

EAST RENFREWSHIRE COUNCIL

CABINET

15 August 2013

Report by Deputy Chief Executive & Director of Finance

ANNUAL EFFICIENCY STATEMENT (2012/13) &  
UPDATE ON PUBLIC SERVICE EXCELLENCE

**PURPOSE OF REPORT**

1. The purpose of this report is to bring forward the Council's annual efficiency statement for 2012/13 and provide an update on the transformation and change programme – Public Service Excellence.

**RECOMMENDATIONS**

2. It is recommended that the Cabinet:
- (a) approves the annual efficiency statement 2012/13 for submission to CoSLA; and
  - (b) notes the progress being made to develop the Council's Public Service Excellence programme and deliver efficiencies for 2013/14 and beyond.

**BACKGROUND**

3. Councils are required to provide annual efficiency statements to CoSLA each year. A summary statement is then developed for the Scottish Government. East Renfrewshire's statement is also placed on the Council website for public access.

4. Efficiencies can arise in several ways, including planned changes as part of the Public Service Excellence programme; departmental or service efficiency programmes, often linked to budgetary pressures; restructures; and from sound financial management and good business practices (e.g. contract reviews and better procurement).

5. The reporting requirements place an emphasis on how local authorities have "used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts". The Government's definition of efficiency is as follows:

"Where a body managed to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome or output for a lower input value than previously, an efficiency saving has been made. The amount saved is the difference between the previous unit cost and what is now spent to deliver the outcome."

6. The Council's high level template for return to CoSLA is attached at Annex 1.

## **PUBLIC SERVICE EXCELLENCE**

### Background – The Story So Far

7. East Renfrewshire Council's Public Service Excellence (PSE) programme was established in 2009 to modernise the way we work and help the Council to secure efficiencies for the future.

8. At the outset of the programme we agreed 6 key principles to guide us:

- operate as "one Council"
- clear strategic intent
- customer first as the main point to resolve enquiries
- more services on-line
- a small number of efficient buildings
- support activity streamlined and duplication removed.

9. Our aim was to build consistent, efficient working practices, with duplication and fragmentation across departments minimised and activities professionalised where possible. We wanted to simplify and standardise processes and increase the role of Customer First as the main point of contact for Council enquiries. The goal was that this would free-up professional staff time, reduce paperwork and let us plan strategically for the future through workforce planning to minimise the cost of reactive change.

### Headline Results

10. In our first 4 full years since launch the PSE programme has achieved total recurring financial savings of at least £3.426m and a workforce reduction of 231FTE. Our rates of customer satisfaction with Council services have also remained stable during that time, despite significant budget reductions.

11. A total of 55 PSE projects and a further 24 Community Health & Care Partnership (CHCP) projects have been deployed, with the PSE programme being a key enabler for workforce reductions across the board. Of these, 31 PSE projects were delivered in 2012/13.

12. In an overview report such as this, it is impossible to do justice to the complexity of the work that has been undertaken since the PSE programme was established. This has involved teamwork right across the Council and has proved challenging for all concerned. In terms of key results some of the main highlights are given below.

### Operating as 'One Council'

13. Many of the PSE projects have been based on introducing a new service support model for the Council. This meant moving as many customer interactions as possible to Customer First; streamlining and consolidating back office systems; providing departments with business partners to give sound advice on HR, Finance and more recently ICT; consolidating job roles and widening remits to enable economies of scale and free-up frontline services to concentrate on their primary focus.

14. We have introduced 'organisational design' principles and restructuring guidance for managers to ensure that we are all consistently focused as we plan our workforce for the future. This ensures dialogue with staff and trade unions is an integral part of the process.

15. The PSE programme has given us the vehicle to more tightly govern the progress of projects, and to ensure that we realise the benefits from them, including any savings. Through PSE we have been working jointly with the Scottish Qualifications Authority (SQA) to design a new project management accreditation which was launched in 2012. This uses our own PSE approach and gives employees the opportunity to be mentored through delivery of a key change project, with the chance to earn an SQA accredited HND-level qualification at the end. This not only benefits the employee personally in terms of career development but gives departments a bank of competent project managers that can be used to drive other change projects on a day-to-day basis. So far 9 candidates are working through the PDA course, with the next tranche now being identified in departments.

