

**REPORT TO: BEST VALUE PERFORMANCE AND EFFICIENCY SUB-COMMITTEE -  
16 DECEMBER 2009**

**REPORT ON: EFFICIENCY DIAGNOSTIC STUDY**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 631-2008**

**1. PURPOSE OF REPORT**

To advise the sub-committee on the conclusion of the Efficiency Diagnostic Study.

**2. RECOMMENDATIONS**

- 2.1 The projects listed in section 4.3 of this report be adopted as the Council's efficiency programme and governed by the Improvement and Efficiency Board.
- 2.2 An officer Best Value Review be established to consider the Fleet Maintenance options.
- 2.3 An officer Best Value Review be established to develop how the Council can benefit from flexible/mobile and home working.
- 2.4 The programme of lean service reviews as set out in section 5.3 of the report be commenced.
- 2.5 The efficiency gains achieved from this programme be recorded in the Council's annual efficiency statement.

**3. FINANCIAL IMPLICATIONS**

None.

**4. MAIN TEXT**

- 4.1 The Policy and Resources Committee (14 January 2008) agreed to conduct an efficiency diagnostic study as part of a national study in which all other Councils were participating. That study is now complete and the full report from the Council's project team is attached.
- 4.2 The objective of the study was to help the Council decide on a strategic programme or range of projects that will deliver long term efficiency/productivity gains. Through a process of participating in the national survey, interviewing 100 Council managers and holding workshops the project team and the board have identified seven key projects that will assist the Council to improve its overall efficiency and productivity. Five of these are already established in the Council's Plan but two require a Best Value Review approach to investigate in more detail how they can be taken forward.
- 4.3 The seven key projects are set out in the table below:

**TABLE 1 - DUNDEE CITY COUNCIL PROJECTS TO IMPROVE EFFICIENCY**

<b>Project</b>	<b>Efficiency Saving Opportunity</b>	<b>Next Step</b>	<b>Sponsor</b>	<b>Project Manager</b>
Information Strategy	Maximum use of minimum number of up to date data sets within Council. Better customer service. Reduce staff time on data input and tracking	Mainstream Corporate Strategy	Head of IT	Software Manager
Customer Contact/ESD	Move to (wherever possible) cheaper customer contact channels e.g. Web is 17p, telephone is £1.79 and Face to Face is £7.36 per transaction	Mainstream Corporate Strategy	Performance and Improvement Manager	Software Manager
Procurement	Savings from contracts negotiations. Savings from "process to pay" improvements. From 2012 - estimated £1.58M saving p.a.	Deployment	Depute Chief Executive (Finance)	Head of Procurement
CERDMS	50% reduction in traditional office storage. 5% reduction in general admin time. From 2012 - estimated £100,000 net cash p.a. saving. Cost avoided in Dundee House build due to storage space reduction	Deployment	Director of Planning and Transportation	CERDM Project Manager
Transportation and Fleet Maintenance	Rationalisation of fleet maintenance. Estimated saving on fuel and carbon footprint if achieve 10% reduced consumption	Best Value Review	Assistant Chief Executive	Organisational Development Officer
Flexible/Mobile Working	Increased productivity and opportunities to reduce office space requirements	Best Value Review	Head of Personnel	Senior Organisational Development Officer
Lean Reviews	15% improvement in efficiency from typical review	Deployment	Performance and Improvement Manager	Section Leader, Organisational Development

4.4 A short definition of each of the projects is given below:

### **Information Strategy**

4.5 Almost all Council processes start with details about a customer (name, date of birth contact details) and/or a property. Each department had its own way of storing that information for each process. The Council now has a corporate architecture for core data for customers (Citizens Account), Addresses (Corporate Address Gazetteer) and a Geographic Information System. The Information Strategy is making savings in removing processes that capture information the Council already holds and bringing

information more quickly from different parts of the Council on people or property to staff that need it.

### **Customer Contact/Electronic Service Delivery**

- 4.6 The vision is to create an efficient organisation that enables customers to contact the Council through the more efficient means of online web based transactions or by telephone.
- 4.7 Efficiency will be enhanced by consolidating customer contact telephone calls in the main contact centres in operation and over the counter transactions in the One Stop Shop in Dundee House.
- 4.8 The proposed solution (Target Operating Model) would incorporate joined up electronic systems and corporate cash receipting systems to deliver services and receive payments. This would include online services and the use of mobile devices to request/pay for services.

