



Committee Report

PURPOSE: Final Decision Report

KEY OR NON-KEY DECISION: Key decision over £500k spend/save & impacts more than 2 wards

COMMITTEE: Strategy and Resources Committee

DATE: 14 October 2024

TITLE: Funding for Top 4 Transformation Programmes

Ward(s): All

Officer presenting the report: Vanessa Wilson **Job title:** Transformation Portfolio Director

Committee Chair: Cllr Tony Dyer

Executive Director lead: Paul Martin: Chief Executive Officer

Proposal origin: BCC Staff

1. Purpose of Report:

1.1. The report seeks approval of investment asks against the Transformation/Change funding earmarked for the transformation programmes as approved at BCC Budget Report 24-25:

1.2. Increase of one-off expenditure up to £15.7m for the Top 4 transformation programmes (Adult Social Care, Children and Education – Our Families, Tackling Homelessness and Property). This is made up of £12.9m confirmed cost baseline as of July 2024, plus £2.8m earmarked CLB-managed contingency to take into consideration changes to the programmes, including the delivery of a further potential £3.9m stretch target.

- 1.3. To note the proposed delegations outlined in section 3.2.1, which reflect those approved by Cabinet on 6 June 2023.
- 1.4. To note the Flexible Use of Capital receipts are being used to deliver revenue savings.
- 1.5. To note the majority of the funding is going towards internal resource cost.
- 1.6. Note the £3.9m earmarked to Strategic Transformation programme (new) delivery of organisational-wide projects to deliver savings for 24/25 and beyond, for which approvals on spend are linked to previous cabinet decisions on Top-4 Transformation and Digital Transformation.
- 1.7. The increase in expenditure supports the delivery of £16.7m MTFP recurrent committed savings for 24/25 as at current baseline July 24, as well as enabling further savings for 25/26+, some of which are currently being identified and explored.
- 1.8. To note case studies linked to the transformation funding as outlined in Appendix A2.
- 1.9. To note previous approval to spend to support the delivery of the Top 4 transformation programmes for 23/24 as outlined in Cabinet 6th June 2023. The 2023 approval would be superseded by the values stated in this paper, which include the carry forward of unused project spend within the re-baselining and the strategic transformation programme.
- 1.10. Strategy and Resources Committee should note that whilst this report seeks permission to allocate funds to the Transformation Programmes, each will need to pursue appropriate approvals for their project spending in line with the council's normal Decision Pathway, including seeking Key Decisions from relevant Policy Committees where these are required. Relevant individual Policy Committees will also receive quarterly updates on progress and will be able to test this against programme plans and value for money in terms of investment to benefit delivery.
- 1.11. Given the nature of complex transformation within an ever-changing external environment, there is a level of inherent risk with regard to the delivery of the programmes and their ability to

achieve the full benefits as described. All savings are reported and tracked through the council's monthly forecasting process, contributing to regular budget monitoring reports to Committees. Other internal governance mechanisms, including Corporate Leadership Board and Delivery Executive provide regular check and challenge of these.

2. Evidence Base

2.1 The council must deliver the planned savings, capital receipts and contain spend in line with the budget as approved by Full Council February 2023 and 2024. As cost and demand of services comprises council's General Fund spend, it is imperative that services develop sustainable models that builds upon community assets and improves outcomes, manages demand within a sustainable budget. Key outcomes:

- 2.1.1 People get the right help at the right time to promote and maintain their independence and to reduce or delay the need for long term support.
- 2.1.2 Designed effective services with, and for, children, young people, carers, families, older people efficiency of delivery improved as a result through a whole system change.
- 2.1.3 Improved outcomes for our people or preventing escalating need or risk through early help and early intervention.
- 2.1.4 Delivered both revenue and capital receipts through Council Estate review and disposals, office rationalisation.

2.2 It is critical that the council must deliver the planned savings, capital receipts and contain spend in line with the budget as approved by Full Council February 2023 and 2024. As cost and demand of services comprises council's General Fund spend, it's imperative that services develop sustainable models that builds upon community assets and improves outcomes, manages demand within a sustainable budget.

2.3 At Corporate Leadership Board (CLB) 30th April 2024 the total funding available for all change programmes as re-baselined after 2023/24 expenditure amounted to a gross value of £22.7m.

