

**BRISTOL CITY COUNCIL
CABINET
6th October 2015**

REPORT TITLE: Change Board 6 Monthly 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:

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 reports of October 2014 and March 2015. In the former reports the operating principles, financial business case (including savings targets) and investment requirements are set out. This report is a scheduled update on progress to date with the programme.

RECOMMENDATION for the Mayor's approval:

1. Note the progress with the delivery of the change programme, the savings and improvements achieved to date
2. Note the updated risks associated with the programme and the actions being taken to mitigate those risks.
3. Note the likely scale of the likely financial challenge arising from greater political certainty following the May 2015 general election

The proposal:

1. **Progress update:**

The Change Programme is now at the half way point in relation to its 16/17 target completion date and realisation of the associated £64m savings.

At the time of report production, £30.2m of savings have been realised with plans in

place to realise a further £13.3m. A total of:

- 18 projects have delivered and been formally closed,
- 25 projects are live are reporting progress on a monthly basis to Change Board
- a rolling number early initiatives are in discovery, where work is underway to identify the associated value and effort for each so Change Board can agree whether to progress them to delivery.

2. New projects:

In our last report to Cabinet we set out the arrangements for developing the skills of service managers to add to the change capacity of the Council. This initiative, the Applied Programme for Service Redesign, is delivered by 'cohorts' of service managers and is the driving force behind the first four new initiatives set out below:

1. **Citizen Services Redesign** – *including Local Tax, Benefits, Home Choice Bristol and Rents (Cohort 2)*
2. **Response Repairs Redesign** – *including establishing an online reporting and scheduling an appointment capability for all none emergency response repairs. (Cohort 1)*
3. **Enforcement Redesign** – *a cross organisational redesign of our enforcement function to eliminate duplication, simplify current processes, systems, organisational structures, working locations and improve citizen experience. (Cohort 1)*
4. **Business Change Redesign** – *a major rationalisation of all internal support services to reduce costs by enabling easier self-service (Cohort 4)*

In addition outside of the Applied programme the following project have been initiated

5. **Asset Management Investment Portfolio** – *sitting alongside the Facilities Management and Asset Management Redesign Projects, this project is developing new Property Investment Policy to identify short-term opportunities to increase income through our assets and put in place an investment strategy and plan that meets the Council's needs*
6. **E-tendering solution** - *selection and implementation of a replacement e-tendering solution to the existing contract, supplier and tender management system with the built in capability of a dynamic purchasing system.*
7. **Control Centre Relocation** – *relocation of the Emergency Control Centre from Brunel House and the traffic control centre from Wilder House, as required by the Bristol Workplace programme. This also includes a substantial replacement of end of life systems.*

3. Recent Deliveries:

Of the existing projects, a number of key deliveries have been successfully completed since our last update to Cabinet:

- The first wave of statutory requirements associated with the **Care Act** went live ahead of the March 2015 deadline
- The **new Adult Care Management System**, and associated business redesign successfully went live in July, replacing the old no longer fit for purpose Paris system and new interfaces to our Finance system.

- **A New Performance Management Review system** has been implemented and launched to the organisation in July, providing an online, consistent approach to managing staff performance.
- The journey toward an all-digital Council has taken further forward steps over the last 6 months. A number of **digital services** have been launched online replacing manual, paper based systems:
 - **Taxi Drivers** can now renew their driver license online at a time that is convenient to them and now have the ability to select if they would like to renew for a 1, 2 or 3 year period. This has removed the paper based licensing application processes.
 - Citizens of Bristol can now **book to register a birth** and **book to register a death** online rather than needing to come in to the Registrations Office to arrange this or contact the Customer Contact Centre.
 - A **Freedom of Information request** and **Non-Statutory Complaint** can now be made online using our new simple digital form. The forms are fully integrated with our new back office Customer Relationship Management System to better support the rigour around receiving and responding to Fol's and non-statutory complaints in a timely and appropriate manor.
 - Our tenants can now **report a non-emergency repair** online using a new easy to use form that is fully integrated with our back office system. Since the launch of the new service in late June, without any targeted publicity, the digital service has successfully transacted 663 jobs online with 54% of tenants rating the service as 'excellent'.
 - **Early Years Online Application** Form has now gone live as part of the tactical work underway whilst the strategic work on the new Integrated Education Case Management System is progressed.

