

## **Moving Forward Together: A recommendation to Cabinet 2<sup>nd</sup> June 2020**

### **Summary**

This report is to support the recommendation to cabinet for an 18 month programme to transform the way Bristol City Council delivers its Housing and Landlord Services function. The remaining programme will cost £1.4m which is approximately 1% of the annual operating cost (£122m). The programme will deliver improvements in the following areas:

- Achieving better outcomes, by delivering what is important to our residents
- Growing our culture, through talent development and leadership and by becoming a more inclusive and diverse service
- Improving performance, by changing the way we deliver services

This will deliver up to £4.7m of value over 5 years which will be reinvested to improve the service we offer to our residents. Of the one off cost of £1.4m, £0.5m will be from HRA budget with the remainder from the HRA reserve.

This paper now describes the purpose and approach to delivering the programme.

### **The Housing & Landlord Services function**

Housing and Landlord Services (H&LS) is the 6<sup>th</sup> largest Local Authority Landlord in the country and is the largest social landlord in Bristol. The service is responsible for over 28,000 properties that provide homes for over 60,000 residents. We manage the housing waiting list, regulate the private sector, provide home adaptations for vulnerable people and work to prevent homelessness/rough sleeping. To deliver this we employ 1028 people and have a turnover of £122m per annum.

Bristol receives national recognition regarding many aspects of our approach to tackling housing issues. We have won awards for our new build homes, we are nationally recognised sector leaders in private sector regulation, and this year we and our partners are shortlisted for 4 UK National Housing awards. Despite this resident satisfaction levels and performance in some areas remain below average when benchmarked with peer organisations.

### **Why do we need to change?**

To understand the reasons for change we have considered the following areas:

1. Meeting the needs of our residents
2. Leadership and culture

### ***Meeting the needs of our residents***

The result of austerity over the last 10 years and the government imposed annual 1% rent cuts from 2016-20 means Housing & Landlord Services has been working with reduced budgets and an increase in service demand. There is a clear need to do things differently and redesign what we do and how we do it.

In order to make sure that improvements through MFT have a clear focus in Autumn 2019 we carried out a large scale resident survey, using a leading independent surveying company. We

received over 3,300 responses from residents across the city. The scale of response gives a powerful mandate for change (the consultation exercise is itself a finalist in the annual TPAS awards 2020).

The survey shows that residents have six clear priorities, which will be central to co-design of how we deliver our services in the future. They are:

- Being more visible and having a strong local presence
- Listening to what residents say
- Keeping our promises
- Making it easier for residents to contact us
- Tackling anti-social behaviour & crime
- Improving the safety and appearance of our homes/estates

### ***Leadership & Culture***

There have been historical leadership and cultural issues within the service which we aim to address through MFT.

We need to create a service that is representative of our residents and staff. Where everyone is treated equally regardless of their background and we need to make sure our most vulnerable tenants are safe from harm.

Our employees should spend more time focussed on the needs of our residents and less time in the office. We need to strengthen the connection and trust between the services and our tenants, to provide a person-centred service.

We began addressing these issues in 2019, by inviting all 1000+ housing employees to attend two MFT workshop events. These were aimed at identifying our shared purpose and behaviours and understanding the need for change. The workshops also introduced the idea of co-design as the way of delivering transformation. These events received positive feedback and alongside the resident survey have effectively paved the way for the next phases of MFT.

### **MFT - our ambition for the service**

The performance measures, culture and residents priorities combine to form the strategic aims and outcomes of the service. Our aim is to become a world class housing service delivering the following outcomes:

- The services we provide will meet our customers' priorities
- We will meet our customer priorities in the most effective way
- Our employees are satisfied and engaged
- Leadership, diversity and inclusion is embedded within our organisational culture
- We contribute effectively to corporate priorities and the One City Plan

To meet the six resident priorities, we will:

- Design services from the resident's point of view
- Engage employees and tenants in a creative and meaningful way
- Provide services that are visible and local

- Give back accountability and decision making to residents and employees
- Rebuild trust and relationships
- Remove organisational silos and barriers to working effectively to meet customer needs
- Design ways of working which will drive best practice, a learning and coaching environment and support employees to become leaders in their teams and workspaces

Housing & Landlord Services wants to do more to value and celebrate the diversity that exists amongst the workforce and are committed to creating an inclusive working environment in which everyone can take full part. Through Moving Forward Together, inclusion and equality outcomes need to improve, the sense of belonging within the service needs will improve at all levels.