The funding comprises the carried forward unused funding from 2023/24, as outlined in the June 2023 cabinet paper, plus additional Flexible Use of Capital Receipts and/or corporately held revenue budgets / balances outlined in the February 2024 budget paper.

2.4 Of the remaining gross £22.7m funding available in 2024/25, £3.9m is already earmarked to Strategic Transformation programme (new) delivery of organisational-wide projects to deliver savings for 24/25 and across the MTFP, implementation of Capital Programme Management Office and Digital Transformation programme, giving a net funding available for the Top 4 Programmes of £18.7m as illustrated in Figure 1 of this report.

Funding Breakdown	Value £,000	Comments
23/24 Total available carried forward	10,331	
24/25 Flexible Use of Capital Receipts and/or Corporately held Transformation Funding	12,000	
Other additional funding	337	
Total Funding	22,668	
<i>Strategic Transformation* -</i>	<i>1,793</i>	<i><--- Assumed it will be taken from 23/24 carry</i>

<i>earmarked</i>		<i>forward</i>
<i>Capital Programme Management Office - earmarked</i>	100	<--- Assumed it will be taken from 24/25 Transformation funding
<i>Digital Transformation Programme -earmarked</i>	2,043	<--- Assumed it will be taken from 24/25 Transformation funding
Total Funding for Top 4 Programmes after earmarked	18,732	

* which could include a Change Delivery Partner

Figure 1 – Net Funding for Top 4 Programmes

2.4 The latest re-baselining, as of July 24, for each of the Top 4 shows a funding ask against the agreed savings envelope for 2024/25, including any stretch savings being explored for each programme as illustrated in Figure 2 of this report. There remain savings aligned to the Top 4 Programmes in future years and whilst the cost to deliver the programmes outlined in this paper will set the scene, and in some cases support the enabling of delivery of those, it is anticipated that a further cost to deliver in future years may still be required against the new future savings elements. Where this is the case, this will need to be revisited as part of the ongoing re-baselining reviews and brought back for approval as required in due course.

<i>New Baseline</i>	24/25 Cost to deliver savings £,000	24/25 Agreed Recurrent Savings Target £,000	24/25 Stretch Savings being Explored £,000	24/25 One-Off Savings £,000
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Adult Social Care Transformation	2,432	6,467	1,645	0
Our Families – non-DSG	3,753	6,205	1000	0
Property Programme	4,417	1,248	80	749
Tackling Homelessness	2,265	2,760	2,936	0
Total:				
	12,867	16,680	5,661	749
Contingency:	2,800			
Grand Total:	15,667			

Figure 2 – Re-baselining Budget and Savings

2.5 The programmes will be regularly re-baselined as part of the governance arrangements, to take into consideration any changes to current projects within the programmes or any new asks.

2.6 Any projects within the programmes with a return on investment exceeding 3 years are automatically called into Corporate Leadership Board (CLB) made up Chief Executive Officer, Director of Finance, Executive Directors, Director Legal and Democratic Services and Transformation Portfolio Director for scrutiny to ensure they represent value for money within the context of the programme. Some funding is enabling elements to support the wider delivery of the projects within each of the programmes.

2.7 Programmes report to CLB by exception. All programmes are managed against an agreed set of tolerances meaning that any forecast or actual breach of these will require a self-referral to CLB. The tolerances currently in place are as follows:

2.8 Benefits: zero tolerance on in year financial benefits

- Cost: zero tolerance over budget; 10% under budget tolerance flag
- Scope: Zero tolerance on reducing scope; increase to scope can be approved by programme board if within time / cost tolerances and does not negatively impact committed benefits delivery
- Time: 3-month movement on milestones provided no other tolerances are breached as a result
- Risk: 0 critical risks; >5 high risks (post mitigation) will result in a tolerance breach.

2.9 CLB can call-in a programme at any point in the lifecycle. The call-in will include a focus on action required to bring the programme(s) back on track and mitigate against the breach(es).

3. **Officer Recommendations:** That the Committee for Strategy and Resources

3.1. Provide the following collective approval across the four transformation programmes: Adult Social Care, Children and Education (Our Families), Tackling Homelessness and Property Programme to:

3.1.1 Approve spend of up to £12.9m for 24/25 (for the four corporate transformation programmes) plus a further £2.8m contingency from the resources held for the purpose of transformation, in addition to the £3.9m aligned to strategic and digital transformation already approved.

