

West Dunbartonshire Council

Report by Chief Executive

Corporate & Efficient Governance Committee: 26 September 2007

Subject: Efficient Government and Continuous Improvement

1. Purpose

- 1.1. This report presents a proposal for further progressing the efficient government initiative following the SOLACE consultants study and for integrating these activities as part of the Councils approach to Continuous Improvement.
- 1.2. The Report also reviews progress of the five workstreams delivering our response to the Efficient Government initiative.

2. Background

- 2.1. An Efficient Government Strategy was agreed by Council in August 2005. This was produced in conjunction with consultants Pricewaterhousecoopers (PWC). The main feature was the setting-up of five working groups covering the five 'strands' of the initiative as set out by the Executive, namely procurement, absence, assets, streamlining bureaucracy and developing shared services.
- 2.2. Progress of the five workstreams has been previously reported to the Audit & Performance Review Committee in December 2006 and in March 2007.
- 2.3. Audit Scotland reviewed our approach to Efficient Government in the Best Value Audit carried out in April 2006 (published in February 2007). They also carried out a more detailed study of efficient government and published a separate 'Position Statement in June 2006.
- 2.4. The BV Audit Report noted that *'The council is starting to make progress on the efficient government agenda. There is scope for elected members to be more involved in the council's activities in this area and it needs to ensure it has robust project management to manage its challenging programme of projects. Limited information is available about the council's progress in delivering efficiencies to date. There is a lack of project and financial information for each of the efficiency projects currently underway. The council has not reviewed the efficient government work streams or established baseline information on its current costs, activity levels and processes. Systems to track efficiency improvements are being developed. The council still has a lot to do before it will see significant efficiencies from its investment'*

- 2.5.** The Position Statement echoed these comments – noting that we had *‘made some progress in addressing the challenge of the efficient government initiative. A considerable amount of work is required to develop effective arrangements for the delivery of efficient government to ensure successful delivery of cost and efficiency targets. There is a need to secure more elected member involvement and commitment and clearer strategic direction. The council needs to improve the project management of its efficiency schemes and introduce robust mechanisms for monitoring the progress of projects and reporting efficient government issues to elected members. It is essential that a benefits tracking system is introduced to enable the council to demonstrate that claimed efficiencies have not impacted on service provision’.*
- 2.6.** As part of the BV Improvement Plan a consultant’s brief on Efficient Government was prepared for external assistance to help devise an action plan to address these concerns. Following advice from the Improvement service SOLACE Enterprises were engaged to carry-out this work for a fixed fee of £15,000. Two consultants from SOLACE Enterprises carried out fieldwork in the council in February/March 2007 and produced a draft report in April. Following a series of meetings to consider the draft findings a final report was received in July and considered by the CMT on 17th July.

3. SOLACE Report Recommendations

- 3.1.** The SOLACE report noted that *“A new approach to change management is needed if there is to be any significant improvement in project delivery. The CMT needs to take ownership of the overall change programme and determine its strategic direction”*
- 3.2.** Their report contains 38 separate recommendations specifically relating to efficient government. Six of them relate to organisational development and governance.

1	Establish an Efficient Government Group
6	Review the leadership of various efficient government workstreams to ensure they have the necessary corporate authority, skills, drive and confidence to deliver the performance needed
7	Agree the remit and Objectives of the Efficient Government Group
36	Review capacity of senior management resources to deliver .. any agreed Efficient Government Action Plan
37	Review the range of Working Groups and the senior management time involved in servicing these Groups
38	Review the role of the Policy Unit to ensure a better ownership of council priorities and particularly any agreed efficient government policies across all council services

- 3.3.** One of the main recommendations in the SOLACE report is to set-up a senior officers group, which would consider their remaining recommendations and develop an action plan based on them. The 17 July report to CMT suggested a draft proposal for such a group - it was noted that further work was required to refine its relationship to the BV Improvement Plan Member-Officer Working Group, the Continuous Improvement Team, the 5 Efficient Government workstreams and the new monitoring group set-up to produce the Efficiency Statement.
- 3.4.** The new officer working group (the Efficient Government Monitoring Group) has already been set-up and has produced our first annual efficiency statement. A draft was submitted to Cosla on 23 July and following a review by Cosla of the first tranche of statements a finalised version was submitted on 24 August. This is separately reported to this meeting of the Corporate and Efficient Governance Committee.

