



Brighton & Hove City Council Project Initiation Document (PID) VFM High-Level Business Case

iMPOWER Consulting Ltd
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1. Document history

Version	Date	Author	Reviewed by	Change summary	Status
0.5	14/08/09	JS	GP	First draft	Draft
0.6	18/08/09	JS	GP	Incorporating comments from JM	Draft

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2. Purpose of this document

The main purpose of this Project Initiation Document (PID) is to define the VFM high-level business case project, to form a firm basis for managing the project, and for assessment of its overall success. The document will be used to:

- ➔ Ensure that the project has a sound basis for delivery
- ➔ Act as a base document against which progress can be assessed, change management issues can be addressed, and to address questions regarding ongoing viability

The information included in this PID will answer the following questions:

- ➔ What is the project aiming to achieve?
- ➔ How will the project be delivered?
- ➔ When will it happen?
- ➔ Who will sign off the deliverables?

This document defines all the major aspects of the project. It is not meant to be a strict PRINCE2 PID but offers a pragmatic approach to managing and delivering the project.





3. Project background

BHCC, in their 2007-08 Annual Report, identified several priority improvement areas for the Council. One of these priorities was for “better use of public money”, which had four supporting aims underneath it:

- ➔ Providing services that are good value for money;
- ➔ Protecting the council’s financial position;
- ➔ Responsible financial management; and,
- ➔ Ensuring the best use of our property and land assets.

To support this priority, several objectives were agreed upon, one of which was to “deliver a council-wide programme of Value for Money (VFM) reviews of all services”. The Council has subsequently embarked upon a transformation programme that underpins the drive for VFM. This Council-wide transformation programme has the following aims:

- ➔ To improve the customer experience from access to service outcomes.
- ➔ To reduce costs and/or increase income on a sustainable basis.
- ➔ To reduce the use of office accommodation.
- ➔ To maximise the impact of ICT changes and/or investments.
- ➔ To reduce failure demand and improve productivity.

This importance of this programme has been brought into sharp focus recently with key budgetary pressures emerging from:

- ➔ Reduced income and potential capital receipts created by the economic downturn
- ➔ Increasing demand for services
- ➔ The inevitable harsh settlement in the next CSR

Last year, the Council embarked on Phase 1 of its VFM Programme which focused on identifying and achieving efficiency savings and/or performance improvements in several VFM “hotspots” (areas of high cost). These included work in: Children’s Services, Waste Management and Development Control.

One of the key aims of these VFM Hotspot reviews was to ‘kick start’ the VFM programme with a view to then transferring value for money skills and expertise to council officers, thus building capacity in-house to continue to take the work forward.

The Council is now embarking upon the second phase of its VFM programme, which has three components:

1. Implementing the recommendations of the Phase 1 “hotspots” reviews
2. Longer term work around high costs interventions. This we understand to be aimed at reducing the significant spend associated with highly





dependent: individuals, families, and communities. This work is outside the scope of this assignment.

3. A more cross-cutting corporate transformation programme. The high level business case, needed from this work, will relate to this third element.

The focus of the second phase of the programme is a more cross-service approach to transformational change, customer access and efficiency. This second phase of the VFM programme seeks to ensure that BHCC move beyond service specific “salami slicing” efficiencies which are of limited value to look at more transformational change that could occur by taking a transformational, corporate approach to service improvement and efficiency. In this regard, BHCC have identified the need to develop a high-level business case that will support this phase of the programme which is the main focus of this PID.

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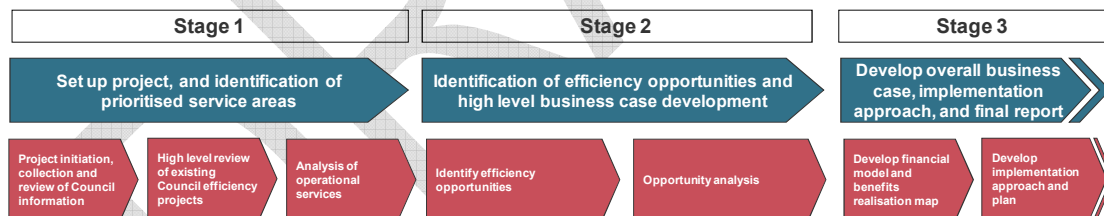
4. Project approach

The Council recognises that in order to meet the financial and service delivery challenges ahead it needs to define a holistic improvement and efficiency driven transformation programme that will result in a new service delivery model. The transformation needs to be an integrated set of activities that is deliberately managed as one coherent programme, not as single initiatives, in order to deliver maximum benefits.