These new digital services are the latest steps, building on those detailed in previous update reports, on the journey to a fully inclusive online service offer. A further major step will be taken in November with the launch of the **New Council Website** with improved information and guidance and the ability to apply for services, report problems and pay for services online.

The **Category management** work stream is based on the renegotiation of contracts for services that are provided on behalf of Bristol City Council. Good progress has been made with £6m further benefits being achieved. Work is now underway within this workstream to:-

- secure a new provider for provision of temporary Agency staff across Bristol City Council due to our current contract with our current provider coming to an end.
- achieve the 5% Category Management savings within Facilities Management. The total spend for Facilities Management for 2014/15 was £28 million, £17 million of which was delivered within the FM team and £11 million outside of the team. Therefore the number and size of these contracts is being reviewed. There are currently over 350 contracts and ad hoc agreements of varying sizes, covering an annual spend of £8.2 million. It is proposed that these contracts and agreements be bundled into larger pieces of work and re-let. Where applicable, existing procurement frameworks, such as Crown Commercial Services or ESPO would be used; where the value of the contracts dictate, the OJEU procurement process would be used. It is proposed that new bundles would be in place for April 2016.

4. Costs and savings update:

Spend on the programme is in line with agreed budgets.

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 £14.1m has been spent to date and a further £11.1m has been earmarked for set spend items. Current forecast is for the Programme to be on budget over the three years to March 2017

Benefits

To date, the Change Programme has realised £30.2m of the total £64m target set out in the MTFP. An additional £17.9m of savings have been identified and are being progressed through new projects which primarily delivered through the redesign work stream. This leaves £20.5m of savings yet to be identified and/or initiated. Work is now underway with the Directorate Leadership teams to identify further opportunities to generate income and/or deliver efficiencies to ensure our services are simplified, standardised, citizen-centric and ultimately more efficient. The table diagram shows the current status of savings realisation across the Change Programme:

Stage of benefits realisation:	Content (full year effect)	Sub Totals	Totals
Benefits delivered	Restructure	£21.1m	£30.2
	Category management	£8.1m	
	Income generation	£1m	
Good confidence in benefits and work started	Category management	£4.1m	£17.9m
	Redesign work in progress (minimum target)	£6.3m	
	Redesign work in progress (mid-point)	£2.9m	
	Bristol Workplace (Asset release) – work initiated but timing to be confirmed	£4.6m	
Benefits to be identified / work yet to initiate	Income ops to be identified	£1m	£15.9m
	Redesign ops to be identified	£14.9m	
			£64m

5. Looking ahead

It is anticipated that the redesign work stream will need to deliver the majority of the remaining £15.9 savings yet to be formally identified and this work is in hand with each Directorate developing a change and savings plan as well as cross cutting initiatives being pursued, the detail of this will be available in the next update.

Inevitably a time will come when the drive for **efficiency** within the Council starts to yield decreasing returns on investment. As that starts to happen, and as the next savings challenge becomes clearer in the Chancellor's autumn statement in November, the Council will increasingly have to look to other means of saving money and generating income. The current working assumption is that an additional £49m will have to be found in the next Medium Term Financial Plan. In previous updates we have described the initial effort in terms of 'doing things better' and subsequent work being focussed on 'doing better things'. Whilst work continues on the former, considerable effort is now going into the latter, as we seek to gain leverage from work that has ongoing for some to build the platform for the next wave of change. This has included:

