications and renewals. This will remove paper based licensing application processes (which is more expensive to process), reduce footfall into Princess House presenting potential to close front desk, standardise and simplify the end to end license application processes and speed up the process of licence applications and reduce hand-offs and delays.
- **Registrations Redesign** – introducing a booking system for the Registration Team to better support their requirements. Deliver the ability to register a birth, still birth and request certificates online. Reducing the number of calls into the Customer Contact Centre and drop-in's to the Registration Office.
- **Asset Management Redesign and Facilities Management Redesign** – projects are in their early stages, due to formally be initiated at the end of January 2015. The Asset Management Redesign will outline how the associated Mayoral Savings will be delivered over the next 2 years.

Due to the need for fit for purpose technology to underpin our council services, there are a number of live technology replacement projects.

- **New Adult Care System** – work is progressing well, with data migrations from the existing system (PARIS) well underway. The project is due to be complete quarter 1 of 2015/16.
- **New HR/Payroll System** – to deliver a modern, integrated, management information system to support our HR and Payroll functions. Good progress has been made to date with the project on course to go live on the 1st November 2015

to allow for the November payroll to be run through the new system.

- **New Performance Management System** - supplier demonstrations have been held and procurement process to imminently name preferred supplier. Approach to rollout being developed, with go-live forecast for May 2015.
- **New Integrated Education Case Management System** – last summer we held a tender process and discovered the marketplace does not currently offer a commercial off the shelf software product that meets the needs of the service, whilst supporting the way the council wants to work. The project has continued exploring how to meet long term service need whilst commencing a number of tactical pieces of immediate work. Options to progress the longer term solution are being investigated.
- **New Housing Management System** – This project is progressing well with final evaluation of the preferred suppliers currently underway, with supplier demos and final decision on supplier scheduled to be made in mid-February.
- **New Asset Management System for the Highways service** – the preferred solution has been identified and we are currently agreeing an implementation schedule.

The wider change projects currently underway under the umbrella of the programme are:

- **Bristol Workplace** – stage 1 of the project to decant staff from City Hall, co-locate predominately front line services in 100 Temple Street (operating new flexible working practices) and begin to co-locate support services in Parkview have been successfully delivered. Planning for stage 2 is now underway, which will include the refurbishment of City Hall, further office moves to release existing assets, the roll out of new working practices across the whole staff base and the assessment of the potential for localised ‘community hubs’. A new co-Director is now in place and asset disposal issues, which have hitherto compromised the timely release of vacated properties, are now being addressed through the establishment of a Corporate Property Board.
- **Libraries for the Future** – consultation with the public continues to progress well, with over 3000 surveys completed. There is now a need to target non-users in the final month of consultation to ensure their views are represented. Proposals for the new service are being developed: Discussions with all management teams have taken place, as well as meetings with community groups, DWP, scrutiny, internal stakeholders etc. to consider options.
- **Category Management** – In Domiciliary Care short term benefits continue being delivered through increased compliance with Electronic Monitoring System. The Framework re-tender, projected to deliver at least £1.7m savings on price with further demand management savings. Residential Care has delivered some benefits in 14/15 and the full year effects are likely to be over £1m in 15/16 and 16/17. The Framework re-tender initial consultation with the marketplace is underway. Workforce savings associated with agency staff demand management process have been implemented.

- **Boundary Review & Constitution phase 2** - A consultation was run by the Boundary Commission from 9 December to 15 February inviting comments on the draft proposals for ward boundary changes. It expects to present final recommendations in May 2015 with new boundaries to be effective in time for the May 2016 elections. March will see the review of Scrutiny Report and research is underway into proposed changes in committees, the role of outside bodies and changes to the governance of neighbourhood partnerships. An annual review of the constitution is underway with recommendations for changes being brought to full Council in spring following discussions with Party Group leaders and Whips.
- **Care Act** – an initial phase of work is underway to put in place the statutory requirements associated with the Care Act that will go live March 2015. Post April, work will focus on the broader strategic changes.
- **Income Generation** – this project is in the early stages of initiation; investigative work is underway to identify and then progress a range of income generating opportunities. Initial findings to be brought to Change Board for further discussion in March.