4. Approaches to Continuous Improvement

- 4.1.** Continuous improvement activities are currently being carried out by four working groups who are addressing four key facets of continuous improvement (sometimes referred to as transformation of services)
- *Service Assessment* – comprising critical self-assessments of performance, consultation, bench-marking/competitiveness activities, best value service reviews and option appraisal. This is being overseen by the Continuous Improvement Team. The team are about to implement the Public Services Improvement Framework – this will contain assessments of each service and will be able to pin-point where improvement activities are required.
 - *Service Efficiency* – comprising activity-based costing, value-for-money studies and efficient government benefits realisation. This is now being overseen by the new Efficient Government Monitoring Group who have produced the annual Efficiency Statement. In the future the group will be able to provide financial-based assessments of unit costs, competitiveness and vfm of each service.
 - *Service Processes* – comprising process mapping, innovative use of technology to improve customer care and reduction of bureaucracy. This is being overseen by the Business Improvement Steering Group (previously the Streamlining Bureaucracy Project Board and before that the Customer First Steering Group) which is charged with monitoring the 46 ESD targets. The group will provide process mapping and technological support for improvement.
 - *Service Transformation* – comprising reviewing different options for sharing service provision, including joining up with other providers and reviewing options for out-sourcing. This is currently overseen by the Shared Services Working Group who provide an external perspective on what is happening nationally and locally.

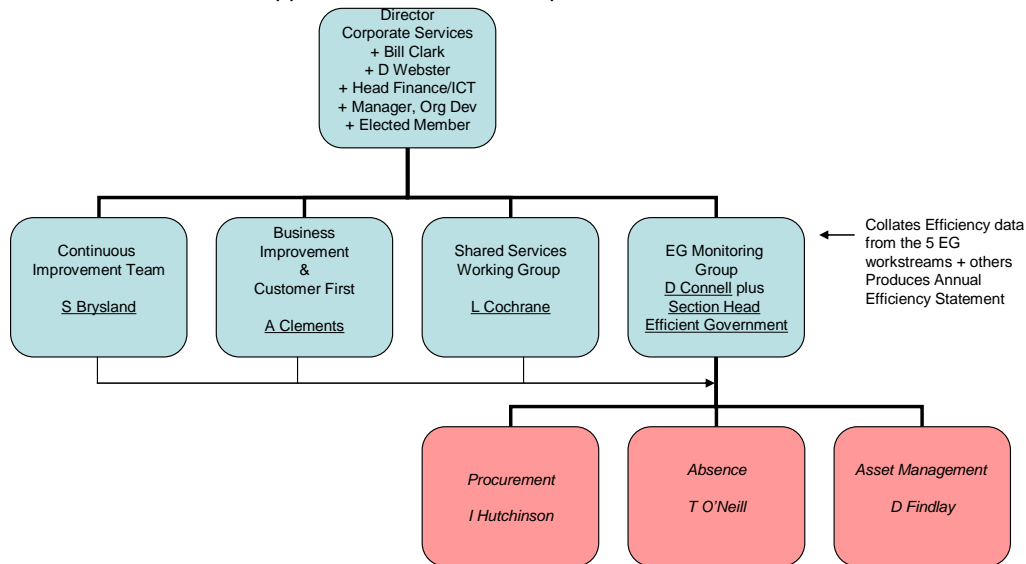
- 4.2** Our Efficient Government strategy defines 5 workstreams. Two of these (Streamlining Bureaucracy and Shared Services) are noted above and can be defined as types of approaches to continuous improvement; whereas the other three (Absence, Assets and Procurement) are discrete single-issue areas where improvements can be made and efficiency gains measured. At present the 5 workstreams produce ad-hoc reports as required which are, in the main, descriptive narratives of current activities. An up-to-date synopsis of their current progress is included in Section 7 below.
- 4.3** The various workstreams and working groups are fragmented at present and there is an urgent need for integrating their activities at a high level and instigating sound project management control with robust target setting and monitoring.
- 4.4** The recent Brodies report on management structures (presented to Council in June 2007) also contained references to organisational development and business change. They recommended the *“Establishment of a corporate business change function ... to promote and deliver business change across the council. This would include work on modernising service delivery through process improvements for example”*. The report also noted that *“There are synergies to be gained ... in the management of the efficient government agenda (including the Transforming Public Services white paper) and any potential examination of shared services”*.