1. **The development of multi-agency partnership and governance arrangements**, most notably the Health and Wellbeing Board, Leaning City Board and Property Board. These fora, Chaired by the Mayor, are bodies that have the potential to pool budgets, integrate services and take on additional funds and responsibilities through potential devolution arrangements.
2. **The growth of the capability to develop income generating alternative delivery models**, such as Bristol Energy and Technology Services, Bristol is Open and the newly formed Waste Company, with the potential to utilise this capability in other markets. Work is now underway to identify where a combination of social goals, market opportunity and Council competitive advantage might come together to signal the areas where the development of an alternative commercial approach is indicated.
3. **The use of combined data sets from across partner agencies and council services** to predict problems before they arise or notice them early, so that services can be targeted on early intervention and prevention. We developed a sector leading approach to this in our work with troubled families and we are actively exploring how this might be applied to other client groups
4. **The exploration of shared service opportunities with public sector partners** made possible through our own internal systems becoming more reliable and robust, enabling us to consider how we might work more closely together, particularly when agencies are serving the same citizens, and could therefore share back office and access arrangements to generate savings and improved services.
5. **The further development of our open digital platform** that will enable us to encourage the active contribution of citizens so that they can work better together to help each other as well as harnessing the creative contribution of developers to produce applications (apps) for public good that we can host on our platform.

We are now working to model the potential savings that could accrue from these five sources.

6. Conclusion

The Change Programme is progressing well with two thirds of benefits identified and on track halfway through the implementation period.

Programme management has been identified as strength by a recent internal audit with a further piece of work on benefits tracking to be undertaken in the near future.

As well as savings delivery there are clear benefits and performance enhancements being delivered as detailed in the project notes provided above. Consistent with the themes introduced in the last update report, a number of work streams are now underway to identify where the remaining savings in the current MTFP will come from as well as how we address the next round of savings to be outlined in the Autumn statement.

Consultation and scrutiny input:

a. Internal consultation:

- Strategic Leadership Team
- Executive Board

b. External consultation:

None

Other options considered:

N/A

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
		Impact	Probability		Impact	Probability	
1	The programme may not deliver the required benefits and hence leave a gap in the MFTP which would have to be funded by unscheduled budget reductions	High	Medium	Fortnightly monitoring by Change Board ensures that project slippages are identified and acted on early. Additionally, monthly finance reports are produced tracking progress against targets and ensuring any deviation from plan is addressed immediately.	High	Low	Strategic Director of Business Change
2	The programme overspends on the agreed investments	High	Low	Project budgets are set by Change Board at the point at which a New Work Proposal is produced. Projects then report spend against budget on a monthly basis. Any forecast overspends are flagged and mitigating action is put in place proactively.	Low	Low	Strategic Director of Business Change
3	Service Managers do not have	High	High	Ensure that Directorate Leadership	Medi	Mediu	Service Director,

	the capacity to deliver change projects through the Applied Course			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.	um	m	HR
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FIGURE 2

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

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER	
		(Before controls)			Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	(After controls)		
		Impact	Probability			Impact		Probability
1	We fail to deliver the £64m required for a balanced budget as approved by Cabinet on the 18 th February 2014	High	High	Implement the change programme as described in the business case	High	Low	Strategic Director of Business Change	
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	Strategic Director of Business Change	

Public sector equality duties (taken from the July 2014 Change Programme Business Case Cabinet Report):

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 proposal, to agree the business case is unlikely to 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.

Advice given by: Anneke Van-Eijkern (Equalities Officer)

Date: 29 May 2014

Eco impact assessment (taken from the July 2014 Change Programme Business Case Cabinet Report):

This proposal is for approval of a business case and 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.

Any new major projects initiated as a result of this proposal are likely to be significant, and will be subject to individual eco impact assessments. Agreed mitigation measures will a) form part of the project plan and b) be reported back to Cabinet as part of the formal quarterly report.

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.

Advice given by: Steve Ransom, Environmental Programme Manager, Energy Service
Date: 27 May 2014

Resource and legal implications:

Finance

Financial (revenue and capital) implications:

Financial implications are covered in 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 (taken from the July 2014 Change Programme Business Case Cabinet Report):

The proposals set out in the (Programme Business Case Cabinet) report are well reasoned and lawful, and are an important component of the Council's programme to ensure that it complies with its legal obligation to maintain a balanced budget.

Advice given by Shahzia Dyer, Service Director Legal Services
Date 28 May 2014

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 MTFs. The organisation restructure that has taken place during the current 2014/15 financial year resulted in workforce reductions of 523 FTE. It is anticipated that further workforce reductions will be required in line with the original estimates laid out in the Section 188 notice.

Full consultation with Trade Unions has been undertaken throughout the period of organisation restructure and the Council will continue to seek to work 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 08.09.15

Appendices:

Access to information (background papers):

N/A