



Methodology: Phases 1 – 7
Template: Product 28 Benefits
Management Strategy

Adults and Communities Business Transformation *Benefits / Costs Workstream*

SB AC FBC 28 *Benefits Management Strategy*

Purpose

The purpose of this document is to describe the key areas of benefit identified during this second phase of the Adults Transformation Programme. In addition the management of those benefits in subsequent phases of the project is detailed.

By signing this document, the signatories below are confirming that
That they accept the detail contained within this document.

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DOCUMENT INFORMATION

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Version:	1.0
Date:	3rd April 2008

CHANGE HISTORY

Version No.	Date	Details of Changes included in Update	Author(s)
0.1	25.02.2008	First draft	Alex Burton
0.2	20.03.2008	With inputs from Nick Pegg	Alex Burton
0.3	27.03.2008	With cost inputs from Ian Thomson	Alex Burton
0.4	27.03.2008	Updated cost inputs	Alex Burton
0.5	01.04.2008	Updates following comments from Black Hat	Alex Burton
0.6	03.04.2008	Rate card change and addition of OBC and FBC costs	Alex Burton

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1. Management Summary

The overall benefits projected for the Adults Transformation Programme can be summarised as follows:

Total (£000s)

			08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	10 year total
Benefit type	Demand reduction												
Non cashable	Enablement, rehabilitation and assistive technology	Avoiding care demand through enablement and assistive technology	£145	£298	£709	£1,255	£2,046	£2,509	£4,165	£4,863	£6,456	£8,132	£30,580
Non cashable	Predictive	Avoiding care demand through predictive activities	£0	£0	£0	£697	£891	£1,092	£2,065	£2,411	£2,772	£3,147	£13,076
Non cashable	Preventative	Avoiding care demand through preventative activities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Non cashable	Informed citizen decision making and management of own care	Avoiding care demand through informed citizen decision making and management of own care	£0	£0	£0	£116	£672	£1,466	£2,514	£3,832	£4,410	£5,014	£18,023
Subtotal			£145	£298	£709	£2,068	£3,609	£5,067	£8,744	£11,106	£13,639	£16,293	£61,679
Cashable	Income maximisation	Maximising income from self funders	£496	£502	£1,015	£1,021	£1,534	£1,534	£2,023	£2,015	£2,504	£2,499	£15,143
Cashable	Policy decisions relating to individual budgets	Shaping the place and the market	£44	£135	£687	£4,311	£6,738	£14,018	£15,840	£22,904	£23,834	£24,807	£113,317
Cashable	Supplier	Shaping the place and the market	£0	£0	£185	£629	£1,970	£2,804	£4,752	£5,214	£7,230	£7,522	£30,305
Cashable	Continuous improvement	Admin and IT support	£0	£139	£418	£696	£1,114	£1,392	£1,392	£1,392	£1,392	£1,392	£9,330
Subtotal			£540	£776	£2,305	£6,657	£11,356	£19,748	£24,008	£31,526	£34,960	£36,221	£168,096
TOTAL			£686	£1,074	£3,014	£8,725	£14,965	£24,815	£32,752	£42,631	£48,599	£52,514	£229,775
					£4,774		£28,464						
After consideration of data quality +10%			£754	£1,182	£3,315	£9,598	£16,461	£27,296	£36,027	£46,895	£53,459	£57,765	£252,752
After consideration of data quality +5%			£720	£1,128	£3,164	£9,162	£15,713	£26,056	£34,389	£44,763	£51,029	£55,140	£241,264
After consideration of data quality -5%			£651	£1,021	£2,863	£8,289	£14,217	£23,574	£31,114	£40,500	£46,169	£49,888	£218,286
After consideration of data quality -10%			£617	£967	£2,712	£7,853	£13,468	£22,333	£29,476	£38,368	£43,739	£47,263	£206,797

OA (£000s)