### Clearer Strategic Intent

16. The principle of clearer strategic intent was an all-encompassing one designed to clean up and streamline performance reporting and service planning within the Council. We have a clear hierarchy of plans, strategies and performance measures with a 'golden thread' running through them all to the Single Outcome Agreement (SOA). Strategy guidance has been developed to help managers to keep documents simple and focused and the Corporate Management Team receive 6 monthly updates on strategy development. We are making good use of the Covalent performance management IT system to control performance updates and now a single update can be pulled through the system and used for many reports rather than re-keying of information into several different templates.

### Customer First as the Main Point to Resolve Enquiries

17. Our Customer First service has been in place for over 10 years now and has been delivering a significant range of Council services in a one-stop setting face-to-face or over the telephone since it went live in 2002. Since, 2009 we have built upon this solid foundation and the new services our Customer First service can now deal with include the following: registration; housing calls; payments; licensing; sports pitch/school activity/sports development/park ranger bookings; school pay; trade waste; new blue badge scheme; 'telecare' enquiries; 'tell us once' scheme; and election queries. In 2012/13 Customer First dealt with 368,301 contacts; 86% of those were dealt with by the team directly rather than needing to pass the customer onto departments.

### More Services Online



18. Customers have also seen benefits through a revamped Council website giving greater availability of online services, which allows them to book and pay for services at times convenient to themselves. In the first year, there was a 290% increase in online payments (an increase of over 29,500 payments), with Pay4Schools (i.e. online payments for school meals, trips, uniforms, after school classes and books) and theatre bookings being particularly popular. We hit a high of 60% uptake on school trip online payments in January 2013, with the theatre box office also showing 34% online uptake in the same period. We were the first Scottish Council to deliver cashless catering in all schools with a consequent increase in uptake of school meals of around 15%. Over 50 services are now available online on a 24/7 basis to pay, book, apply and report through the 'do it online' section of the Council's website.

19. Through online services and automated telephone payments we have seen a welcome reduction of approximately 1,500 cash and cheque payments in 2012/13 and use of online and self-service methods continue to increase (up by in the region of 13,000 and 2,200 respectively).

20. In terms of online services for our own employees, we have launched a new intranet site, giving access to communications; e-HR (MyInsider) with workforce information, sickness reports and online expenses. E-payslips; e-training booking and e-flexi-time/annual leave management were also developed in 2012/13, reducing paper, administrative time and improving self-service for staff.

21. We are on target to make efficiency savings of over £200,000 in the operation of our in-house printing service and, in 2012/13 introduced a new web-based print ordering service which has vastly improved the customer experience in this service, not to mention budget management of print commodities.

22. Developing online services is complex work to integrate systems to ensure that bookings can be made, payments received and transactions completed seamlessly. Some of the work to support online services has involved rationalising and linking corporate IT systems including seemis/efinancials and Civica ICON. We are not complacent and know we have a way to go to meet rising public expectations. A further project is now underway to look again at the Council website from a customer perspective, seeking to improve the information and services available through our website and the overall customer experience.

#### A Small Number of Efficient Buildings

23. Sound asset management has been a fundamental principle of the Council's approach to management of its significant portfolio of buildings, including front-facing service delivery premises; schools; office accommodation and depots. A number of projects have been progressed during 2012/13, which lay the foundation for the further rationalisation of the Council's office and other accommodation portfolio.

24. Through PSE projects we have been able to relocate the Barrhead Registration Office to the more central location of the Main Street office so that registrations can be undertaken in tandem with other services – offering a better customer service. This has enabled us to lease the building and achieve a rental income, whilst making better use of trained staff in a multi-skilled environment.

