Benefits Approach

Benefits realisation principles

Measurable	A benefit is a measurable improvement resulting from an outcome which is perceived as an advantage by a stakeholder.
Strategic Alignment	Benefits must be aligned to the organisation’s strategic goals.
Outcome-based	Benefits need to be first understood as outcomes. Benefits are the reason an investment is made.
Evidence-based	Benefits must be measurable and evidence-based in order to demonstrate that an investment provides value.
Change Management	Benefits can only be realised through change and change can only be sustained by realising benefits.
Business Ownership	Benefits need to be owned by appropriate sponsors and managers, not by the program/project manager

Benefits realisation

A robust benefits realisation approach will be required to ensure that benefits are clearly identified, achieved and directly attributable to an outcome. Some of the key principles of this approach include:

NB; Need to check that savings are not in the budget in the first place

Focus on benefits	Focus on benefits not solutions, **priority being cashable benefits**	The programme needs to be clear on the overall design choices and how individual components fit together.
Non-negotiable milestones	**Make benefits and outcomes non-negotiable**. Instead, the means by which they are achieved can be negotiated	The benefit ambition can become the driver for informing service redesign to operate within what is affordable.
Monitor cash-flow and timings	Ensure that **cash flow and specific timing of benefits is understood**, drives the change and is closely managed	The components and changes need to be phased and sequenced into related releases that make change safe and sustainable.
Responsibility and accountability	**Assign responsibility and accountability for benefit delivery** – The responsibility for achieving any particular outcome will remain with a named person. In return they will be offered supporting authority to achieve it	The strategic leads and relevant service area need to own and accept their benefit targets and accountabilities.
Performance management	Empower management through streamlined processes of appraisal and capability **to performance manage accountable individuals against agreed business outcomes**	Accountability can be linked into objectives and contracting for transformation
Strategic portfolio of change	**Manage overall achievement in a consistent approach** as part of a strategic portfolio of change	A single design authority needs to provide the direction and parameters within which to govern decisions and resolve tensions.

Approach

A structured approach providing robust assurance to deliver benefits

- Staged approach
- Established benefit type/category ie cashable or non-cashable
- Priority focus on cashable benefits
- Staged confidence rating - Apply year 1 - 80% confidence and future years 50% confidence
- Change management gateway to implementation e.g. outline design, detailed design, implementation, post implementation benefits tracking supported by GO NO GO stage gates
- Evidence based including any detailed/latest data sources to validate/identify any variation
- Change control
- Separate out tracking for general fund, HRA and other non-general fund benefits
- Agreed salary costs to be used if associated to reduction in FTE
- Agreed costs if associated to a channel shift e.g. face to face £15, £5 for the telephone and just £0.10 for web enquiries

Key questions to answer:

- What type of benefits will the change realise?
- Can benefits be measured? What are the measures and data source?
- Who should be responsible for realising each benefit?
- Have the baseline data and targets been agreed with benefit owners?
- Are there any risks relating to either the forecasting of benefits or delivery failures?

Evidencing a benefit

Benefits must be measurable and evidence-based in order to demonstrate that an investment provides value

- Benefits can either be cashable or non-cashable but **priority focus will be on cashable benefits.**
- **Cashable benefits are readily quantifiable**. Where non-cashable benefits may not be quantifiable, a qualitative approach may be considered.
- **Initial baseline measures must be established** so that the extent of benefits realisation can be demonstrated.
- **Benefits must be measurable** in order to justify the investment in the initiative.
- **Separate programmes or projects should not be claiming the same benefits**. Double counting of benefits impacts the ability of senior management to make informed decisions
- **Benefits Profile** completed for each benefit

Evidence base – minimising double counting of savings

- **Establish a single data set from which to inform the "evidence base**" for business case(s), investment and benefit identification and realisation
- **Establish a clean (FTE) establishment baseline** (put under change control) to use to identify and match FTE/posts
- **Separate General Funded posts, HRA posts** and other non-general funded posts ie grant funded
- **Validate what cashable savings have been delivered and or feature in MTFP** that link to proposals
- **Remove double counting from existing and planned projects with savings linked to MTFP or Fit for Future programme**, and validate any benefits that have been delivered

Benefit category

Benefit

- **Cashable**
  - **Increase in income** — Measurable – an increase in income that can be qualified, and the budgeted net cost of a service reduced accordingly
  - **Reduced cost** — Measurable – a reduction in costs that can be quantified, and the budget
- **Non-cashable**
  - **Cost avoidance** — Measurable – avoidance of future costs for example, reduction in an overspend or demand management measures to reduce growth
  - **Delivery of BCC outcomes** — Measurable – a change in output/performance that cannot be translated into a monetary amount e.g. customer satisfaction
  - **Intangible** — Not quantifiable – eg improved reporting and decision making

Ownership of a benefit

Benefits can only be realised through change and change can only be sustained by realising benefits

- Identifying who is impacted by the proposed change and collaborating with these stakeholders will support the implementation of lasting change and benefits realisation.