3.1.2 Procure and award a Change Delivery Partner if required in the future to support the delivery of strategic transformation, in-line with the procurement routes and maximum budget envelopes outlined in this report.

3.2 Contractual:

3.2.1 Authorises the Chief Executive Officer and Director of Finance in consultation

with Executive Directors and Policy Committee Chairs to spend the funding as outlined in this report and the appendices, and to take all steps required to procure and award a Change Delivery Partner if required, including any subsequent extensions/variatioins, in-line with the procurement routes and maximum budget envelope of Strategic Transformation funding of £1.793m outlined in Figure 1 of this report.

Notes:

- Note the quarterly briefing report for the four major transformation programmes as outlined in the Appendix 1 that went to Strategy and Resources Committee on 16th September 2024.

4 **Corporate Strategy alignment:**

- 4.1 Children and Young People - A city where every child belongs and every child gets the best start in life, whatever circumstances they were born into. Children and young people are supported by the city, their community, and the council to have the best possible start in life. They can reach their full potential and are kept safe from and supported to overcome violence, abuse, and other adverse childhood experiences, whatever the circumstances of their birth.
- 4.2 Health, Care and Wellbeing - Tackle health inequalities to help people stay healthier and happier throughout their lives.
- 4.3 Homes and Communities - Healthy, resilient and inclusive neighbourhoods with fair access to decent, affordable homes.

4.4 Effective Development Organisation - From city government to city governance:

creating a focused council that empowers individuals, communities, and partners to flourish and lead. Make sure that we are financially competent and resilient, offering good value for money. Take safe but proportionate approaches to risk, performance, project, and contract management. Enable effective democratic decision-making and scrutiny.

5 **City Benefits:**

- 5.1 Financially stable corporate position, whilst developing sustainable models and services that builds upon community assets and improves outcomes for our people of Bristol.
- 5.2 The provision of good quality, inclusive services that meet people's identified needs, will contribute to equality of opportunity in supporting children, young people, families, older and disabled people to live independently.
- 5.3 Develop local services and housing capacity to enable people to receive the care and support they need in their own homes/communities.
- 5.4 Maximise the benefit of generalist, community-level services to allow people to live meaningful lives in their localities and avoid institutional services.
- 5.5 Build upon the rich and diverse assets of the city and help develop individual and community resilience.
- 5.6 A centralised 'One Council' approach to the management of property assets will help

to maximise the use and efficiency of running the properties that we retain. A better understanding of the office, depot, operational, and investment estates so that we can make better informed decisions on the use / disposal of property assets.

6 Consultation Details:

- 6.1 Consultation for Top 4 Transformation Programmes Cabinet Report June 2023.
- 6.2 Each of the programmes undertake individual consultation on any key changes to strategies, policies, commissioning etc.
- 6.3 Each programme will bring independent Reports seeking decisions to their relevant Committee.

Background Documents:

[Cabinet 6th June 2023](#) Approval for funding of the Top 4 programmes

[Budget Report 2023](#) Budget position 23/24

[Budget Report 2024](#) Update on budget position

[TA Report for Top 4 June Cabinet](#) Approval for the Temporary Accommodation Project 06/06/2023

[Property Programme Report for Top 4 June Cabinet](#) Approval for the Property Programme 06/06/2023

[Our Families Programme Report for Top 4 June Cabinet](#) Approval for the Our Families Programme 06/06/2023

[ASC Programme Report for Top 4 June Cabinet](#) Approval for the ASC Programme 06/06/2023

[Top 4 Transformation Quarterly Update](#) Non-key decision, Strategy & Resources Committee 16/09/2024

Revenue Cost	£15.7m	Source of Revenue Funding	Various as outlined
Capital Cost	NA		
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input checked="" type="checkbox"/>	If yes - existing or new saving? Existing OR Income generation proposal <input checked="" type="checkbox"/>

Professional comments section: *When draft report written, seek comments from Finance/Legal/IT/HR/Procurement & PR. Reports will not be considered without professional comments.*

1. Finance Advice: This report seeks approval of investment asks of £15.7m for the Top 4 transformation programmes (Adult Social Care, Children and Education – Our Families, Tackling Homelessness and Property) for 24/25 against the Transformation/Change funding available resources of £22.7m.