5. Improvement & Efficiency Steering Group

- 5.1** A new Improvement and Efficiency Steering Group is proposed - comprising the following:
- The four Senior Officers from the Continuous Improvement, Business Improvement, Shared Services and Efficient Government Monitoring Groups. Currently these are Sandra Brysland, Angela Clements, Liz Cochrane and David Connell.
 - The new Director of Corporate Services (once appointed)
 - The Continuous Improvement CMT champion (Bill Clark)
 - Section Head –Performance Management (David Webster)
 - The new Manager of Organisational Development (once appointed)
 - Head of Finance/ICT (once appointed)
 - An Elected Member

Improvement & Efficiency Group

Reviews progress against efficiency targets set and agreed by CMT
 Meets every 2 months
 Reports every 2 months to CMT and then to each Corporate & EG Committee
 Ensures consistent approach to continuous improvement



- 5.2** This would result in a Group of 10 or so, which seems reasonable. It is envisaged that it meets every two months some three weeks before each Corporate and Efficient Governance Committee and would produce a report to the next CMT meeting and then to the Committee.
- 5.3** The main aim of the Steering Group is to oversee the integration of service improvement and the overall development of a corporate culture of best value and continuous improvement.
- 5.4** Another key aim of the Steering Group is to provide an overview of efficiency gains against the efficiency targets set by the CMT and finalise the annual Efficiency Statement presented by the Monitoring Group before submission to the Chief Executive and Members.
- 5.5** It is not thought necessary that the lead officers in the Asset, Absence and Procurement workstreams be part of the Steering Group; the officers would supply the relevant financial and other data to the Monitoring Group as required and also produce regular progress reports directly to the CMT and the C&EG Committee as required.

6. Efficient Government Monitoring Group

6.1. An Efficient Government Monitoring Group has been set-up very recently (originally as a short-life working group) to produce the efficiency statement. It currently comprises the following senior staff (in the main with an accountancy background):

- David Connell, Head of Finance
- Colin McDougall, Section Head (Internal Audit)
- David Webster, Section Head (Policy Unit)
- Jim Pow & Jeff Stobo (both HEED)
- Craig McNish (Educational Services)
- Stephen West (SW&H)

6.2. The Efficient Government Monitoring group should continue and not just be a short-life group brought together annually to produce the statement. It should regularly convene and request updates from the various workstream leaders and other senior officers in terms of benefits, efficiency gains and progress against the new national efficiency measures. The new post of Section Head (Efficient Government) will join this group. The Group should also engage in the development of the national measures (and our own measures), provide advice on our targets and provide general advice and guidance to all the other workstreams on benefits realisation and tracking.

7. Update on Progress of the Five Workstreams of Efficient Government

7.1. Absence: We are consistently at the bottom of the national absence league table in Scotland; and despite our previous best efforts, we have singularly failed to make any impact on our high absence rates. A new project team of Human Resource specialists is being set-up. The team will comprise a Project Manager (secondment), a Project Officer and a Project Assistant (secondment). The Project Team will begin its work by undertaking a comprehensive review of the Maximising Attendance Policy and implementation of a more robust framework of sickness absence management including early intervention strategies and rehabilitation management. It will also review and re-tender of the occupational health service. Other issues to be tackled are an investigation of current methods of absence statistics collection and development of more robust reporting along with management analysis, a review of our approach to managing stress in the workplace and a review of our welfare and counselling support services. In addition, a review of how our managers are trained will be undertaken and a new training and advice framework will be developed – all helping managing the culture shift towards an ‘attendance culture’.