To rebuild trust and relationships amongst our employees, customers and residents, inclusion, equality and diversity will be positioned at the heart of the service. Inclusion is more than being respectful and welcoming. It ensures that every employee feels authentic and valued and that career opportunities are equitable. It is a combination of culture, modelled by leaders, that is experienced during interactions among peers, in meetings, and with managers. Inclusion is also a factor of HR policies and practices that ensure a fair system where no one is advantaged or disadvantaged because of their identity. Housing & Landlord services is developing a set of equality targets and commitments for the service. Results will be monitored in partnership with staff groups including the recently formed BAME panel.

### **How we will deliver the vision:**

Designing and implementing a new operating model that meets residents priorities and resolves our cultural and equalities issues is a significant challenge and requires a significant response. Using co-design techniques with employees and residents is central to our approach. Once we have built capability and have designed an operating model we can move to the delivery phase of the programme:

We have estimated the level of savings that MFT will deliver for Housing & Landlord Services. We expect to drive these savings through effective service design and process change. The main principles of the MFT approach that will help to deliver efficiency savings are:

- A clear focus on resident priorities
- Customer journey mapping
- Value chain analysis
- Seeking marginal gains at each stage
- Reducing failure demand
- Digitally enabled streamlined service access

This section describes the work involved to deliver the changes needed. The costs to deliver this are shown in the Finance Summary table under Finance Advice though is referenced throughout this section to provide a clear view on how we are intending to spend the £1.4m.

### ***Early delivery***

The programme is already delivering value; this provides confidence in our approach.

An example is our early work on empty properties. It is important to our residents that the time taken to move into a property is as short as possible. By targeting the time it takes to re-let our properties we have reduced the amount of rental income lost to voids. The cost of this part of the programme to date is £0.04m and the total benefit realised is £0.3m. We have also reduced the time taken to re-let our properties from 60 days to 30 days in the last 6 months.

The improvements have been achieved by focussing on what is important to our residents. By only delivering what's needed and removing waste, we are able to realise efficiencies at the same time as delivering a better service.

The cost of this work is represented by line 1 in the financial summary table on page 9.

### ***Mobilisation***

To deliver a programme of this size requires the right conditions; we need to ensure we have the right resources and skills, and we need to ensure we have a shared vision for the future of the service. In this phase of work we aim to:

- Mobilise a programme team of resources from across H&LS, corporate support teams (such as Change Services)
- Commission a Delivery Partner to ensure the delivery of the outcome of the programme and to build capability within BCC
- Design a Strategic Operating Model that will set out the future vision for service provision
- Scoping up to 4 projects to deliver the strategic operating model

The work to mobilise the programme will cost £0.2m and is represented by lines 2, 3 and 4 in the financial summary table on page 9.

### ***Delivery***

The approach to the programme will be to co-design all aspects of service collaboratively with customers, communities, employees, partners, councillors and other Council services. The method of engagement will be tailored to the different audiences and the driving principle is that those either receiving services or delivering services will be at the heart of their future.

These service design projects will be supported by our Learning and Organisational Development team our colleagues in HR and effective communications throughout. IT will also play a key role.

- Service design projects. The projects we will be scoping during the mobilisation phase will deliver:
  - Changes in the way services are delivered operationally, placing more emphasis on local delivery
  - Addressing the equalities and diversity challenges identified
  - Updating how employees need to deliver services to customers, through updating skills, roles and responsibilities or organisational structures
  - Reviewing and updating policy, procedure and operational standards

- Improving communication and engagement models with customers to rebuild trust between with customers and the Council
- Improving the way in which H&LS interacts with other BCC teams and partners to provide services for customers

We will be running 4 projects for 10 months, each needs a Project Manager, Business Analysts and Change Management. The average cost per project is £0.2m.

- Learning & Organisational Development

We have commissioned our Learning & Organisational development team to lead and implement a talent development strategy ensuring our workforce is diverse, opportunities are equal and the service is inclusive in the way it operates and delivers services. We will also be commissioning specialist external support where required.

Cost estimated at £0.1m, line 11 in the financial summary.