25. We have been undertaking ongoing efficiency work within our Community Facilities to maximise utilisation of halls (and out-of-hours schools) whilst minimising running costs. This has generated efficiencies which we have used, to some extent, to improve our key buildings. The future development of multifunctional space at Giffnock Library has allowed us to plan for the closure of Rhuallan House, which the Council can no longer afford to maintain.

26. Reviews of facilities management generally across the Council have been undertaken and there have been good savings from changes to janitorial working arrangements in schools; we have also amalgamated the roles of Council Officers in HQ/Barrhead Main Street with those of Hallkeepers, thereby giving us a more flexible pool of staff to run our main offices and community facilities.

27. A range of projects are ongoing in Housing Services, particularly around a new asset management IT solution for the Housing Repairs team and a business change project that will deliver role and process changes. These are pre-cursors to the mobilisation of the workforce through the 'agile' programme. Likewise, we deployed a mobile solution to enable the Property & Technical Services team to complete a stock condition survey of non-residential properties. Details are updated into the laptops whilst out at the buildings and then uploaded to the main systems when back in the office. This project eliminated need for consultancy fees of over £100,000 every 3 years.

28. Through effective asset management and the effective use of the resources available, the Council's backlog maintenance figure in relation to its property assets has reduced from £92.83 to £88.23 per square metre of Gross Internal Area.

#### Support Activity Streamlined & Duplication Removed

29. A significant programme of transformation and efficiency is underway in the Community Health and Care Partnership (CHCP), with £1.5million of savings in this area already delivered as part of PSE in the last 2 years. These savings come from a combination of service redesign projects (e.g. Business Support, Telecare, Day Services and Web Content); re-negotiation of contracts (e.g. Out of Hours Learning Disability/Mental Health) and joined-up process improvements (e.g. a fundamental project looking at financial processes and automation of service agreements). There have also been a number of projects aimed at person centred improvements (e.g. re-ablement).

30. A key component of the new service support model for the Council was the creation of single Business Support teams for the Chief Executive's and Environment Departments and CHCP. These teams brought together administrative employees within each department to achieve economies of scale within broadened remits and under a single line management. This reduced duplication and achieved over £350,000 of savings. Reviews of HR and accountancy also generated over £400,000 of savings in recent years.

31. There has also been a lot of work to develop modernised working practices within the Council, including automating processes. Electronic Document and Records Management was introduced in the Council Tax and Benefits service in an early project, improving tracking of information and workflow and making savings of £50,000. This model now has much wider applicability throughout the Council as we aim to move to a more paperless working environment and a more agile workforce and the next project will be within the CHCP as preparations take place for the new Eastwood Health and Care Centre.

32. Reviews in the Finance Department have seen reductions in the levels of internal recharging; automation of payroll and the reduction and consolidation of invoices. E-procurement has also been rolled out across schools.

33. The Housing service has implemented a number of 'quick wins' to improve efficiency as part of a broader PSE project. These include IT system upgrades; materials/procurement efficiencies and maximising communication between systems to ensure that customers, staff, Customer First and Business Support all have a common view of progress with repairs.

## **PUBLIC SERVICE EXCELLENCE – A PLAN FOR 2013-2017**

34. It is widely known that the Council will face significant real terms cuts in funding for future years. It was estimated that 70% of the budget savings required for 2013/14 and 2014/15 were based on 'efficiency improvements'. The PSE programme will have a large part to play in ensuring that these are delivered on target over the next couple of years.

35. Beyond that, we know that the Council continues to face increasing demand locally and a range of demographic pressures. Finding new ways to deliver services will become increasingly important as it is more and more difficult for services to find the necessary levels of savings.

36. Given the successes of the last 4 years, we believe that PSE programme has a key role in meeting these challenges. Our commitment is therefore to a further 4 year plan to deliver change, efficiency and improvement within East Renfrewshire Council with the level of further savings dependent on the level of up-front investment available and the pace of change. In addition, we hope to be able to increase the Council's project capacity and broaden its pool of skilled project change managers to drive change and improvement across the Council.