Benefits need to be owned by appropriate business sponsors and service managers, not by the programme / project manager, ICT, or Finance

- **Named accountability and responsibility for benefit realisation is key** for successful benefits management.
- **The 'Business Owner' is the individual accountable for the realisation of specified benefits** within a change. **The 'Benefit Owner' is where the benefit will be realised**, this could be the same as the 'business owner' or in another service area such as IT or Customer Contact etc. **It is important that responsibility for benefit realisation remains with the 'business owner',** irrespective of where the benefit will be realised. Examples being:
  - Decommissioning of a service ICT system. The accountability of delivering the benefit will be the relevant service area for example Revenues and Benefits is the 'business owner', whereas ICT would be the 'benefit owner' as they will see the actual benefit ie reduction in a system cost and maintenance of that system.
  - Redesign of customer process. The accountability of delivering the benefit will be the relevant service area. For example Licensing is the 'business owner', whereas Customer Contact is be the 'benefit owner' as they will see the actual benefit ie reduction in FTE within their contact and/or assessment team.

Example of Benefit management

Benefits are dynamic; they need to be regularly reviewed and updated.

- Benefits identified at the commencement of the programme proposal will change over the life of the investment. A benefits register should be maintained, regularly reviewed and updated and owned by the agreed change board

Priority should be given to cashable benefits

- A single cashable benefit may be made up of a series of changes eg layers and spans, establishment review, change in operating model and process redesign

Measures to be agreed and used to assess benefits realisation

- Failure to adequately identify benefits measures that provide best business value may lead to overly complicated and time-consuming reporting that is not commensurate with the value of the benefits to be realised.

Benefits management should be integrated with other organisational processes, including programme and project management.

- Without active monitoring of benefits, senior management and other stakeholders cannot assure themselves that benefits will be delivered in full, or in a timely manner.

If the Council cannot be confident that benefits are being realised, it cannot be certain that programmes and projects are delivering its corporate objectives.

BENEFIT PROFILE FOR [*Insert name of change initiative*]		
No.		Benefit Owner
Profile Agreement Date		Last Reviewed
Benefit category/type		
Benefit Description:		
Scale of Impact	*Scale of impact compared with baseline performance*	
Ramp Up	*Trajectory from implementation of the change to full realization of the benefit*	
Lifespan	*Assumed lifespan of the benefit and any tail off*	
Benefits Valuation	*Monetary value if relevant and state whether cashable or non-cashable*	
Measures	*Measures/indicators to be used to assess benefits realization*	
Measurement Frequency	*Of each measure/indicator identified above*	
Measurement Source	*Source of measurement data*	
Stakeholders	*Major individuals or groups affected*	
Enabling Changes	*One-off changes on which benefits realization is dependent*	
Business Changes	*Ongoing changes on which benefits realization is dependent*	
Behavioural Changes	*Behavioural changes on which benefits realization is dependent*	
Key Assumptions	*Assumptions affecting benefits realization scale and timing*	
Threats to Realization of the Benefit	*Identify any specific threats to benefits realization and include x-ref to relevant risk-register entry*	
Costs	*Costs associated with measurement or realization*	
Benefits History	*Record any revision to the benefit forecast with dates and body authorizing the change*	
Agreement by Benefit Owner	*Sign and date (indicates acceptance of accountability for realization of the benefit)*	

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Benefit Profile for Fostering Sufficiency (Capital) – Children and Education	Saving ID:

Profile	Details
Business Owner	Vanessa Wilson – Director of Children & Education Transformation
Benefit Owner	Gail Rogers – Head of Service Commissioning
Profile Agreement Date	02/04/2024
Benefit Category	Cashable – reduced cost
Benefit Description	Based on 11 additional foster care placements per year. X3 placement £3,271 pw (The difference between the median out of authority (OOA) placement and L3 foster carer) ad x8 £365 pw (The difference between the average IFA placement and L3 foster carer). Calc £12,733 pw saving x52 weeks = £662
Scale of Impact	Deliver 24/25 + MTFP savings associated to placement budget
Trajectory	
Lifespan	Capital lifespan 2024/25 to 2033/2034
Monetary Value	
Measurement	Net increase of foster carers from the 24/25 baseline Number of children moved from OOA or IFA placement to Foster Care placement The cost difference between median OOA or IFA placement to Foster Care placement
Measurement Frequency	Monthly
Measurement Source	
Stakeholders	Children/Young People in care; Foster Carers; Placement Team; Foster Care Team
Enabling Changes	Take up of scheme for extension and adaption to take on a child/young person into foster care
Business Changes	
Behavioural Changes	
Key Assumptions	For a cashable cost reduction that a current child in OOA or IFA is placed into foster care placement. If it is new child placed into Foster Care, then this will only be seen as non-cashable cost avoidance and therefore saving not realised. Net increase
Threats to Realisation of Benefit	Insufficient take up of scheme Loss of Foster Carers out weights net increase required
Costs	Capital £333k per year
Benefits History	Insert any changes and authorisation by Delivery Executive (or new committee group)
Agreement of Business & Benefit Owners	

Benefit stages

Phase 1: Understand

The understand phase is about understanding why the change is needed, and identifies the required outcomes to address a problem and achieve the change's purpose. This phase establishes the change strategic intent and defines the vision, objectives, and potential benefits, ensuring alignment with strategic drivers such as design principles. Key questions to be answered during this assessment phase are:

- Has the change vision, objectives and desired outcomes been articulated?
- Who will be impacted by the change?
- Have the stakeholders been identified?
- What are the benefits of the change?
- How do the identified benefits demonstrate delivery of the strategic objectives?

