

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Audit & Performance Review Committee: 20 December 2006

Subject: Efficient Government Progress Report

1. Purpose of Report

- 1.1** The report reviews progress on implementing our Efficient Government Strategy.

2. Background

- 2.1** The Efficient Government initiative was launched by the Minister for Finance and Public Services in June 2004 and is a central part of the continuous improvement agenda under the 'Best Value' regime established by the Local Government in Scotland Act 2003.
- 2.2** The efficiency savings projected have already been taken into account in the Executives grant settlement for West Dunbartonshire. This amounts to a £3.323 million saving required over three years (£1.085 million for 05/06).
- 2.3** 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 project boards covering the five 'strands' of the initiative as set out by the Executive, namely procurement, absence, assets, streamlining bureaucracy and developing shared services. These teams have been meeting regularly and reporting progress to the Best Value Strategy Group.
- 2.4** Audit Scotland reviewed arrangements for Efficient Government as part of the Audit of Best Value in early 2006 and produced a separate position statement report in June 2006 (Appendix 1).
- 2.5** The Improvement Service (IS) recently held a three-day facilitated workshop with representatives from all local authorities to develop a national set of 'efficiency measures'. These are summarised in Appendix 2. A period of consultation has just concluded and a final set of measures is to be published soon.

3. Main Issues

3.1 Audit Scotland Review

The auditors concluded that the council has made some progress in addressing the challenge of efficient government but that a considerable amount of work is still required to develop effective arrangements for delivery and monitoring. In addition they commented on the lack of strategic direction and elected member involvement as

well as identifying a need to improve project management, benefits tracking and reporting.

The council has agreed management actions to take these items forward and these are detailed with the action plan on pages 8 - 10 of the report. All actions identified are currently on track to achieve their individual target dates.

3.2 Response to the Audit Scotland Review

The 5 project teams have been producing operational progress reports to the BVSG since January 2006. There is scope to improve the project management aspects of these reports and for more effective scrutiny by the BVSG. The ex-Strathclyde authorities are in the process of implementing a benefits tracking package for procurement. These benefits and others will form part of new quarterly reports on Efficient Government which will be presented to future meetings of the Strategy Group and also the A&PR Committee. In addition progress of the new efficiency measures plus other efficiency related indicators will be built into these reports. A further feature of the quarterly reports will be monitoring of progress against the Action Plan contained in the review report. In all this will allow more effective elected member scrutiny.

3.3 Procurement

The Review of Public Procurement in Scotland Report and Recommendations by John F. McClelland was published in March 2006. A requirement of this review is that each Council formally signs a Compliance Certificate indicating that it complies with appropriate minimum standards of governance, policy and practice in respect of its procurement activity.

This Compliance Certificate was signed in July 2006, and the Council is satisfied that it has appropriate plans in place to meet these minimum standards by March 2007, as required by the Scottish Executive. The Corporate Procurement Strategy was approved in October 2005. The Council Procurement Forum is in place, with representatives from all departments meeting every six weeks.

An intranet site is now available, and provides information and guidance on procurement related matters to all internal users. Development of procurement pages on the website is commencing, and will be available by the end of 2006. This will provide advice for local businesses on appropriate ways of interacting with the Council. A register of current and future, tenders and contract awards is currently being compiled for inclusion on the Council website.

A purchasing cards pilot continues within the Roads section of HR & ES, and additional software has been introduced to assist in the process.

Formal Chartered Institute of Purchasing and Supply training has commenced for three of the Corporate Procurement Unit during October 2006.

Some problems continue to persist in regard to the Glasgow City Council Benefits Tracking tool, which has been made available to the Council. Renfrewshire Council has adopted a section of the Glasgow City Council Benefits Tracking tool, which appears to be operating successfully. Engagement with Renfrewshire will take place by December.

The Council has been made aware that the EGF2 stage 2 bid, branded Scotland Excel, in which we are a partner, has been successful. There will now commence a programme of change across the public sector nationally relating to procurement and the formation of Centres of Procurement Expertise.