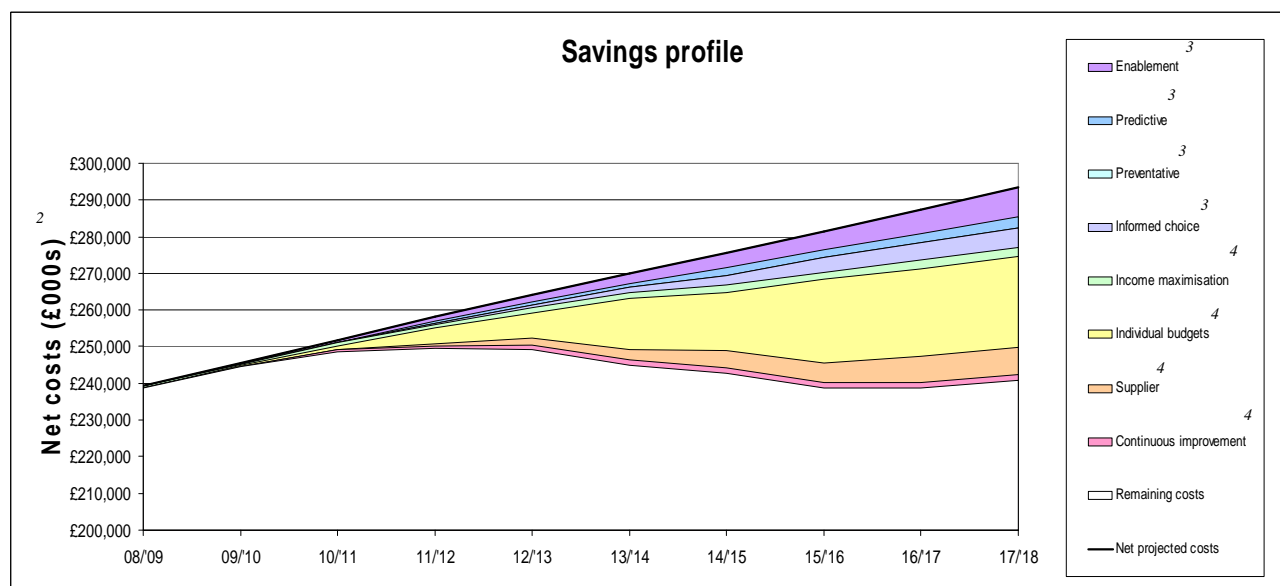
			10 year total
Non cashable	Enablement, rehabilitation and assistive technology	Avoiding care demand through enablement and assistive technology	£19,834
Non cashable	Predictive	Avoiding care demand through predictive activities	£7,654
Non cashable	Preventative	Avoiding care demand through preventative activities	£0
Non cashable	Informed citizen decision making and management of own care	Avoiding care demand through informed citizen decision making and management of own care	£10,332
Subtotal			£37,821
Cashable	Income maximisation	Maximising income from self funders	£10,606
Cashable	Policy decisions relating to individual budgets	Shaping the place and the market	£75,875
Cashable	Supplier	Shaping the place and the market	£19,271
Cashable	Continuous improvement	Admin and IT support	£0
Subtotal			£105,753
TOTAL			£143,574

After consideration of data quality +10% £157,931
 After consideration of data quality +5% £150,752
 After consideration of data quality -5% £136,395
 After consideration of data quality -10% £129,216

YA (£000s)

			10 year total
Non cashable	Enablement, rehabilitation and assistive technology	Avoiding care demand through enablement and assistive technology	£10,746
Non cashable	Predictive	Avoiding care demand through predictive activities	£5,422
Non cashable	Preventative	Avoiding care demand through preventative activities	£0
Non cashable	Informed citizen decision making and management of own care	Avoiding care demand through informed citizen decision making and management of own care	£7,690
Subtotal			£23,858
Cashable	Income maximisation	Maximising income from self funders	£4,537
Cashable	Policy decisions relating to individual budgets	Shaping the place and the market	£37,442
Cashable	Supplier	Shaping the place and the market	£11,034
Cashable	Continuous improvement	Admin and IT support	£0
Subtotal			£53,014
TOTAL			£76,872

After consideration of data quality +10% £84,559
 After consideration of data quality +5% £80,715
 After consideration of data quality -5% £73,028
 After consideration of data quality -10% £69,185



