

**REPORT TO: IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE -
17 DECEMBER 2009**

REPORT ON: LEAN SERVICE REVIEWS

REPORT BY: ASSISTANT CHIEF EXECUTIVE

REPORT NO: 609-2009

1. PURPOSE OF REPORT

To update the committee on progress with the 6 Lean service reviews agreed at the conclusion of the Efficiency Diagnostic Study and to advise on further reviews that have been included on the programme.

2. RECOMMENDATIONS

The projects and the progress in the Lean Service Programme as set out in Section 4 be noted.

3. FINANCIAL IMPLICATIONS

- 3.1 In each of the projects outlined below, the improvements described have been achieved without any additional costs. In most cases, resources have been released and become available for other work. In some cases this has been quantified, whilst in other cases work is ongoing to quantify released capacity. In other instances, financial savings have been made which can be extrapolated. Where quantified, these implications are set out in the appendix and the current total is £515,384 of efficiency savings.

4. BACKGROUND

- 4.1 In December 2008, the committee noted that 6 Lean Service Reviews had been included in the programme of Best Value reviews and would be governed through the Improvement and Efficiency Board. An update on each of these is provided below. In addition, a further 8 Lean Service Reviews have been started, subject to the same governance arrangements, and updates are also provided on these.

It should be noted that the rate of progress will vary between reviews, for a variety of reasons, one the main ones being the duration of the process being considered. So, for example, a cycle of checking premises for food hygiene purposes is measured in months, while group call arrangements in schools would be measured in minutes.

The Lean Service projects have been supported by a training programme, and there is growing evidence of Lean Service principles being adopted in various parts of the Council in considering service delivery design. This is creating a level of "organic spread" of adoption of these principles across the council. The spread is apparent in two distinct ways. Firstly, spread has occurred as extensions of existing projects. A number of the projects described below have expanded beyond their initial scope, as it has become apparent that wider applications of Lean Service principles would be applicable and beneficial to other business processes. Sometimes this has been around wider use of the principles, and an example of this would be in Education, where after the successful introduction of Lean Service through Craigie High School, roll out plans are being developed to cover other Secondary Schools and the Primary Schools.

On other occasions, expanding the remit has covered opportunities that became apparent during the course of the project, so the Car Parking Appeals project has also looked at cash receipting arrangements, which has involved staff from Revenues. The Environmental Health - Pest Control project quickly revealed that Waste Management needed to be involved in resolving the root causes of some of the issues.

The second way spread has occurred has been in Service Areas where the benefits of applying Lean Service principles have spread by word of mouth, and several of these areas have started to apply the principles without being included on the formal programme. Some of these services would possibly not be regarded as priorities for inclusion on the programme, but nevertheless, will benefit from applying the Lean Service principles. For these service areas advice and governance is being provided through the Organisational Development Section, where there is considerable understanding of and expertise in applying Lean Service principles. Examples of services where such spread is occurring would include Scientific Services and Income Control.

4.2 Environmental Health - Food Hygiene

The overall impact of the experiments in food hygiene has been to move more resources to their fundamental purpose of reducing non-compliant premises by making the process of routine inspection of all premises more efficient and more proportionate to the risk. The number of category A premises (non compliant) has reduced by 21% and the number of hygiene improvement notices has increased by 20%. An instant hygiene tear off report provided in the premises being inspected has been introduced and 92 instances of this has taken place in the experiment saving 824 process steps, speeding up the servicing of improvement notices from an average of 8.1 days to less than an hour.

Copy hygiene reports to corporate clients are now transferred electronically saving paper and time. Service requests are being resolved more quickly, with average completion time improved from 10.3 days to 3.4 days.

4.3 Libraries

A high level demand was from members of the public who required a member of staff to log them on to PCs. A system of self log ins is being introduced and this will save staff time and provide a quicker service to the public. Arrangements for purchase of books have been reviewed , and changing the supply method has reduced order to delivery time by about 2 weeks, and purchase costs have been reduced on average by £2.60 per book, and has simplified the payment system. Arrangements for cataloguing books have eliminated duplication. Self issue terminals for booking out books are being piloted in two branch libraries. A year plan to change opening hours from 2010 to reflect footfall patterns has been devised.