### PSE Principles

37. In order to focus our approach over the next 4 years, we have refreshed the original PSE principles. The new principles guiding the PSE programme will be:

- better customer experience
- delivering through digital services
- improving assets and agile working
- processes simplified and standardised.

38. Building on the strong delivery of our current programme, this will mean further developing the role of Customer First; improving the perception of the Council as a customer focused, efficient and modern organisation; making services quicker, easier and cheaper to access; developing our online services; adapting our office accommodation to meet the needs of a modern workforce; mobilising our workforce so that they can work effectively whilst out and about; and, above all, working to modernise, simplify, streamline and standardise our processes so that we work smarter, less paper-based and maximise the IT capabilities of our workforce.

### Our Projects

39. The biggest areas of work within the PSE programme at the moment are in the CHCP and around agile working, with a particular focus on the CHCP and Environment Department. These are complex programmes of work which have a significant impact on 'enabling services' like ICT as there are key requirements around information security; researching mobile devices and deploying suitable ICT kit.

40. One of the key programmes of work is to prepare for the new Eastwood Health and Care Centre opening in 2015. Financial constraints, teamed with a desire to rationalise the number of buildings in East Renfrewshire Council, whilst moving to a model of team co-location across the CHCP, makes this a very challenging programme. Linked with the agile workforce programme, there are clear opportunities to rationalise buildings and introduce new models of service delivery prior to moving to the new centre in April 2015.

41. It is necessary to firmly control the various programmes of work to ensure that there is sufficient capacity to deliver such a range of competing priorities. The governance around the PSE programme has been amended recently to take account of these competing pressures; to manage the growing momentum for change and to put a real focus around the 'agile' programme of work which seeks to mobilise our workforce and make resulting savings from office accommodation.

42. In discussion with departments across the Council, we know that there are a range of other potential projects 'waiting in the wings', which may become increasingly important as we begin budget preparations for 2015/16 and beyond. In the meantime, it is critical that we manage and balance capacity to ensure that the programme remains workable and projected benefits for 2013/14 and 2014/15 get delivered on target.

## **FINANCE & EFFICIENCY**

43. In addition to savings generated through the PSE programme, the Council continues to actively review opportunities for applying efficiency savings over the whole range of its services. There is evidence in the attached efficiency statement that, through these efforts and PSE, the Council has made cash-releasing savings of £6,164,226 in 2012/13. This includes £1.9m of inflation absorption.

44. These savings are primarily a result of efforts to do more with less. Instead of being considered as new funding sources, these efficiencies represent the Council's effectiveness at living within its means, meeting the challenges of decreasing resources across the board.

45. The Council is rigorous in its approach to verifying efficiencies (i.e. ensuring no adverse knock-on effect on productivity or quality), but we must balance this with the need to avoid creating a new bureaucracy of monitoring and reporting efficiencies. This can however result in an under-reporting of efficiencies and it is likely that the figures reported here are not a comprehensive picture of the significant work being done on a daily basis by services to minimise costs, redesign services, rationalise structures and generally achieve best value for money.

## **CONSULTATION**

46. There is no specific requirement to consult on the detail of the Annual Efficiency Statement as this is primarily a backward look at performance across 2012/13 rather than proposals for the future.

## **PARTNERSHIP WORKING**

47. The programme of transformation and change within the CHCP will have a significant impact on both Council and Health Services and relationships with other partners and service providers.

48. East Renfrewshire Council is continuing to engage with other councils, including Clyde Valley councils, to look at opportunities for sharing services, including an ongoing project to consider ICT.

## **IMPLICATIONS**

49. It is important to highlight each year that, while the savings reported in the Annual Efficiency Statement cannot be considered as new funding sources, they do go some way to assisting the Council to live within its means. The level of efficiencies that the Council can make, although becoming more difficult year-on-year, will be ever more important as the financial climate gets tougher in the next few years.