Note 1: Projections do not including asylum seekers, other adult services or service strategy

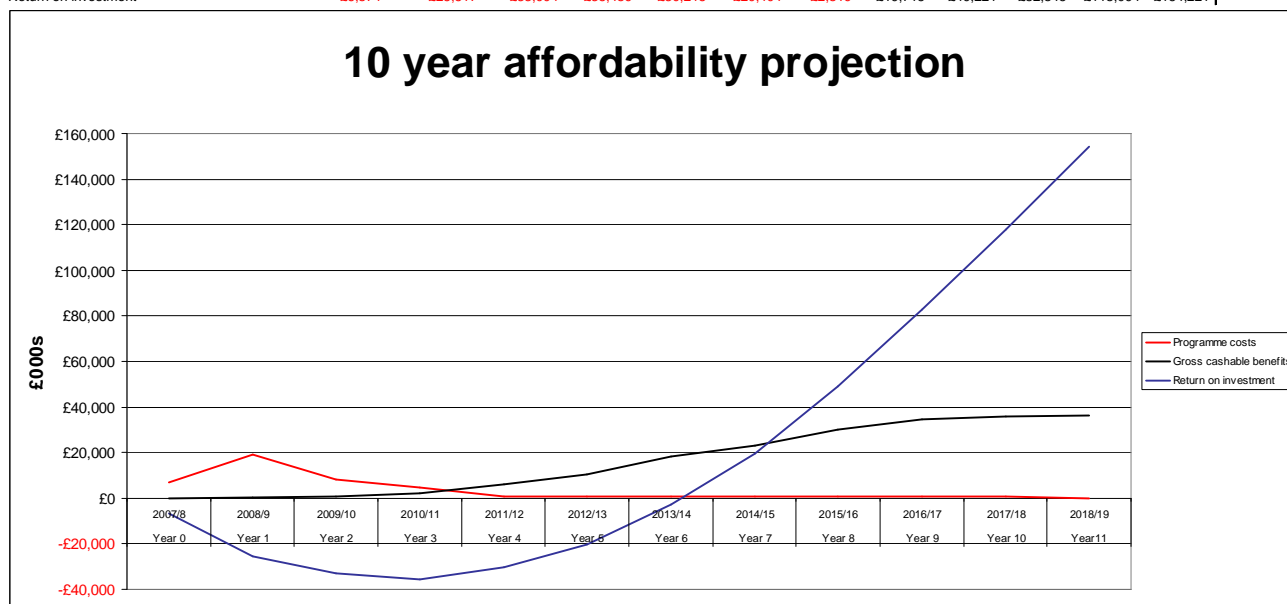
Note 2: All costs are net after consideration of income

Note 3: Non-cashable benefit

Note 4: Cashable benefit

Combined with the programme costs the following affordability analysis has been constructed:

	Year 0 2007/8	Year 1 2008/9	Year 2 2009/10	Year 3 2010/11	Year 4 2011/12	Year 5 2012/13	Year 6 2013/14	Year 7 2014/15	Year 8 2015/16	Year 9 2016/17	Year 10 2017/18	Year 11 2018/19	TOTAL
3 year programme plan	£6,874	£19,093	£8,224	£4,535	£658	£762	£764	£764	£766	£764	£762	£93	£44,059
Gross cashable benefits	£0	£450	£737	£2,050	£5,932	£10,572	£18,349	£23,298	£30,272	£34,388	£36,011	£36,221	£198,280
Benefit ratio	0.00%	0.02%	0.09%	0.45%	9.02%	13.88%	24.02%	30.50%	39.52%	45.02%	47.27%	387.55%	
Return on investment	-£6,874	-£25,517	-£33,004	-£35,489	-£30,215	-£20,404	-£2,819	£19,715	£49,221	£82,845	£118,094	£154,221	



Note 1: The programme costs are supported by a MSP plan and Excel cost model

Note 2: The programme costs include no contingency as a time and materials charging mechanism has been assumed, and are based on Schedule 7 rates, with no further indexation

Note 3: The programme costs include £4m for IT integration and £3.3m for accommodation, based on half the CST estimates, as suggested by the TDU, and expenses of £2.3m

Note 4: The benefits are supported by an Excel model, the outputs of which are the benefit cards

Note 5: Beyond the costs and benefits presented here it may be necessary to invest in a new core IT system at the point where the existing technology no longer adequately supports the solution. Additional transformational costs may also be required to extend the benefits to fully close the demand gap created by the demographic pressures Birmingham Adults are facing over the next 10 years

2. Overview

The key objective of the second phase of the Adults and Communities (A&C) transformation programme is to define the BCC A&C Future Operating Model as it evolves over a 3, 5 & 10-year roadmap.