In response to this, iMPOWER will assess and challenge existing service delivery models and adopt a whole systems approach to service review. We will undertake a corporate transformation approach to identify the most effective initiatives to achieve efficiency savings.

This VFM high-level business case project shall complement and build on the Phase 1 activities. The VFM Phase 1 review has undertaken a review of service performance and identified VFM opportunities at a high-level. In this VFM high-level business case project, we will be focusing on identifying a corporate-wide transformation programme that will project, for each individual opportunity and overall, the efficiency savings profile in actual GBP value terms.

iMPOWER's approach to delivering the VFM high-level business case separates out into the following three stages described in the diagram below:



These stages are discussed in detail below.

4.1 Stage 1 – Set up project, and identification of prioritised service areas

4.1.1 Project set up

1. Arrange kick off meeting with Richard Szadziewski, Nigel Manvell and Janice Millman to:
 - ➔ Understand Council staff resource availability and their skill level
 - ➔ Identify how data will be gathered (and ease of availability)
 - ➔ Provide initial list of data to be gathered
 - ➔ Agree logistics
2. Develop Project Initiation Document (PID)





3. Develop data gathering templates
4. Brief Council staff on our approach, methodology, roles, and reporting. Assign Council staff specific areas to focus on.
5. Meet with senior stakeholders, programme board and Top Management Team (TMT) to:
 - ➔ Introduce our approach
 - ➔ Gain buy in
 - ➔ Initiate the process of identifying operating principles
 - ➔ Understand BHCC's aspirations
 - ➔ Understand if there are there any "sacred cows"
6. We will meet individually with all Directors and Directorate Management Teams (DMTs) to:
 - ➔ Introduce our approach
 - ➔ Gain buy in
 - ➔ Understand the "big picture" in the department
 - ⇒ Understand the key issues, performance, aspirations, and current initiatives
7. We will meet individually with the heads of the main corporate support functions:
 - ➔ HR
 - ➔ Finance
 - ➔ ICT
 - ➔ Procurement

We will introduce the project and again understand the big picture in the service: the key issues, performance, aspirations, and current initiatives.

We will also ask for a nominated data source staff within their area.

4.1.2 Data gathering and analysis

We will need to gather data to establish the state of each of the service areas in order that we can form a view of how optimal their service delivery models currently are and their potential for generating efficiency savings.

1. Gather data on all the operational services (e.g. within Adults and Housing services, Children's services, etc) and corporate services (i.e. HR, ICT, Finance, Procurement). We will gather, among others, the following types of data:
 - ➔ Failure demand
 - ➔ Service plans
 - ➔ Finance –budget and actual spend
 - ➔ HR – organisational structure and FTEs
 - ➔ ICT – the systems utilised
 - ➔ Procurement spend
 - ➔ Performance data (KPIs)
 - ➔ Benchmark data
2. Gather data on and understand existing efficiency projects. We will interview heads of major cross cutting projects/programmes to clarify our understanding of the project and validate any assumptions that's stated within the project documentation. These shall include the Workstyle and Customer Access projects.





3. Conduct detailed data analysis.

4.1.3 Propose and agree a prioritised list of approximately ten service areas

1. Using a set of agreed criteria, we will filter down the areas of focus to approximately 10 service areas. This list of prioritised service areas will be presented to, and agreed with, the project sponsors.