3. **Financial Update:**

Investment

The estimated total level of investment required in the Change Programme is £33.5m over 3 years, as set out in the Medium Term Financial Plan. The year to date figures show that £5.5m has been spent, with current financial year investment in line to hit the budgeted £10m. Spend sits broadly across the categories: resources, restructure, redesign, technology and category management.

Benefits

To date, the Change Programme has realised nearly £22.6m of savings through the organisational restructure (almost exclusively achieved through voluntary severance). Due to a factors we are now addressing through the Applied Course in Service Redesign (see below), this was slightly short of the original first year target of £28m, with the deficit now being recovered through the redesign work stream.

An additional £12m of savings are on course to be delivered through a range of initiatives being delivered through the Category Management (savings through either, or a combination of, renegotiation of existing contracts, re-procurement of services and improved demand management) work stream.

The remaining savings will be delivered through the redesign, income generation and asset management work streams. The primary contributor will be the redesign work stream with an estimated £11m to be delivered 15/16 and a further £11m to be delivered in 16/17.

The table below shows the current status of savings realisation across the Change Programme:

Stage of benefits realisation:	Content	Sub Totals	Totals
Benefits delivered	Restructure Restructure full year impact	£11.8m £9.3m	£21.1m
Benefits identified and projects on track	Category management: <ul style="list-style-type: none"> • new contracts agreed • low case • medium to high case 	£1.5m £9.0m £2.7m	£13.2m
High confidence in benefits and work started	Income generation Asset management Applied Course projects	£2.0m £4.6m £4.0m	£10.6m
Benefits to be identified	Further redesign and 'step 2' work		£19.1m
			£64m

4. Building change capacity in the Council:

The Applied Programme for Service re-design

As part of the re-design workstream we have sought to invest in our service manager group to bring them fully into the delivery of savings and improvements as their role description requires. This enhances our change capacity going forward and frees up service directors to design and deliver more complex 'step 2' work.

We are in the early stages therefore of delivering an Applied Programme in Service Re-design. This modular course is attended by 'cohorts' of service managers working on clusters of projects sponsored by Directorate Leadership Teams, with targets for saving and improvements identified at the start. These projects are delivered, during the lifetime of the course, by service managers who are backed by change support teams. The first cohort of service managers entered the programme at the end of January, with subsequent groups being initiated during February and March. All service managers will complete the course and taken together, the cohorts will deliver a substantial contribution to the service redesign effort.

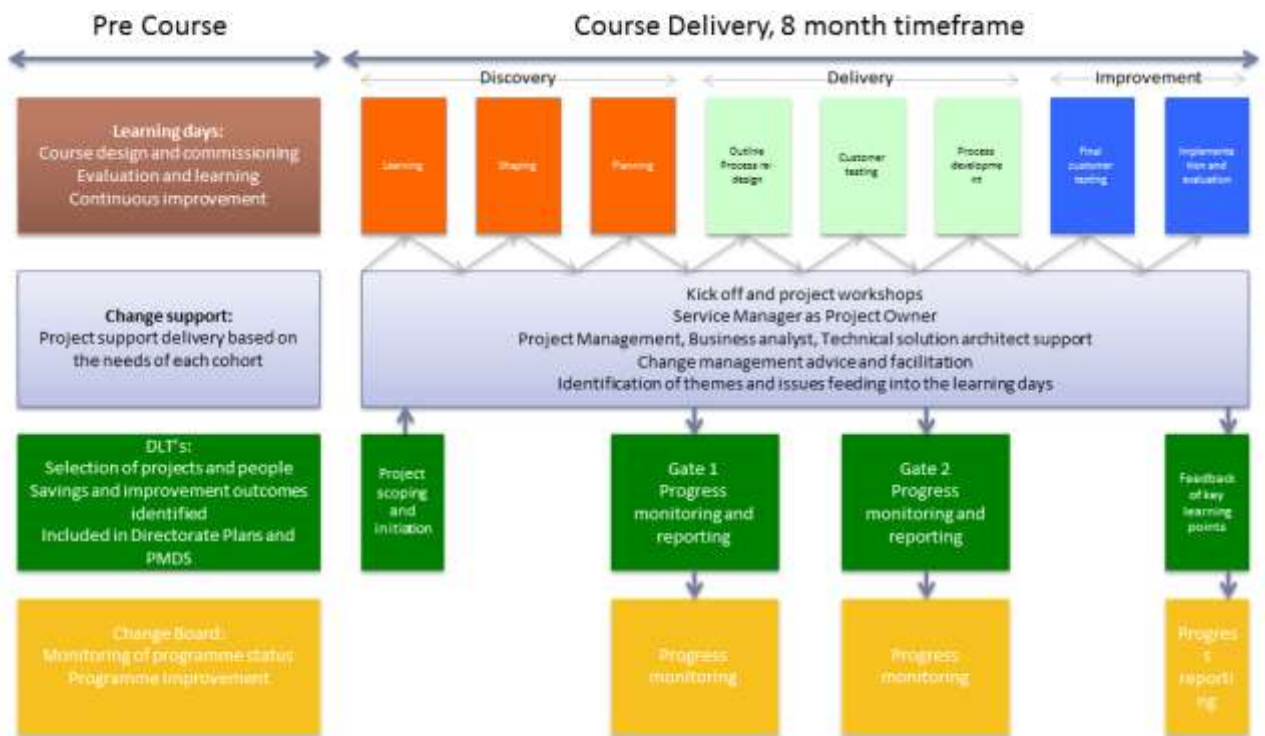
The cohorts are identified through Directorate Leadership Teams utilising data on high cost processes within the Council. A 'pre-qualification questionnaire' is submitted that enables the Board to take an investment decision. The criteria to select potential cohorts is based on their predicted impact on;