The solution has been designed in response to the key issue facing Adults as a Directorate:

- An increase in Demographic, particularly for Older Adults – in line with trends across the country but exacerbated by the deprivation effects of large cities
- A reduction of Central Government funding
- A number of supporting Central Government directives, most notably:
 - Introduction of Individualised Budgets
 - A focus on Outcomes for the citizen, as opposed to standard care packages
 - An increase in the level of citizen choice over the care services that they receive
- BCC A&C's own strategies:
 - Move away from being a care provider
 - Improve the Quality of Life Expectancy of its citizens by enabling the citizen to:
 - Stay Safe
 - Be Healthy
 - Enjoy Quality of Life
 - Make a Contribution
 - Succeed Economically

To manage the benefits that will enable these objectives requires the following:

- 1) The benefits need to be clearly articulated in the form of benefit cards.
- 2) Each benefit needs to have assigned an owner within the business who is responsible for the improvements in delivery at the heart of the benefit.
- 3) The benefits will be delivered by a portfolio of transformation projects. These projects will be delivered according to a portfolio plan. As such the benefits will be initiated and realised at specific times during the next ten years. This forms the basis of the benefit realisation plan.
 - a. The benefit realisation plan will also need to integrate the in flight transformational projects.
- 4) Some benefits will have strong interdependencies with other programmes, which need to be detailed. In some cases other programmes will be relied upon to enable benefits within Adults. In other cases transformation projects within Adults will not be fully realised unless other programmes understand the additional changes that these projects will make to their own solutions.
- 5) As transformational projects deliver there needs to be a strategy for migrating their proposed benefits to the benefit owner within the business and reviewing the success with which the benefits are realised.

3. Benefit cards and the benefit owners

3.1 Elements of the benefit cards

Every benefit will be described in detail within a benefit card. Behind each benefit card will be detailed calculations that describe the As Is service, costs and volumes, the To Be service, costs and volumes, and the implied delta.

Each benefit card will detail the following:

- 1) Project – The project, with associated cost, which will be responsible for implementing the transformation change that will make the benefit possible.
- 2) Business/service area and benefit owner – The individual within the business who will own the benefit. This person will be responsible for ensuring the benefit is realised.
- 3) Benefit type – The benefit may be financial and cashable (a straight forward cost saving), or financial and non-cashable (an increase in volumes receiving a service without any realisable cost saving), or operational, either quantitative or qualitative.

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- 4) Enablement and realisation date – The former is the date when the benefit could first begin to be realised, perhaps with the completion of the transformational project with which it is associated. The latter date being when the benefit is fully realised. These dates will feed through to the benefit realisation plan.
 - 5) Benefit value – High and low values will be presented to reflect the range that is possible, taking into account the degree to which the benefit drivers are put in place and assumptions are met.
 - 6) Benefit drivers – Essential delivery building blocks required to ensure that the benefit can be enabled and then realised.
 - 7) Benefit assumptions – Any assumptions made in estimating the potential benefit.
 - 8) Barriers – Where there is a risk that the benefit will not be realised the barriers need to be detailed. Actions to remove the barriers will be outlined and owners allocated.
 - 9) Baseline details – The source of baseline data and any assumptions will be documented.
 - 10) Dependencies – Dependencies on other transformation projects and programmes will be documented.
 - 11) Sign off – This is required at four key stages:
 - a. When the benefit is identified, i.e. as the benefit cards are first drawn up during this phase of the programme.
 - b. When the benefit is validated in subsequent phases of the programme.
 - c. When the benefit is enabled with the completion of the delivery transformation project.
 - d. When the benefit is incorporated into the Directorate budget.