Deliverables

- ➔ PID
- ➔ Data gathered to support analysis
- ➔ List of approximately 10 priority service areas and cross-cutting initiatives where efficiencies and improvements could be made

BHCC resources required

- ➔ The PID shall require input and agreement from the project sponsor
- ➔ BHCC staff working on this project shall provide support gathering data from each service area and populate the iMPOWER data gathering templates
- ➔ BHCC senior stakeholders to attend meetings and interviews and agree the list of 10 priority service areas

4.2 Stage 2 – Opportunity identification and high level business case development

This stage is broken down into four steps as described below.

4.2.1 Service specific opportunities

1. We will hold individual meetings with the heads of the approximately 10 services that will be identified in the preceding stage. We will:
 - ➔ Clarify our understanding of the service area and gain a more detailed understanding of the service
 - ➔ Validate any findings/conclusions from the data gathering
 - ➔ Ask them to assign an efficiency champion within the service that will act as our main contact for additional information required from within the service
 - ➔ Discuss specific efficiency initiatives related to that service
 - ➔ Gather inputs on the major efficiency opportunities that they see within their service
2. We will conduct service observations within each of the services to understand the main issues better, and identify efficiency opportunities using whole systems thinking. We will also assess if more radical approaches to redefine the service delivery model should be considered.
3. We will conduct a workshop(s) with front line staff and managers within each service to:
 - ➔ Introduce our approach





- ➔ Clarify our understanding of the service area and further understand the detail of the service delivery model
- ➔ Validate any findings/conclusions from the reports, service plans and interviews
- ➔ Challenge, if relevant, their thinking on the current delivery model
- ➔ Brainstorm the major efficiency opportunities and the potential for fundamentally different service delivery models

4.2.2 Cross-cutting opportunities

1. Using the service areas identified from the earlier stage, we will build a picture of the efficiency opportunity for the main cross-cutting opportunities and understand the following:
 - ➔ Current progress
 - ➔ Cost-benefit profile (providing a best case and worst case range of savings)
 - ➔ Timeline
 - ➔ Risks
 - ➔ Assumptions

4.2.3 Build high-level business cases for each opportunity

1. We will then build a picture of the efficiency opportunity for each of the identified services. These will focus on understanding the following:
 - ➔ Background
 - ➔ Cost-benefit profile (providing a best case and worst case range of savings) related to different options
 - ➔ High-level timeline
 - ➔ Risks
 - ➔ Assumptions

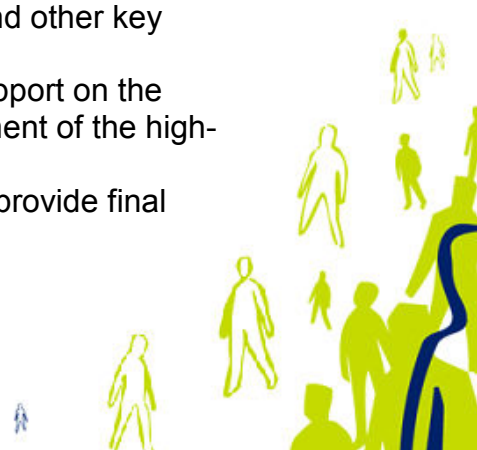
This high-level business case will set out the potential savings that could be achieved through a coordinated implementation of the service improvement initiatives.

Deliverables

- ➔ Individual opportunity high-level business cases that will outline the range (“best case” and “worst case” scenarios) of potential of efficiency savings (MS PowerPoint). As part of this, we will identify if and how the current service delivery model is negatively impacting costs and the savings opportunity will define the recommendations for improvement.

BHCC resources required

- ➔ High-level business cases shall require input from service managers to understand key assumptions, costs and other key information
- ➔ BHCC staff working on this project shall provide support on the additional data gathering and support the development of the high-level business cases
- ➔ BHCC senior stakeholders to attend meetings and provide final comments





4.3 Stage 3 – Develop overall business case, implementation approach, and final report

1. We will then develop a business case that will capture the overall cost and savings profile for the identified initiatives. For each identified initiative we would provide a range for the value of the potential savings.
2. We will then develop a high-level implementation approach and plan to deliver the savings opportunities identified.
3. The overall business case and implementation plans will then be presented to the project sponsors for comments and final sign off.