- HR and Workforce

To support the changes we have established a HR workstream helping the service to deliver changes to the structure and roles needed for the future delivery of the service. This will be done in a way to ensure Housing and Landlord services are representative of the city, its residents and our tenants.

To do this effectively we have budgeted for 3 Human Resource roles at a cost of £0.1m. This is represented by line 9 in the financial summary.

- Effective Communication

Throughout the programme it is important that we deliver timely and engaging communications that:

- Promote Moving Forward Together to generate interest, motivate and spark energy for involvement
- Empower stakeholders to give their views and get involved by providing information, activities and tools in a variety of ways to engage
- Tailor and adapt communication to meet the needs of specific stakeholder groups
- Ensure key Information and CTA is communicated in a clear and timely way
- Use impactful activities to help influence change of behaviours

Cost estimated at £0.04m, line 10 in the financial summary

- The importance of IT

The aims of the programme and new ways of working as part of the organisational design will be supported by the delivery of ICT. This will deliver mobile working solutions reducing time spent in the office and allowing more time with our residents delivering local and visible services.

This is budgeted separately within both the corporate Information Technology Transformation Programme and Housing IT Phase 2 (UI) Programme.

### ***Benefits realisation***

The main driver for delivering this work is to improve the way we deliver services to our residents and to deliver a more equal, inclusive and representative service. A Benefits Realisation Strategy will be developed as part of the Full Business Case (FBC), which will set out the process that will be followed to quantify and measure improvements resulting from the MFT Programme. There are a number of benefit streams envisaged.

- Delivering service improvements. The value delivered is represented by lines 14, and 16 and deliver a total value of £2m. These are indicative there are other areas where we will deliver value. This is represented by line 15. This indicates that we expect to deliver a 1% reduction in management cost every year from 22/23.
- Having residents housed in quality, affordable housing has a measurable social value. The HACT Social Value model provides a financial value for services that: support residents to become or remain debt free, tackling ASB and providing good neighbourhoods. Therefore focussing on resident priorities relating to safety and security will have measurable impacts. One example is that each case of ASB costs approximately £100 and some significantly more than this. The value associated with reducing ASB is represented by line 17 in the financial summary
- Improving productivity and addressing employee satisfaction also has range of benefits; we would expect a correlation between an increase in employee satisfaction and a reduction in costs attributable to: sickness absence; tackling poor performance and attendance; and dealing with disciplinary cases and grievances. Improving our employee morale and mental health is also responsibility we need to prioritise particularly following the impact of Covid-19.

The savings associated with this is estimated to be £0.1m and is represented by line 18. This is a simple calculation based on reducing the number of days taken as sick leave. We also expect other savings to be realised.

- Digitalisation and process efficiency. Effective mobile working using improved technological solutions will improve services and reduce costs. Working as “virtual teams” will improve productivity and reduce transport time/costs. Improved digital access to high volume services for customers will improve choice and release efficiency savings. These savings are yet to be fully costed and will appear in the full business case.