3.2 Adults Transformation Programme benefit cards

The Adults Transformation Programme benefit cards can be summarised as:

Benefit area	Programme theme	Enabling projects and dependencies	Hypothesis	Assumptions	Benefit type	10 year gross benefit £000s
Enablement, rehabilitation and assistive technology demand reduction	Enabling Support	Assistive technology project Intermediate care and the PCTs	Demand will be reduced, particularly among those requiring high end care, by a small percentage as a result of the new enablement process, supported by assistive technology	Straight line projection of demand reduction to 5% (residential care) and 4% (community care) by year 10	Financial non-cashable	£30,580
Predictive demand reduction	Prediction	ESCR single assessment project Customer insight project	Demand will be reduced by a small percentage as a result of predictive data analysis and identification of high risk groups	Straight line projection of demand reduction from year 4 to 2% (residential care) and 1% (community care) by year 10	Financial non-cashable	£13,076
Preventative demand reduction	Prevention	Proactive intervention team Interim preventative care project	Any reduction in demand would be enabled by the proactive intervention team and the interim preventative care project	No evidence of any demand reduction	Financial non-cashable	£0
Informed citizen decision making and management of own care demand reduction	Self Directed Care	Self planning project Customer First	Demand for residential and community based care will be reduced as a result of citizens being better informed of their choices by the new social care portal. As a result they will be able to take charge of their care needs and make decisions up front that avoid them falling through to the high cost end of Council provided care	Straight line projection of demand reduction from year 4 to 5%, moderated by a shift from residential care into community based care, where demand will consequently actually increase by 1%	Financial non-cashable	£18,023
Citizen contributions income maximisation	Self Directed Care	National funding sources including the DLA, state benefits and health benefits	An effective increase in the contribution of self funders to their own care costs will be possible, either from an increase in their means tested contribution, charging for services mechanisms, or additional grant and funding sources	Straight line projection of additional contributions to 5% by year 10	Financial cashable	£15,143
Policy decision related to individual budgets	Self Directed Care	Older Adults pilot Individual budgets policy	A proportion of citizens will take up an individual budgets, driven by related policy decisions that set the level of funding that citizens then receive. These policy decisions must be balanced with a consideration of the quality of life and safe guarding responsibilities	Up take assumed to only reach 70%, levelling out as a result of potential policy driven reductions in the funding provided to those with their own budgets. Budget set at 10% less than average package in YA and ramping to 15% by year 10 in OA	Financial cashable	£113,317
Supplier savings	Commissioning	Self service project Market shaping project	Once users have taken up individual budgets they will go to the market place for care and that savings for the same level of care will be available there because of market intelligence and	Straight line projection of supplier savings from year 3 to 4% by year 10	Financial cashable	£30,305

			market shaping initiatives			
Continuous improvement	Internal Capability	Electronic assessment project Self managed care project Customer First and EPM	A 30% saving (typical saving resulting from lean operation initiatives) is possible among admin and IT support staff as a result of the implementation of the various elements of front end of the solution	Ramp up to 30% saving between years 3 and 6	Financial cashable	£9,330

4. Interdependencies with other programmes

Many of the projects and associated benefits within the Adults Transformation Programme depend on initiatives by other transformation programmes to enable them. Benefit dependency maps will be used to manage them.

4.1 The use of Benefits Dependency Maps

The PMO will be using Benefits Dependency Maps (BDM) to ensure that all of the programme activities required to realise the programme's benefits are defined and delivered against the appropriate capability framework. The advantage of this approach is that it will clearly identify activities that are the responsibility of:

- The A&C Transformation programme
- A&C in flight projects
- Other BCC Transformation programmes, e.g. Customer First, CYP&F, CST etc

BDM are a standard project and programme management tool as prescribed by the OGC and within Prince 2, for a further explanation please see:

http://www.ogc.gov.uk/delivery_lifecycle_business_case_management.asp

5. Benefit realisation plan and the portfolio plan

The Solution implies a number of changes, with associated benefits, to the Directorate and the services it offers. To implement these changes and realise the benefits will require a portfolio of projects, with start and end dates for individual projects that reflect the interdependencies between them. Thus a portfolio plan has been drawn up which defines a benefit realisation plan. It should be noted that while the projects in the portfolio enable the benefits, realisation depends on the determination of the Directorate to achieve the benefits, supported by the Benefits Management Team.