50. It is clear that the continued focus on making efficiencies, particularly through the PSE programme, has gone a significant way to protect funding for frontline services and prevent negative public impacts. However, in doing this, we are making significant changes to the way the Council does business.

51. The impact of these change and efficiency projects should not be underestimated. The programme is complex with a range of linkages and interdependencies which must be managed. In addition, coming to terms with service redesigns, new technology and retraining can be a time of great anxiety for staff.

52. In addition, the resources to drive and support such a fundamental programme of change are limited. We are finding that we consistently have reviews all pulling on the same resource at the one time. This affects not only project staff, but also colleagues in HR and ICT who are constantly reacting to new demands, whilst delivering core internal services. The teams are also being used to support the broader project management of non-PSE areas (e.g. Barrhead leisure and learning hub), helping to get projects up and running with guidance on project methodology and creation of training materials for project teams

## **CONCLUSION**

53. It is clear that the PSE programme has delivered significant benefits over the last 4 years and has also developed a range of enabling projects on which we can now build (e.g. investment in website). The continually increasing demand for PSE projects and skills is testament to the solid reputation that the programme has built in this time, thanks to the hard work and dedication of a wide range of staff right across the Council.

54. Benefits of this type are not achieved easily. Challenges are around workload and capacity; temporary dips in performance as we manage the 'change curve' and bed in new processes; competing demands placed on staff time and key services; and freeing up capacity for creativity and innovation whilst keeping operations running.

55. This Annual Efficiency Statement is a sound demonstration of the Council's commitment to make year-on-year changes and efficiencies. The challenge for the future will be to continue to deliver valuable local outcomes, whilst maintaining the pace of change.

## **RECOMMENDATIONS**

56. It is recommended that the Cabinet:

- (a) approves the annual efficiency statement 2012/13 for submission to CoSLA; and
- (b) notes the progress being made to develop the Council's Public Service Excellence programme and deliver efficiencies for 2013/14 and beyond.

## **REPORT AUTHOR**

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24 July 2013

## **BACKGROUND PAPERS**

- Audit Scotland Assurance & Improvement Plan Update 2013-16, Council 15 May 2013
- East Renfrewshire Single Outcome Agreement 2013-16 Cabinet/Council 20/26 June 2013
- Draft Outcome Delivery Plan 2013-16, Cabinet 29 June 2013 & Council 26 June 2013
- Strategic End Year Performance Report 2012/13, Cabinet 20 June 2013
- Development of Procurement Activities, Cabinet 20 June 2013
- Organisational Plan & Council Structures, Council 15 May 2013
- National Benchmarking Project, Cabinet 28 March 2013
- Citizens Panel results, 18<sup>th</sup> survey, presentation after Cabinet 28 March 2013
- Service Self-Evaluation & Service Planning, Cabinet 28 March 2013
- Comparative Results for Statutory Performance Indicators 2011/12, Cabinet 6 Dec 2012
- Strategic Mid-Year Performance Report 2012/13, Cabinet 6 December 2012
- Corporate Procurement Strategy, Cabinet 25 October 2012
- Land & Property Asset Disposals, Cabinet 25 October 2012
- Shared Services, Council 24 October 2012

## **KEYWORDS**

This report sets out the Council's Annual Efficiency Statement 2012/13 and updates on the change and efficiency programme – Public Service Excellence. Keywords are: efficiency; PSE; public service excellence; savings; change; performance; CoSLA.