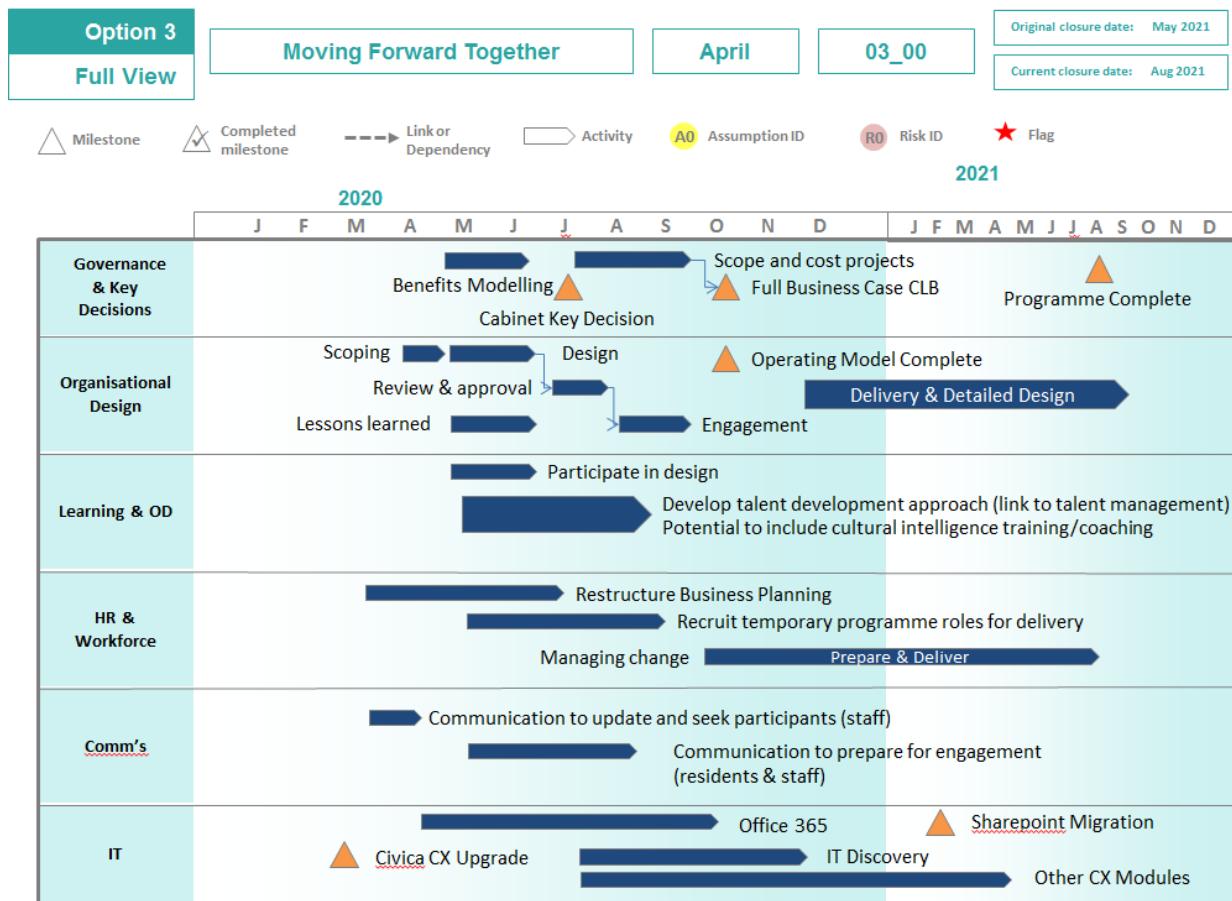
The investment required of £1.4 million to deliver MFT will release savings calculated at £3m (net) by 2024/25. Whilst the sum required for the programme is not insignificant, this is a major transformation project that will benefit the 70,000 council housing residents of Bristol and many others who receive services in private sector housing and housing options.

Across the financial years 2020/21 and 2021/22 the total cost of the programme equates to just 0.6% of Housing and Landlord Services turnover for the period.

### **The plan for delivery:**

We have planned and resourced a programme to deliver these changes. The diagram below provides a view of the high level plan. Key dates include:

- Mobilisation and organisational design complete by October 2020
- Programme complete August 2021



## Procurement of services

To support the delivery of the programme we have procured the services of a delivery partner. The initial procurement will have a value of less than £300k and will support the project up to the completion of the full business case in October.

We need to run a second piece of procurement to cover work between October 2020 until the end of the programme (August 2021). This will be for a single delivery partner to ensure the delivery of the programme outcomes and benefits.

We will also use our own in house team to support the delivery. The value of the second piece of procurement to support the programme will be dependent on the mix of internal and external resource.

All procurements will be carried out in a compliant manner in line with BCC's internal Procurement Rules and The Public Contracts Regulations 2015

## **The impact of covid-19**

Since starting the programme we have all been impacted by Covid-19 and our response to the pandemic. We have considered carefully if proceeding with the programme is the right decision.

On balance the impact of Covid-19 has strengthened the case for change. It is now more important that we offer effective services to our most vulnerable tenants. Moving Forward Together will deliver a critical part of our recovery from the pandemic in the way we support our residents.

Our ability as a service to support people is critical. We have responded well as a service in the last few weeks and many of the changes, such as greater mobile working will form part of how we operate in the future. The pandemic has shown we need efficient local decision making and leadership. We need fit for purpose technology to deliver services remotely and to communicate effectively and we need to embed a different way of working. As a result the MFT Programme Board has agreed to continue with MFT, with some re-profiling of design approaches and milestones (incorporated into the delivery plan shown in the previous section).