Here is a summary of the relative timing of benefit realisation, together with the projects that will be enabling them:

Benefit area	Programme theme	Enabling projects and dependencies	Timing of benefit enablement and realisation
Enablement, rehabilitation and assistive technology demand reduction	Enabling Support	Assistive technology project Intermediate care and the PCTs	This process is already being piloted and so the impact on demand will be immediate, continued by an enablement project within the portfolio. There are dependencies on the assistive technology project, particularly in younger adults, and intermediate care and the PCTs. There is also a dependency on the other demand reducing initiatives; the predictive, preventative and SDC components.
Predictive demand reduction	Prediction	ESCR single assessment project Customer insight project	The benefit will be enabled from year 4 by the ESCR single assessment project, while the customer insight project will further impact the benefit realised later. There is also a dependency on the enablement, preventative and SDC initiatives.
Preventative demand reduction	Prevention	Proactive intervention team Interim preventative care project	Enabled by the proactive intervention team and the interim preventative care project, with a dependency on the enablement, predictive and SDC initiatives. What benefits could actually be realised are yet to be determined.
Informed citizen decision making and management of own care demand reduction	Self Directed Care	Self planning project Customer First	This benefit is enabled in year 4 by the self planning project. At the same time there is a dependency on the other initiatives of enablement, predictive and preventative.
Citizen contributions income maximisation	Self Directed Care	National funding sources including the DLA, state benefits and health benefits	This is a strategy/policy that is already being implemented and so benefits could be realised immediately.
Policy decision related to individual budgets	Self Directed Care	Older Adults pilot Individual budgets policy	This is enabled by the individual budgets policy and there is a live pilot in Older Adults.
Supplier savings	Commissioning	Self service project Market shaping project	Market shaping will not begin until year 3, when it will be enabled by the self service project.
Continuous improvement	Internal Capability	Electronic assessment project Self managed care project Customer First and EPM	Enabled by the implementation of the various elements of the self assessment component of the solution. The first of these elements will be put in place by the electronic assessment project in year 2.

6. Managing the delivery of the benefits

6.1 Transferring benefits ownership as projects complete

As a transformation project comes to an end there should be a focus on validating the benefit card in conjunction with the benefit owner within the business. Before the project is completed the validation step should be signed off. At this point the realisation of the benefit becomes the responsibility of the benefit owner. Their specific responsibilities will include:

- Taking management actions to overcome or avoid any barriers to the benefit being realised.

- Managing dependencies with other parts of the business.
- Monitoring and reporting on progress towards realisation of the benefit by the date proposed in the benefit card.
- Submitting change control documents where the benefit as outlined in the benefit card can no longer be fully realised because of business changes.
- Obtaining sign off when the benefit is enabled and then incorporated into the Adults budget.

6.2 Change control process

No changes will be made to the benefit realisation plan and costs and benefits model without change control. The change control template will be used by the benefit owner to document any changes to:

- The benefit owner.
- The benefit type.
- Date of realisation of the benefit.
- Value of the benefit, high and low.
- The dependencies.

6.3 Support of the Benefits Management Team

The Benefits Management Team will have a responsibility for monitoring the benefits globally across the entire transformation programme. As such they will be responsible for maintaining the benefit realisation plan, supported by the costs and benefits model. Both of these will exist in baseline form, reflecting the original stated intentions of the transformation programme, and updated form, reflecting all change control. The benefits management team will consist of at least 2 FTE, one to lead and the other for admin support.

Prior to completion a transformation project can expect the support the Benefits Management Team. The team will provide advice on the completion of benefit cards and any modelling that needs to occur to support the content of the benefit card. After the completion of a transformation project the support of the Benefits Management Team will transfer to the benefit owner.