- 7.2. Procurement:** A challenging savings target of £500k over unit operating costs has been set for 2007/08. Savings continue to be delivered through collaborative contracts with Inverclyde and East Renfrewshire Councils. The Corporate Procurement intranet site is now available and the Council website will soon include a dedicated section providing up to date information on current and forthcoming contract opportunities for the local business community. A Corporate Procurement Forum is now in operation and a formal training regime for the Chartered Institute of Purchasing and Supply qualification has commenced for members of the Corporate Procurement Unit. A Sustainable Procurement Policy has been developed. A Purchasing Cards pilot has been running for 18 months, which now includes stationery purchases. The Council has approved a capital bid of £351,000 for the adoption of the eProcurement Scotl@nd system and a Benefits Tracking tool to provide a transparent audit trail is being introduced.
- 7.3. Assets:** A new Asset Strategy Group (ASG) and Asset Implementation Group (AIG) are being set-up. Meantime the current Asset Management Group (AMG) is progressing with the collation of asset related data into the new asset management database. The collation of property-related data is on track; however, there are some issues still to be resolved to fully populate the system with estates, occupancy and finance data. Significant progress has been made on energy efficiency projects. Along with a Green Apple Award we have won a Municipal Journal 'Commended' Award for the Meadow Centre Project which has resulted in a substantial reduction in electricity costs. Progress has been made on the review of care homes for older people; condition surveys are complete, property values estimated, improvement proposals prepared for two homes and suitability surveys have been carried out.
- 7.4. Shared Services:** Shared Service Development is coordinated by cross departmental project group. The new Administration have been asked for a political 'steer' on the type of activity which should be investigated, (e.g. single partner, metro region approach, single group of smaller local authorities or other partners, multiple groups of smaller local authorities or other partners).
- A number of shared service arrangements have been developed at a local level, primarily by Social Work services. There is a need for a more strategic approach and, following one of the recommendations in the SOLACE report, the group will undertake the development of a Shared Service Strategy.
- Much of the shared service agenda is dictated by developments at a national level. The National Shared Services Board (NSSB), led by the Improvement Service, aims to co-ordinate developments at a national level. We are involved in a number of initiatives co-ordinated by the National Board. These include: Scotland eXcel – Establishment of a Centre for Procurement Excellence; an integrated e-planning solution for Scotland, and Shared Workforce Planning and Shared Recruitment and Public Notices initiatives.

We have had discussions with Glasgow regarding their Pathfinder initiative, which aims to develop a best practice and shared service approach to the business processes and systems which underpin service delivery. The main focus is on an administrative/call centre in Glasgow. At this stage we are developing an alternative model for our own call-centre.

Renfrewshire, Inverclyde and East Renfrew are working together to develop the Glasgow model in their areas. They have developed a draft Memorandum of Understanding to underpin this work and have requested funding from the NSSB. there may be scope for West Dunbartonshire to join this approach and this was considered by the CMT in early August.

- 7.5** Streamlining Bureaucracy: The Customer Relationship Management (CRM) system is now live within the new Contact Centre for Pest Control, Clothing Grants, Maintenance Allowance and Education FAQ as well as in the Housing Repairs Call Centre. It will provide a history of all transactions and enquiries and will enable the customer's information and service requests to be managed centrally. The website continues to be developed; citizens can now view their Council Tax details and transactions.

The Scottish Government have appointed a third party company to develop the National Infrastructure which will include the National Citizens Account, National Entitlement Card (NEC) and Registration and Authentication for all citizens. Work is currently ongoing to produce NEC Young Scot cards for all our secondary school pupils. The National Citizens Account will create a Unique Citizens Reference Number for each citizen. We are responsible for the development, implementation and maintenance of a local Citizens Account along with development of data adaptors to enable the sending and receiving of secure data to the National Infrastructure. This will involve considerable data synchronisation and testing. We have also developed and implemented the Council's Corporate Address Gazetteer (CAG). We are now required to link the CAG to the National Infrastructure and the National Citizens Account.

8. Conclusions

- 8.1.** The setting up of a new Improvement and Efficiency Steering Group and the continuation of the Efficient Government Monitoring Group will address the key governance issues noted in Audit Scotland's reviews of our current approach to Efficient Government and will also address some of the key recommendations noted in the SOLACE consultants study.
- 8.2.** The Improvement and Efficiency Group will also address the wider issue of improving our overall approach to the integration of continuous improvement activities and improving the culture of best value.
- 8.3.** The five workstreams of Efficient Government are all making progress but their work requires more co-ordination and integration into the overall approaches to efficient government and continuous improvement activities as well as implementing benefits tracking with target setting and monitoring

9. Personnel Issues

9.1. There are no personnel issues.

10. Financial Implications

10.1. None.

11. Risk Analysis

11.1. No Risk Analysis is required at this stage.

12. Recommendation

12.1. The Committee is invited consider the proposals for Elected Member involvement in the Improvement & Efficiency Steering Group.

12.2. The Committee is invited to comment on the approach proposed for progressing Efficient Government.

.....
David McMillan
Chief Executive
Date: 18 September 2007

Person to Contact:	David Webster, Section Head – Performance Management Tel 01389 737143 E-mail: david.webster@west-dunbarton.gov.uk
Appendix:	Appendix1: Solace Report on Efficient Government
Background Papers:	Audit Scotland – Best Value Audit Report February 2007 Audit Scotland – Efficient Government Position Statement Report June 2006 Brodies Report on Management Structures Report on Efficient Government Progress to Audit & Performance Review Committee December 2006 Report on Efficient Government Progress to Audit & Performance Review Committee March 2007.
Wards Affected:	All Wards