### **Procurement**

- 4.9 The Council's Procurement Strategy is being delivered through the Tayside Procurement Consortium which is working to deliver effective and efficient procurement procedures. This will involve more shared purchasing, electronic processes and effective local supplier engagement.

### **Corporate Electronic Records and Document Management (CERDMS)**

- 4.10 The long term vision is to introduce a Target Operating Model in three to five years whereby all documents used for work and record keeping will be held electronically and accessible by whomever is appropriately authorised within the business process or function. The aim of the system will be to ensure clean records are kept and duplication of documents is significantly reduced. Wherever legally possible only the electronic record will be kept relieving the need for physical file storage and print paper. Officers will be trained to work with the electronic document and avoid printing paper copies. Due to the anticipated increase in mobile working, clear desk space will need to be maintained for greater sharing and therefore electronic documents rather than paper will be encouraged by team leaders, wherever possible.

### **Transport and Fleet Maintenance**

- 4.11 The aims of the opportunity are to rationalise the fleet and fleet maintenance services, to ensure the fleet is used in the most effective manner, and to deliver economies of scale by centralising fleet maintenance activities, including the associated administration. The recommendations of an earlier Best Value review of Passenger Transport should be taken into consideration when undertaking this analysis.
- 4.12 There are a number of challenges and investment options to consider in designing a route map towards this strategy. Therefore phase one is to conduct a Best Value review to consider this option.

### **Mobile and Flexile Working**

- 4.13 This project aims to plan how to introduce modern mobile and flexible working methods to the Council. Properly planned these approaches can improve customer service, staff productivity and facilitate rationalising property costs. A Best Value review is

recommended as stage one to identify the appropriate profile of staff groups that fit the mix of mobile, flexible, home and office based working and the Best Value approach to create the technology and office layout to support the strategy.

### **Lean Service Reviews**

- 4.14 The Council has had success with using a lean service approach to reviewing services. This takes a team through an analysis and redesign of the processes. The benefits achieved are reducing the time the process takes and removing steps that do not add value. It is proposed that the Organisational Development Section will support departments through reviews and through an 'academy' style training approach steadily increase the Council's capability to continuously improve processes using the lean systems approach.

## **5 BEST VALUE REVIEW PROGRAMME**

An objective of the Efficiency Diagnostic Study was to identify Best Value reviews to add to the Council's review programme. Two have been identified from the above : Fleet Maintenance and Mobile and Flexible Working.

- 5.2 It is recommended that to deliver continuous improvement the Council adopt a rolling programme of Lean Service reviews as Best Value Reviews and report the results of completed reviews, as discussed in para 4.14, and the forward plan of lean service reviews to the Best Value Sub-Committee on a six monthly basis.

- 5.3 The first phase of lean service reviews as recommended are:

- review of Libraries
- procurement processing - order requests and invoices
- Environmental Health - Food Hygiene
- schools, business management and admin functions
- Leisure and Communities administration teams core work and processes
- Environmental Health - Public Health

## **6 EFFICIENCY PROGRAMME GOVERNANCE AND RESOURCES**

- 6.1 The above programme of projects and reviews will be governed by the Council's Improvement and Efficiency Board chaired by the Chief Executive. A review of the resources required has led to the Organisational Development Section being wholly seconded to supporting the programme and reporting to the Performance and Improvement Manager.
- 6.2 The programme will come under the general banner of 'Changing for the Future' and will help the Council fulfil its aims on ongoing requirements for annual efficiency savings.
- 6.3 Progress on the projects referred to in this report will be included in a special section of the monitoring reports to the Sub-Committee.
- 6.4 The Council has to produce an annual efficiency statement and it is recommended that each of the above projects and reviews record their results through this annual report.

7. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues at this stage and the individual projects and reviews will carry out their own screening process.

8. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Head of Finance.

9. **BACKGROUND PAPERS**

Report No 17-2008.

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10/12/2008

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