The financing of the investment ‘ask’ against the spend will be determined by the Director of Finance (Section 151 Officer) as part of managing the council’s financial outturn for 24/25 within the allocated funding. The approved funding includes the application of Flexible Use of Capital Receipts (FUCR), and the council will prioritise use of FUCR alongside any other time restricted or ring-fenced funding over other funding held for transformation. This is subject to the availability of capital receipts to meet both the Council’s capital financing requirement and qualifying transformational spend under the FUCR policy.

The associated Top 4 spend and savings aligned with each Transformation programme is subject to formal governance arrangements which includes routine scrutiny via senior leadership groups and the Delivery Executive, with update reports being provided to Strategy & Resources Committee as part of the in-year financial reporting process.

Where business cases are still in development, these will be progressed in line with the delegations outlined in this report, with the expectation that they are managed within the envelope of total funding identified and assigned for the programme of works.

This approval will bring the total anticipated spend over the two years of the Top 4 programme (2023/24 and 2024/25) to a total of £24.1M, with aligned recurrent annual savings totalling £41.9M.

Delivery of the savings targets attached to the Top 4 programme are critical to the success of the Council in delivering its planned budget as set by Council in February 2024 and to support its future financial stability across all years of the MTFP.

This paper focuses on the funding required for 2024/25 to deliver the savings outlined in the current year and to support the enabling of some of the future year’s savings within the transformation programmes and within the existing Medium Term Financial Plan. Any funding required for future year savings delivery required in addition to this will need to be considered through the budget setting and further approval for spend against that will be required.

Finance Business Partner: Kathryn Long, Finance Business Partner – Resources & Sarah Chodkiewicz, Head of Financial Management / Deputy s151 Officer 19 August 2024

2. Legal Advice: The report provides the Committee with an update on the Council’s top 4 transformation programmes and seeks approval for further funding. In relation to the potential procurement of a Change Delivery Partner, the procurement process must be conducted in line with the 2015 Procurement Regulations/Procurement Act 2023 and the Councils own procurement rules. Legal services will advise and assist officers with the conduct of the procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 19 August 2024

3. Implications on IT: As noted in the report, a portion of funding for the council’s Digital Transformation Programme (DTP) comes from the same funding source, and the DT Programme may be able to release limited sums back to reserves before the end of 2024. How these are used would be a matter for the Section 151 Officer. It should be noted that there is a separate proposal to underwrite up to £450k of spending on wider digital transformation (specifically automation work falling outside the remit of the

current DTP) over the coming 12 months from the same Transformation Reserve. It is anticipated that internal recharging to transformation projects will fund most of this function, but the underwriting would exist to remove the risk of financial pressures falling back to the General Fund IT budget to cover.

There are no direct IT or digital implications arising from allocating funds to the top transformation programmes. However, the programmes themselves will have significant implications and most should include technology, service redesign and automation elements (among other IT and digital considerations). It is vital that these are considered and co-produced alongside in-house IT and digital colleagues, that they meet our architectural and policy requirements, and that any commissioning of external service provision only occurs with authorisation and involvement from the Digital Strategy and Transformation service. This is to ensure best value and the success of initiatives, and to prevent unnecessary and costly barriers to delivery. Advice and support will be available to all projects throughout their lifecycle, but the support will attract internal charges for some elements.

IT Team Leader: Tim Borrett, Director: Policy, Strategy and Digital 20 August 2024

4. HR Advice: The report primarily concerns the funding of transformation projects and there are no direct HR implications arising.

HR Partner: Bryn Williams, HR Manager (Resources) 19 August 2024.

APPENDICES

Appendix A – Further essential background / detail on the proposal	YES
<ul style="list-style-type: none">• Appendix A1 Top Four Transformation Funding Asks – Previous Baselineing• Appendix A2 Transformation Funding Case Studies	
Appendix B – Equality Impact Assessment (EqIA)	YES
Appendix C – Environmental Impact Assessment	YES
Appendix D – Risk assessment	NO
Appendix E – Exempt Information	NO
Appendix F – Details of consultation carried out - internal and external	NO
Appendix G – Options appraisal matrix	NO
Appendix H – Business case / financial analysis	NO