Deliverables

- ➔ Overall VFM high-level business case (MS PowerPoint).
The overall high-level business case shall provide an outline for each identified savings opportunity that will include the following:
 - ⇒ Description of savings opportunity
 - ⇒ Efficiency savings profile (providing a “best case” and “worst case” range of savings) related to different options
 - ⇒ High-level timeline
 - ⇒ Risks
 - ⇒ AssumptionsThe overall high-level business case shall also present a consolidated view of the value of potential efficiency savings to be made, again presenting an overall “best case” and “worst case” scenario.
- ➔ Implementation approach and plan (MS PowerPoint).
This deliverable would set out recommendations for how the transformation programme would be implemented. This would include a high-level implementation plan, as well as set out an approach for delivering the transformation.

BHCC resources required

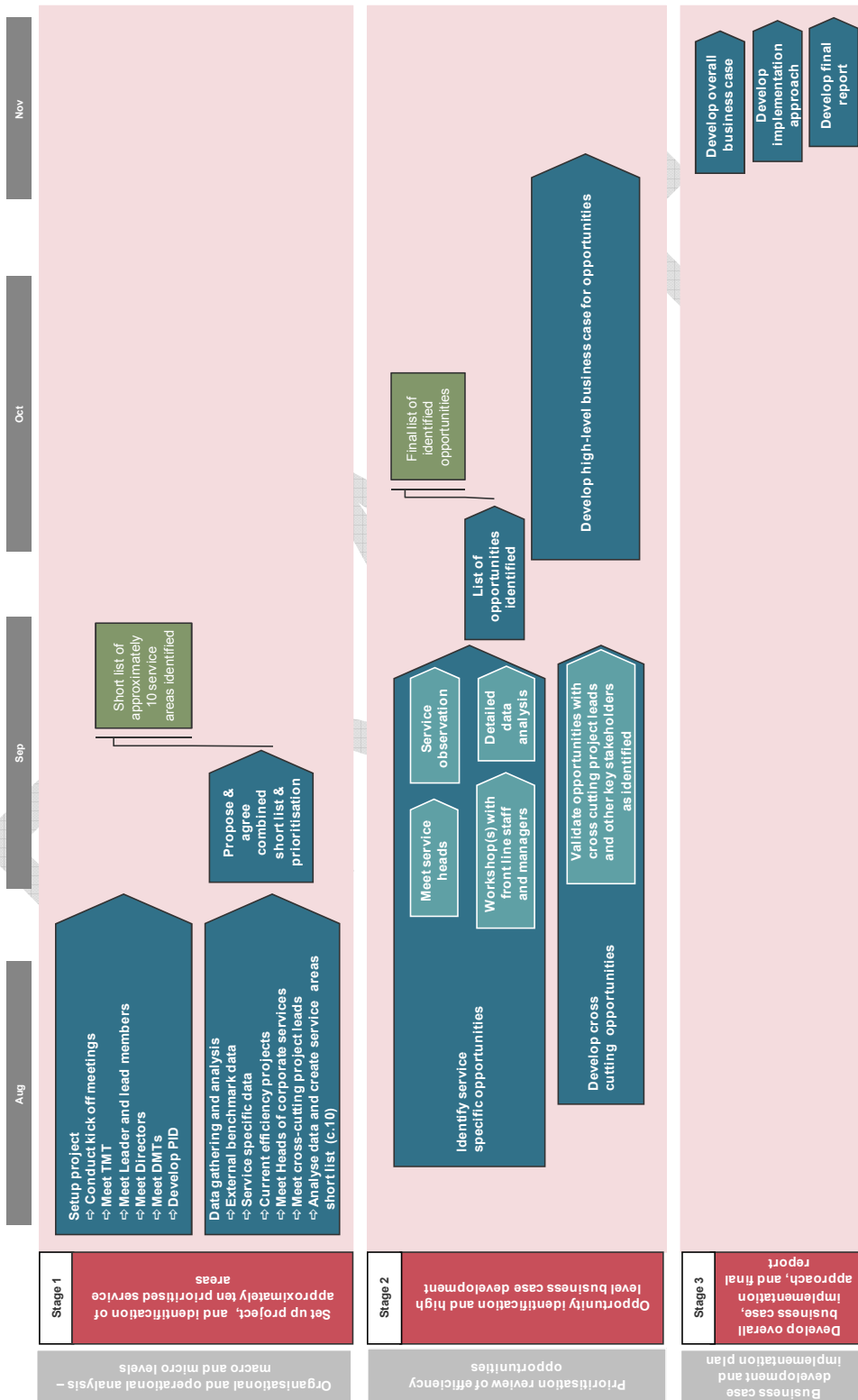
- ➔ Implementation planning shall require input from service managers to understand logistical and business cycle constraints on the timelines
- ➔ BHCC senior stakeholders to attend meetings and provide comments





