

REPORT OF THE DEPUTY DIRECTOR (ORGANISATIONAL DEVELOPMENT)
TO THE EXECUTIVE
7 DECEMBER 2007

Efficiency Reviews – Streamlining Current Processes

1.0 Introduction and Report Summary

- 1.1 There are currently a number of different processes for carrying out reviews of our services. Best Value Reviews have been carried out since 2000 when the statutory requirement to deliver 'Best Value' was introduced by the Government. A Best Value Review programme has previously been agreed by the Executive and the current position with these reviews is included in section 6.0. The statutory requirement to carry out Best Value Reviews was removed by the Local Government and Public Involvement in Health Act October 2007. However, there is a continuing need for services areas to prove that they are delivering efficient, effective, customer orientated services which ensure overall value for money. This report recommends that Best Value Reviews should be superseded by an over-arching Organisational Development approach. This emphasises continual and sustainable improvement and uses a variety of methods to ensure service areas focus on providing value for money. The Organisational Development framework has previously been agreed by the Executive and is being delivered as part of the Access to Services priority.
- 1.2 The contact officer for this report is Jeremy Beach, Organisational Change Manager, telephone (01235 540449); Email: jeremy.beach@whitehorsedc.gov.uk.

2.0 Recommendations

- (a) *that the current position with the Housing Services, White Horse Leisure & Tennis Centre and Partnership Effectiveness reviews be noted and that these Best Value Reviews be formally closed down;*
- (b) *that the following Best Value Reviews do not take place: Human Resources, Environmental Health and Building Control;*
- (c) *that the Best Value Review approach is replaced with a continuing programme of service reviews under the over-arching Organisational Development framework, and that these should use appropriate methods to determine value for money and implement action plans for improvement and development.*

3.0 Relationship with the Council's Vision, Strategies and Policies

- 3.1 This report relates to the Council's Vision in that it supports all of its objectives and does not conflict with any Council Strategies.
- 3.2 This report has particular relevance to the Council's corporate priorities of "Maintaining our medium term financial plan", "Building our capacity through managerial and organisational development" and "Improving and modernising access to services".

4.0 **Service Review Methodologies**

There are currently a number of different processes for carrying out reviews of our services.

4.1 **Best Value Reviews (BVR):** These have been carried out since 2000 when the statutory requirement to deliver 'Best Value' was introduced by the Government. The original reviews were carried out by large teams and generally took about a year to complete. Recent review work has been more streamlined, often carried out by just one officer taking just a few months to complete. However service improvements / efficiencies resulting from these reviews have been limited.

4.2 **Business Process Mapping (BPM):** Used extensively throughout the organisation, this method concentrates on improving workflow processes to reduce inefficiencies and identify more modern and effective ways of working. BPM exercises are facilitated by officers from the Organisational Change team and are normally supplemented by external consultancy. Completion of these reviews are a key action in the Access to Services Priority (3.1.a – continue to migrate processes to the contact centre where tangible / non tangible efficiency savings can be made) and progress is reported through the quarterly Corporate Governance Report. Examples of service areas where work has been completed or is in progress include Waste Management, Housing (Choice Based Letting), Local Land Charges, Human Resources, Licensing and Building Control.

4.3 **Organisational Development Workshops:** Helping staff to review their services and identify key challenges can be a powerful way to ensure ownership of change and improvement. Areas where work of this nature has started in 2007 are Building Control, Licensing and Leisure Services. Progress is reported through the quarterly Corporate Governance Report against item 3.1.a of the Corporate Priorities Report.

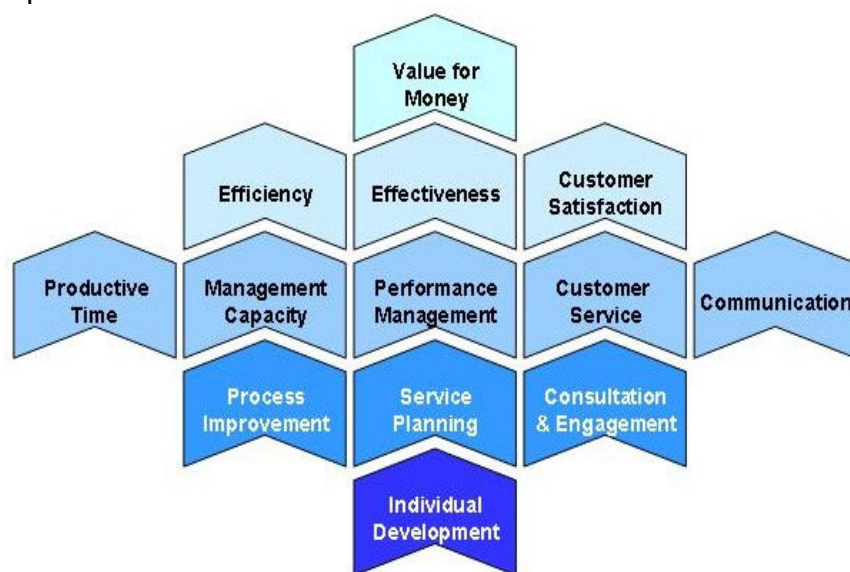
4.4 **Value for Money (VFM) Service Reviews:** These are being rolled out during 2007-8 and take the form of a workshop which goes through a detailed checklist tailored to individual service areas. The checklist details existing evidence of Value or Money and identifies what additional work is required, culminating in the production of an action plan. Areas where work of this nature has started in 2007 are Housing, Environmental Health and Economic Development. Progress will be reported through the quarterly Corporate Governance Report against item 4.9 and 4.10 of the Corporate Priorities Report .