3.4 Absence Management

An update on absence statistics is provided below:

Sickness Absence – Local Government Employees (CM1a)

In 2005/2006 the absence for local government employees was 6%. This was a marginal 0.5% decrease from the previous year. The Scottish average in 2004/2005 was 5.5% and the Council was ranked 30th in comparison with other local authorities. This year the absence % for Q2 (Jul-Sept) was 5.7% showing a marginal increase from 5.6% in the same quarter in the previous year. There has also been a slight 0.1% increase in the quarter when compared to Q1 (Apr-Jun) 5.6%.

Sickness Absence – Craft Workers (CM1b)

This group is relatively small, comprising of craft workers in Housing and Property maintenance. In 2005/2006 the absence % for craft workers was 5.2%. This was a significant 1.4% decrease from the previous year. The decrease may be due to the move of manual workers from this category into the local government employees category. The Scottish average in 2004/2005 for this category was 5.9% and the Council was ranked 22nd in comparison with other local authorities. The absence % for Q2 (Jul-Sept) was 6.7% showing a large increase from 4.2% in the same quarter in the previous year. There has also been a significant 1% increase in the quarter when compared to Q1 (Apr-Jun) 5.7%. It should be noted that HRES are checking departmental figures for Q2 (4.2%) in 2005/2006 and the figure may require to be amended.

Sickness Absence – Teachers (CM1c)

In 2005/2006 the absence % for teachers was 3.9%. This remained unchanged from the previous year. The Scottish average in 2004/2005 for this category was 3.7% and the Council was ranked 20th in comparison with other local authorities. The absence % for Q2 (Jul-Sept) was 2.9% showing a slight increase from 2.7% in the same

quarter in the previous year. Absence has remained static compared to Q1 (Apr-Jun) 2.9%.

Sickness Absence –All Groups (CM1)

In 2005/2006 the overall absence for the three groups combined was 5.6% which was a decrease of 0.5% from the previous year. However, if the craft workers figure is reviewed for Q2 (2005/2006) this may affect this figure. The Scottish average in 2004/2005 for this category was 5% and the Council was ranked 27th in comparison with other local authorities. The absence % for Q2 (Jul-Sept) was 5.4% showing a marginal increase from 5.2% in the same quarter in the previous year. There has also been a slight 0.2% increase in the quarter when compared to Q1 (Apr-Jun) 5.2%. A Target of 5.4% has been set for this year which is 0.2% less than the previous year's outturn. This probably will not be achieved unless Q3 and Q4 absence figures are an improvement on the previous year.

Absence continues to be monitored to identify measures to improve performance and the following areas are being reviewed:-

- Improving absence reporting
- Providing costs for absence
- Targeting key problem areas such as stress
- Evaluating interventions which have been put into place i.e. physiotherapy scheme
- Reviewing occupational health provision – with a view to early intervention to assist in return to work as quickly as possible
- Training for managers in dealing with absence

The main area still to be addressed is the cost of absence. The group will review the new Efficiency measure relating to absence and report on this regularly.

3.5 Asset Management

At the Audit and Performance Review Committee on 21 June 2006 a report entitled 'Asset Management Plan 2006' was noted and referred to Council for consideration. The Council subsequently agreed to approve the Asset Management Plan 2006 at its meeting on 28 June 2006.

An upgrade supplied by the asset management software provider was installed in the 'Test System' in August and was recently transferred to the 'Live System' following approval by Information Services and the Asset Management Group. Asbestos survey data is now being transferred to the 'Live System' to create the Council's electronic asbestos register. The electronic asbestos register is now operational and a programme to extend access to the register to nominated staff will be progressed.

Property condition surveys of building fabric are continuing and enquiries have been made to the software supplier to identify consultancy costs for electrical and mechanical surveys. Further training on the use of property condition survey hardware and software has been delivered to new staff within the Property Management Section.

The corporate Asset Management Group is currently giving consideration to the new Efficiency Measures and the Statutory Performance Indicators that measure the suitability and condition of operational properties. These new SPIs are due to be reported by April 2007. All Council departments will have a role to play in gathering and collating the required data.

An action plan to progress the Council's asset management strategy is being developed and will be reported to a future meeting of the Strategy Group and the A&PR Committee.