5. Project overview plan

The diagram below provides an overview of the project plan. The project is divided into three stages and will run from August to November 2009.





The key project milestone dates are identified in the table below.

ID	Milestone	Target date
1	PID agreed	19/08/09
2	List of prioritised service areas (approximately 10) agreed	07/09/09
3	List of savings opportunities	14/10/09
4	Presentation of final report	17/11/09
5	Delivery of final VFM high-level business case report (incorporating final project sponsor comments)	20/11/09

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6. Decision making framework

Project sponsors will provide feedback on and sign off the deliverables at key project milestones.

The project sponsors who will sign off the deliverables shall be the following:

- ➔ Catherine Vaughan
- ➔ Joy Hollister
- ➔ Janice Millman

The iMPOWER team shall coordinate with Janice Millman on a weekly basis where feedback shall be provided on the project.

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7. Communications

There are two main means by which progress of the project will be communicated. These are as follows:

1. Weekly highlight reports provided to Janice Millman at the weekly update meetings (Wednesdays at 9am). The weekly highlight reports will indicate the following:
 - ➔ Activities carried out in the last week
 - ➔ Activities to be carried out in the following week
 - ➔ Key project risks and issues
2. Monthly updates to the VFM programme board. These shall be on the following dates:
 - ➔ 25 August (10am-12pm, Room 431)
 - ➔ 29 September (1-3pm, Room 431)
 - ➔ 28 October (3-5pm, Room 126)
 - ➔ 24 November (3-5pm Room 431)

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8. Project controls

8.1 Tolerances and exception procedure

Tolerances are the allowable deviation beyond the project plan's estimate of time and cost without escalating to the next level of management. Time & cost tolerances are set at 5%.

If there are indications at any point that the project is going to deviate outside of the tolerance, this will be raised at the weekly update meeting. Project risks and issues will be closely monitored to ensure potential deviation is reported as early as possible.

8.2 Change management

It must be borne in mind that the schedule for delivery is quite tight. Change requests may impact upon both the delivery date and the budget.

8.3 Risk management

Risks identified will be captured in a centralised risk log. Risks will be analysed in terms of impact and likelihood during weekly update meetings.

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9. Project risks

The initial risks, together with recommended mitigating actions, identified for this project are the following:

Risk	Mitigating action
1. Delayed submission of data by BHCC staff	BHCC staff to be informed of the importance of this project, and to prioritise delivery of data.
2. Poor quality data	iMPOWER shall explain the data requirements clearly. BHCC staff to provide the latest and most accurate data.
3. Lack of engagement from BHCC service staff	BHCC staff to be informed of the importance of this project, and to prioritise engagement with the project.
4. Lack of BHCC staff to co-deliver this project	BHCC to identify key Council staff that will support the delivery of this project and request them to prioritise the activities required to deliver this project.
5. Delay in interviewing key BHCC staff	BHCC staff to be informed of the importance of this project, and to prioritise engagement with the project.

Overall risks will be monitored in the risk log and raised at the weekly update meetings. Where a risk cannot wait to be resolved until the next weekly update meeting, this shall be raised immediately with Janice Millman.





10. Billing

iMPOWER shall provide monthly invoices to BHCC based on consulting days utilised and expenses incurred within that month.

BHCC shall endeavour to settle the invoice within ten working days, but no later than 28 days, upon receipt of the invoice.

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