1. The savings or income quantum
2. Duplication and inefficiency
3. The journey to digital
4. Impact on citizens in priority (life event) areas
5. Re-use of previously completed work

Based on these criteria a number of potential cohorts have been identified which are currently being evaluated and will be described in more detail in the next update report.

Once selected the programme proceeds as set out below with participants attending a number of modules described in the top row of the diagram, and then in between the modules they apply the learning with the help of the change support team. Progress is overseen by Directorate Leadership Teams and at key 'gateways' this is in turn reported to Change Board.

Applied Service Re-design Programme



5. Conclusion

The programme is progressing well, delivering its expected benefits within the investment envelope. As would be normal with a programme of this size, problems do occur but where this happens Change Board is proving a robust vehicle for identifying and resolving any issues. We are taking steps to enhance change capacity in the organisation by investing in service managers and beginning deliver digital re-design on a much bigger scale. Challenges remain to identify and realise the remainder of the savings but we are well placed to do this.

Consultation and scrutiny input:

a. Internal consultation:

Change Programme Board

Strategic Leadership Team

Business Change Scrutiny Commission

b. External consultation:

None

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
	Threat to achievement of the key objectives of the report	Impact	Probability	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	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 <u>not</u> implementing the (subject) decision:							
No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
	Threat to achievement of the key objectives of the report	Impact	Probability	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	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

Eco impact assessment

Resource and legal implications:

Finance

Financial (revenue and capital) implications:

Financial implications are covered in Section 3 of the report for both capital (investment) and revenue (benefits/budget savings).

Budget savings associated with the programme are a major element of the budget for 2015/15 and the Medium Term financial Strategy. Any slippage in the projected savings would therefore impact upon the delivery of the councils financial targets.

Advice given by Peter Gillett, Service Director - Finance
Date 17th February 2015.

c. Legal implications:

N/A

d. Land / property implications:

N/A

e. Human resources implications:

Guidance: The impact of the Change Programme laid out in this paper is in line with the Section 188 notice issued in November 2013 at the outset of the 3 year budget. The number of employees that are considered as being potentially impacted covers the whole permanent and temporary workforce and we continue to estimate that there will be a potential reduction of 971 (800 FTE) employees during the three financial years covered by the MTF5. The organisation restructure that has taken place during the current 2014/15 financial year has resulted to date in workforce reductions of 523 FTE.

Full consultation with Trade Unions has been undertaken throughout the period of organisation restructure and the Council will continue to seek to reach agreement with the recognised Trade Unions on how to mitigate the need to make any further compulsory redundancies.

Advice given by Richard Billingham – Service Director HR
Date 17.02.15

Appendices: None