Phase 2: Plan

Phase 2 builds on the understand phase and defines how the impact of the change will be measured, how data will be collected, benefit targets, benefit owners, and what activities need to be planned to realise the benefits. The deliverables of the plan will inform the benefits of the change business case. Key questions to answer during this phase are:

- What type of benefits will the programme realise?
- Can benefits be measured? What are the measures and data source?
- Who should be responsible for realising each benefit?
- Have the baseline data and targets been agreed with benefit owners?
- Are there any risks relating to either the forecasting of benefits or delivery failures?

Benefit stages

Phase 3: Manage and report

Realising the benefits is then achieved by monitoring progress towards the planned outcomes. Any deviations from the plan can be assessed early with the appropriate corrective action taken. Throughout this process the change business case should be updated and maintained as there may be differences between what was initially proposed and what is attainable as the change progresses. A "manage and report" phase will measure, analyse and understand the change outcomes to proactively support delivery of benefits. Key questions to be answered during this stage are:

- Have any quick wins been realised?
- Has progress been reviewed against the business case?
- Has anything changed, such as change scope, organisational structure, external factors, that will impact the realisation of benefits?
- Has an effective and sustainable monitoring, data analysis and reporting process been established? Or has data capture and analytics on benefits been embedded into the system with the capability to access, interpret, analyse and report upon and use data?
- Do benefit reports/dashboards meet the needs of different stakeholders?
- Are the responsibilities for ongoing managing and reporting documented in the benefits plan?

Benefits should not form part of the Council's MTFP savings until this phase has commenced.

Benefit stages

Phase 4: Evaluate

The evaluation phase documents the change outcomes and identifies learnings from programme activities to inform strategic decisions and priorities. A governance body will determine the scope and focus of this evaluation phase or whether an independent Change Evaluation is required. Key questions to answer during this phase are:

- Were the intended programme outcomes realised?
- Do the benefit management deliverables provide sufficient evidence to evaluate the change?
- Has the transition to "business as usual" been managed?
- Did the stakeholders realise the benefits they expected?
- Has progress towards the vision/end state been reported against?
- Have lessons learned been captured and communicated?

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Key elements and guidance

Strategic Objective

What is the focus of the project and how does this link with the strategic objectives. Why are we doing this project?

Project Objective

What do we want to do?

What problem or opportunity do want to address?

Dis-enablers

What might be in place now that might prevent us from getting on with the change?

Constraints

Are there things that might hinder progress? E.g. resources, culture, political agenda, statutory responsibilities etc

Enablers

What needs to be put in place to make sure that the project can go ahead? E.g. technology

Change

What will the changes be that we see (staff and children/families)?

Outcome of Change

What will be done differently as a result of undertaking the project? E.g. fewer staff, better demand management, reduced cost, improved outcomes for children/families

Project Output

What do we anticipate getting out of the project?

Tangible Benefits

In alignment with our outputs, how will these look in the way of: lowering costs and or increasing income?

Intangible Benefits

What do we anticipate getting out of the project i.e. what does success look like? E.g. Improving the lives of children/young people and families and delivering better services to support them?

Dis-benefits

By doing this project, will anything negative be a consequence? E.g. reduce level of care/support and outcomes etc.

Baseline

What do we need to measure in order to establish what the change or difference has been? How will we know if the project has been successful?

Key steps for benefit realisation

1 Mapping	Describe visually the key elements that contribute to the project, illustrating the relationship between the key elements, how they may get realised within the directorate/organisation (evidence based), the actual benefit including financial figure, owner of the benefit and success measures
Timeline 2	Develop a timeline to realise benefits over the timeline of the project
3 Measures	Establish the benefit measure with both tangible and intangible benefits
Owner 4	Establish named accountability and responsibility for benefit realisation and benefit owner (not always the same person)
5 Statement & Log	Create benefit realisation statements that identify the desired outcomes
Comm's 6	Communicate successes and lessons learned from the project
7 Spread & Sustainability	Develop a strategy to ensure sustainability of the benefits after the lifetime of the project

Benefit outcomes and themes

Outcomes

- **Better management of demand**
  - Demand management
- **Improved customer experience**
  - Process redesign
  - System rationalisation
- **Improved collaboration and ways of working**
  - Layers and spans
  - New operating model
  - Alternative delivery model
- **Improved financial sustainability**
  - Asset management
  - Income maximisation