

FOCUS ON... COMPREHENSIVE SPENDING REVIEW 2007

Reshaping the FUTURE

Improving the ability of local councils to deliver public services in customer-focused and efficient ways is a key priority for the CSR07 period, explains **Colin Whitehouse**.

Chancellor Alastair Darling in his 2007 Comprehensive Spending Review (CSR07) has pledged to reinvest departmental savings of £30 billion, on top of the £20 billion already gained across central civil government, in key public services by 2010. It is hoped that yearly three per cent value-for-money savings will enable the Government to invest in further improving frontline services, such as education and health.

It is also envisaged that these proposed savings will build on the success of the CSR04 efficiency programme, and that the results of a series of zero-based reviews of spending in each central government department will be acted upon.

In order for this to happen in local government, we need to make sure local authorities are making the best use of business process improvement (BPI) tools and techniques to redesign services which eliminate wasted time and have the customer at their heart.

By thoroughly researching and mapping local council activities, agreements can be reached on what needs to change to improve services. This information acts as a building block for the development of multi-agency shared services, based on local strategic partnerships or local or ▶



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▶ multi-area agreements. Councils report that this reliably leads to a reduction in the number of tasks that do not benefit citizens (non-value-adding), the freeing-up of frontline staff and significant reductions in end-to-end process costs. The number of local authorities who are redesigning their services with true customer focus is quickly building, supported by considerable activity in the Regional Improvement and Efficiency Partnerships, and this is generating significant quality and cost improvements.

The National Process Improvement Project (NPIP) was established in 2007 with the aim of continuing to help develop and share examples of improved service redesign practices across local government. Its outputs form an integral part of Communities and Local Government (CLG)'s Business Improvement Package (BIP) (www.rcoe.gov.uk/bip).

Phase one of the project has recently been completed and the councils which took part have realised some significant benefits.

For example, the London Borough of Lewisham has embarked on an ambitious council-wide programme to develop its BPI capacity. They saw that by developing capability in each functional area, backed by expertise at the centre, they would be building a foundation for long-term sustainable improvement. One of the first areas to be examined was that of housing management and, in particular, the processes surrounding voids

management and income management. The choice of these processes was driven by Lewisham's desire to improve their housing management rating from

'as is' process with the help of the staff who deliver the service, designing a customer-centric 'to be' process which eliminates waste, and applying

◁ We need to make sure local authorities are making the best use of business process improvement tools and techniques to redesign services ▷

one to two stars and an audit inspection which had identified some weaknesses in these functions.

Lewisham followed a standard methodology of process-mapping their

activity-based costing to derive a cost-for-service delivery. Implementation of the new processes should lead, by the third year, to a reduction of voids to 21 days. A predicted corresponding income

increase of over £225,000 and a reduction of the average amount of arrears by one week will result in additional income generation and reduced overheads totalling £2.6 million.



Evidence is mounting from other NPIP pathfinders that these findings are not unusual:

- Across the 11 Greater Manchester e-Government Partnership (GMeP) projects, the total efficiency savings identified are likely to provide in the region of a 10:1 to 15:1 return on investment on the cost of carrying out the BPI exercise.
- London Councils identified that, through BPI, the three London Boroughs reviewed could save 5-17 per cent of staff time by removing non-value-adding costs from the child protection process from assessment to referral.
- London Councils also identified savings of £700,000-900,000 from implementing shared processes between authorities in the commissioning of home care and related support.
- On a smaller scale, one district in the North East identified savings of up to 17 per cent from moving waste management customer services onto the web.

These examples focus on the cashable efficiency savings from BPI, but there is similarly strong evidence of improvements in service delivery:

- In an interesting example of how BPI can be used to increase customer focus,

Chorley District Council used BPI techniques to produce a blueprint for how a customer-focused district council could run, complete with Customer Champions operating at a strategic level and monitoring service provision to key client groups.


- Other pathfinders identified ways of improving service provision through BPI – by reducing assessment process times in Revenues and Benefits, and improving the quality of highways through increasing staff time spent on the cyclical inspection process, via mobile working.
- Additionally, pathfinders noted that staff became more customer-focused as a result of BPI workshops, as they took time out of their day job to consider the customer's perspective of their service. This final point has led to NPIP working with the Health and Safety Executive to examine anecdotal evidence that staff who have participated in a BPI exercise become more motivated, take less sickness absence and are less likely to leave. Results support this view and unsurprisingly show that such consequential benefits are maximised by effective change management being used to underpin the service improvement programme. The report maps the journeys of various people involved in the change (from frontline staff through administrator to senior officer) and provides useful and practical advice on maximising benefits at each stage of the service improvement project.

Similar journey-mapping techniques are also being increasingly employed in assessing the citizen's experience of frontline service delivery and providing hard evidence to help shape service redesign. As well as highlighting points at which people have positive and negative experiences, these

journey maps can help to identify common elements which affect perceptions across different services and areas of corporate strength and weakness. Incorporating real-world experiences, rather than relying on an organisation's view of what citizens want, is acknowledged as a key factor in providing effective services.

By reviewing and reshaping public services we can ensure that they are successfully configured to be as efficient and effective as possible. This can divert more money to frontline services, help to motivate council staff who are freed from repetitive tasks and ensure that we focus on what matters most to the citizen.

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All our service level expectations are constantly being heightened and driven by what we see and experience in the retail and commercial finance sectors. Any local government service focused on citizens has to take account of these growing demands for higher standards. It is never easy overhauling traditional methods of delivery, but these must be challenged and new methods adopted if local government services are to be genuinely transformed, so that communities receive the value for money and standards of service they require. 



Colin Whitehouse

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In summary...

- The National Process Improvement Project (NPIP) was established in 2007 with the aim of helping develop and share examples of improved service redesign practices across local government
- Across the 11 Greater Manchester e-Government Partnership projects, the total efficiency savings identified are likely to provide in the region of a 10:1 to 15:1 return on investment on the cost of carrying out the BPI exercise
- London Councils has identified savings of between £700,000 and £900,000 from implementing shared processes between authorities in the commissioning of home care and related support services

Further information

For further information, please visit:
www.rcoe.gov.uk/bip