4.5 **Strategic Service Review (SSR):** The Strategic Service Review is an annual exercise which is a key part of the budget setting process. Executive Members will use the SSR to inform the development of the budget for 2008/09. The purpose of the SSR is to highlight and prioritise the pressure for improvement / relative importance of service areas.

5.0 **Replacing Best Value Reviews**

5.1 Officers and Members are aware of the capacity issues facing the Council so it is essential that we try and streamline our processes as much as possible. With this in mind, it is proposed that officers no longer carry out Best Value Reviews. The statutory duty to carry out Best Value Reviews was introduced in 2000. A Best Value Review programme has previously been agreed by the Executive and the current position with these reviews is set out below at section 6.0. However the 'Strong and Prosperous Communities White Paper (October 2006) stated that "we will remove the requirements to prepare annual Best Value Performance Plans and conduct Best Value Reviews". This was subsequently confirmed in the Local Government and Public Involvement in Health Act (October 2007).

- 5.2 Though Best Value Reviews will be removed, there is a continuing need for service areas to prove that they are delivering efficient, effective, customer orientated services which ensure overall value for money. Moreover, this must be on the basis of continual improvement rather than static one-off exercises which quickly lose their relevance.
- 5.3 It is therefore recommended that Best Value Reviews will be superseded by activities delivered under the over-arching Organisational Development framework. This will require service areas to evaluate how well they deliver 'value for money' and to sign up to improvement action plans where appropriate. Services will be able to use one or more of the alternative methodologies listed at 4.2, 4.3 and 4.4 and to show return on the investment through measurement and monitoring of outcomes. This process will be led and facilitated by the Organisational Change team. The model below illustrates that the Organisational Development approach is clearly a way in which we can improve and demonstrate value for money, as long as improvement plan proposals are acted upon.



- 5.4 Reporting of progress for Organisational Development activities and service improvement plans will be through the Senior Management Team (Quarterly Business Performance Report) and the Quarterly Corporate Governance Report.

6.0 Current Status of Best Value Reviews

A number of Best Value Reviews are already in progress or were due to take place during 2007/8. The current position on all of these reviews is detailed below. It is proposed that no further Best Value Review work be carried out as detailed in recommendation (a).

- 6.1 **Housing Services** (Choice Based Letting with a focus on Value for Money). This review has been used to develop the Council's approach to delivering Value for Money. Specific work has included the completion of a Business Process Mapping / Re-engineering exercise by external consultants. This work concluded that there was little opportunity to drive out any cashable savings from within this part of the service area, but good opportunities to improve capacity if a number of key actions take place.

As part of the work of this Best Value Review, a detailed Value for Money checklist for Housing Services was developed. A workshop of senior housing managers was held

which went through the checklist and identified existing evidence of Value for Money and what further work was required. An action plan has been agreed to progress this area of work.

- 6.2 **White Horse Leisure and Tennis Centre.** DC Leisure are contracted to operate the centre on behalf of the Council. This work has been sub-contracted to CLS (with the agreement of the Council) who manage the centre as a registered charity in order to gain a number of financial benefits related to VAT and the payment of Business Rates. The evidence obtained, and research carried out, during the review has been used as part of ongoing negotiations with DC Leisure and CLS to improve Value for Money in the provision of these services.
- 6.3 **Partnership Effectiveness.** A report has been presented to the Strategic Review Committee. In many cases the Council is commissioning a service from an organisation rather than working in partnership. The service has to be provided to agreed standards as set in the service level agreement but the Council has no direct influence over the governance, policy, strategy and management of the organisation that is providing the service. Where shared objectives demonstrate a clear alignment to the strategic or service priorities of the Council there should be a formal service level agreement, a constitution or terms of reference which not only stipulate what each partner will deliver, but how the partnership will be managed. A 'partnership improvement tool' has been devised to test the effectiveness of partnership working. Officers are running a pilot partnership improvement programme and reporting the results to a working group of the Strategic Review Committee.
- 6.4 **Human Resources.** This review has not yet started but was scheduled to take place during 2007/8. This Best Value Review has been superseded by a Business Process Mapping exercise which has been agreed and will take place during 2007-8. Progress is being reported through the Corporate Priorities report (action 4.2)
- 6.5 **Environmental Health.** A limited amount of preparatory work has taken place towards this review. Most of this service area went through a Business Process Mapping exercise in 2005/6 which culminated in a number of customer contact functions and members of staff being transferred to the Abingdon Local Service Point. Furthermore, Environmental Health service managers have completed a Value for Money workshop and are currently developing an action plan to improve Value for Money. The Licensing Unit is also working through an Organisational Development action plan which includes a process mapping exercise.
- 6.6 **Building Control.** Some preliminary work has been completed and a number of service improvements have already taken place as a result. The Organisational Change Team has been working with Building Control since February 2007 and a Business Process Mapping exercise has been completed. This work is now at the action delivery phase. In addition, Building control have had a number of workshops, facilitated by Organisational Change, as part of the Organisational Development Programme which is being rolled out to all service areas.

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Background Papers: None.