3.6 Streamlining Bureaucracy

The Streamlining Bureaucracy Project Board is presently considering a number projects – mostly related to the Scottish Executive's 'Customer First' programme which are mainly funded from the MGF (Modernising Government Fund). These are:

- The Corporate Address Gazetteer
- One Stop Shop/Contact Centre
- Entitlement/Smart Cards
- Introduction of Mobile Technology
- E-Care
- Website and ESD
- Customer Service Standards

Good progress is being maintained with the ongoing development of the Contact Management software (GTX) which will be fully integrated with the Corporate Address Gazetteer and Document Management system as well as the main 'back-office' systems. It will be used in the new Contact Centre. Progress on organisational development issues is also being made and a outline proposal has been agreed by the CMT. The exact location of the contact centre has yet to be decided.

The Scottish Executive, via the Improvement Service (IS), has a scheduled go-live date of 7th January 2007 for the issue of National Entitlement Cards (NEC) to all 16-18 year olds, this equates to approximately 4,000 cards in West Dunbartonshire. To meet this deadline we have got data to the card production bureau and have initiated card production with the aim of completing the distribution of cards by January 7th, 2007. The 16-18 year old initiative will be followed by the roll-out of the NEC to citizens followed by libraries, leisure, cashless catering and rewards.

Good progress has also been made in further developing the website for more on-line transactions; Type 1 and 2 transactions (Information online & one way interaction) are 100% complete. Type 3 (two way interaction) has reached more than 65% completion, with type 4 (fully online) progressing well with more than 25% completion achieved.

Document Management has already been implemented in Council Tax, Housing Benefits and Personnel and is currently being implemented in Housing Allocations.

The majority of the new Efficiency Measures relate in some way to the streamlining of bureaucracy – and most of the solutions are a combination of good use of ICT integrated with reviews of business processes. The project group will review these measures on a regular basis and review options for improving these.

3.7 Shared Services

The project group responsible for developing options for shared services has met on a regular basis since it was established in May 2006. Its first task was to co-ordinate the Council's response to the Scottish Executive consultation on a National Strategy for Shared Services. This was reported to Council at the end of June.

In the period since, the group has attended a series of national events, sponsored by the Scottish Executive, which have aimed to provide some structure to the discussions on shared service options. In addition, there is now a CoSLA Project Board which aims to co-ordinate developments at a national level.

At a local level, the group has undertaken an information gathering exercise to establish the range of sharing arrangements currently in operation within the Council. These are small scale, but nevertheless provide some foundations for further development. Following this exercise, and as a result of analysis of the national situation, the group recommended to the CMT that the Council should focus on options for sharing support systems, rather than front line services.

West Dunbartonshire has begun participation with Glasgow, and a number of other authorities in a Pathfinder initiative, which aims to develop a best practice and shared service approach to the business processes and systems which underpin service delivery.

In addition, there have been direct discussions with the Chief Executive of Glasgow City Council to consider specific areas which might be the subject of shared service arrangements.

Nevertheless the national picture on shared service development remains patchy, with an ongoing debate about whether this approach can really deliver the full range of savings envisaged by the Scottish Executive.

It is proposed that West Dunbartonshire should continue to prioritise work with Glasgow as the most relevant partner for much of the shared service agenda.

One option to be considered in the future is to expand the remit of the Project Team to cover all aspects of re-configuration of service delivery including competitiveness, market testing and outsourcing which would meet the one of the requirements of the Best Value Improvement Plan.

4. Personnel Implications

- 4.1** The organisational development proposals associated with the new contact centre will be further discussed by the CMT and a report brought to this Committee as well as to Corporate Services Committee

5. Financial Implications

- 5.1** Proposed future spend on Asset surveys and ICT related matters will be reported to this Committee as well as to Corporate Services Committee

6. Recommendations

- 6.1 The Committee is invited to note the contents of this report.**

David McMillan
Chief Executive
Date: 13 December 2006

Wards Affected:	All
Appendix 1:	Audit Scotland- Efficient Government Position Statement June 2006
Appendix 2:	List of Proposed Efficiency Measures
Background Papers:	Report to Council on Efficient Government Strategy 20 August 2005
Person to Contact:	David Webster, Section Head (Performance Management) Telephone 01389 73714