## CONFIRMATION OF EFFICIENCIES DELIVERED IN 2012-13

<b>1</b>	<b>Local Authority Name</b>	East Renfrewshire Council
<b>2</b>	<b>Total cash efficiency achieved for 2012-13 £'000</b>	£6,164,226
<b>3</b>	<p><b>Summary of efficiency activity</b> e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>Examples of key efficiency outcomes or activities undertaken in 2012/13 include:</p> <p><b>General</b></p> <ul style="list-style-type: none"> <li>- Delivery of £3.426million cashable savings from our Public Service Excellence (PSE) programme since 2009. In this time, we have deployed 55 PSE projects and a further 24 projects in our Community Health &amp; Care Partnership (CHCP) – 31 of these were delivered in 2012/13.</li> <li>- Our significant programme of work in our CHCP delivered £898,000 of savings in 2012/13, with further challenging and stretching targets identified for the years ahead.</li> <li>- We continued to make improvements for our customers by adding to our complement of online self-service options, including launching a book/pay facility for swimming lessons which had previously been a face-to-face cash/cheque payment process.</li> <li>- We further developed our use of e-systems to modernise the way we do business internally and rolled-out our business support model which changes the way administrative functions work in the Council, netting savings of over £250,000 to date. In addition this year has seen full deployment of online flexi-time system; e-payslips for our employees; development of online forms for employee performance review and development; and launch of a mobile stock condition survey for our Property &amp; Technical Services. In addition, web printing services were introduced for internal customers contributing to efficiencies of over £200,000 as part of a wider review of our Print Room.</li> <li>- We also implemented a number of 'quick wins' to improve our housing repairs service (including a complex upgrade of their IT systems) as the foundation to a more fundamental review which is now ongoing.</li> <li>- We worked with the Scottish Qualifications Authority (SQA) to design and launch an innovative Professional Development Award in project management, which will see participants mentored through a change project with the potential to gain an SQA accredited HND-level qualification at the end.</li> </ul> <p><b>Procurement</b></p>

		<ul style="list-style-type: none"> <li>- Full implementation of the Quick Quote procedure for low value procurement exercises has been successful in improving transparency and in generating economies.</li> <li>- Development of a new 3-year Corporate Procurement Strategy.</li> <li>- Achieved an increased score on the national Procurement Capability Assessment, placing us in the 'Improved Performance' category with only 3 Scottish councils now scoring higher.</li> <li>- Savings achieved through the range of national contracts we participate in are estimated at between £200,000 and £300,000 per annum.</li> <li>- We participate in all possible Scotland Excel contracts with savings estimated in region of £130,000-£150,000 annually.</li> <li>- There has been an improvement in the volume of invoices paid within 30days from 83% to 93% in the last year.</li> </ul> <p><b>Shared Services/Collaboration</b></p> <ul style="list-style-type: none"> <li>- Fully integrated CHCP, with an ongoing programme of significant transformation underway.</li> <li>- Lead authority in a project to look at potential shared service opportunities in 3 councils in the area of ICT.</li> <li>- Continued involvement in Clyde Valley shared services workstreams.</li> <li>- Undertaking in-house decriminalised parking enforcement, previously delivered by the Police, in collaboration with Glasgow City Council (back office processing)</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>- This year we have developed agile working pilots looking at rationalisation of office premises through e.g. better use of technology; mobile working; hotdesking. One of our key programmes is to prepare for our new Eastwood Health and Care Centre opening in 2015, moving towards a model of team co-location across the CHCP. This gives us clear opportunities to rationalise buildings and introduce new models of service delivery prior to moving to the new centre.</li> <li>- Through effective asset management and the effective use of the resources available, the Council's backlog maintenance figure in relation to its property assets has reduced from £92.83 to £88.23 per square metre of Gross Internal Area.</li> </ul>
4	Breakdown of efficiency saving by	Procurement = £1,056,859

	<p><b>Procurement, Shared Services or Asset Management £'000</b> (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total).</p>	<p>Shared Services = £51,000 <i>(N.B. this could interchangeably be counted within the Asset Management breakdown)</i></p> <hr/> <p>Asset Management = £63,000</p>
5	<p><b>Evidence:</b> What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?</p>	<p>Key sources of evidence include: efficiency templates that measure financial, productivity and quality aspects of each initiative; annual Citizens' Panel survey results; national survey data on quality of life; service-level surveys; performance indicators and benchmarks; usage rates for services; Assurance &amp; Improvement Plan; external audits and inspections; internal audits; How Good Is Our Service self-assessments.</p>

Signed ..... (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date .....