4.4 School Admin Functions

The focus of this review was to identify opportunities to review the work of the Admin Teams to release some resource in order to transfer non teaching duties away from teaching staff in accordance Annexe E requirements. Concentrating on Craigie High, where a Business Manager had recently been appointed, a number of initiatives to remove non value activities from the Admin Team has meant that about 10% of the capacity of team has been released to take up other duties. In doing so, services to pupils and their parents/guardians have been improved, delivering a better image of the school.

So, for example, the group call arrangements for non attendance has been speeded up and become more accurate, reducing follow up queries by 75%. As the admin team now have the capacity to become involved in other activities, they are taking work from teaching staff, mainly principle teachers, such as the administration of "late detentions" and dealing with queries which would previously have been referred to teaching staff, taking up their time and disrupting classes. There has also been a significant reduction in referrals to the Schools Community Support Service arising from improvements the Admin Team have made in handling and resolving absences.

4.5 Procurement Processing

There have been a number of improvements in practices, some of which result from e procurement and the corporate procurement strategy, while others result from the Lean Service Review. That these have been going on at the same time and have been complementary has enhanced the benefits. In relation to the process of realising that something is needed, to having it in stock and paid for, this would typically have involved 35 steps. This is being reduced to 13 steps. In one department, the timeframe from knowing something is needed to placing the order was typically 11 days, but could be as much as 23 days, and this has now been reduced to less than one day. Delays in processing orders lead to stockpiling, duplication of manual checking and approval lead to delays and inaccuracies. Cancelled orders and weak management information lead to increased costs, and progress chasing. There has been dramatic reductions in order time, reduced process time, reduced direct cost, access to collaborative contracts, and enhanced management controls with more accurate monitoring data. A Roll Out programme has been agreed, covering:-

- Focus on Customer Needs
- Series of Reviews Planned or in progress
- Results used to inform Roll Out Program
- Support Continuous Improvements by Departments
- Enhance Financial Controls
- Automate Invoice Processing
- Develop Links to CeRDMS

4.6 Leisure and Communities Administration Teams

The Lean Service Review of the Central Administration function of the Leisure and Communities Department was initially undertaken in December 2008. This has resulted in a restructuring of the Central Administration Team, a reduction in numbers by 2, a transfer of post to Finance Department to undertake payroll and a new post of Staffing Officer has been introduced. This post will work very closely with the Personnel Department to undertake staffing issues within the Leisure and Communities Department. There has been a series of briefings undertaken regarding the department's filling of forms required specifically for Resourcelink and for other functions of the Central Administration Team to improve the amount of miscoding, etc, that results in wasted time.

4.7 Environmental Health - Pest Control

Reduced failure demand on the service by 71% (from 17% to 5%), reduced the recording of incomplete/incorrect information about jobs from 60% to 25% and incorporating the Corporate Address Gazateer will eliminate this completely. Attendance at wrong addresses has been eliminated. Closure time on informal Public Health Nuisance Complaints has been reduced from an average of 24.5 days to 5.9 days. Changes to collection methods, made in cooperation with Waste Management in problem areas of the city have significantly improved the compliance by the customer in waste presentation, vastly enhancing the appearance of these areas and, therefore, improving the health and wellbeing of Dundee citizens in this area, which is a contribution to the overall outcome

4.8 Eight additional lean service reviews have been started. Progress is set out on these below.

4.9 Car Parking Appeals

The backlog in handling appeals against parking tickets which was causing a 14 week delay (and growing) and this has been completely eliminated reducing significantly the amount of progress chasing by customers. There is a 70% reduction in appeals for the Appeals Panel, which now has a 50% reduction in the number of meetings required. Further experiments planned are evaluating the impact of equipment purchased in-house to repair quickly small areas of signs and lines damaged scanning of mail to make electronic transfer and access faster for information, introducing cash receipting and telephone automatic payment line and training for staff on conflict management carried out. Furthermore an option appraisal is being carried out on the best value between using the Sheriff Officers or the in-house debt management team. A further improvement that has been designed to reduce customer enquiries is that plain English is being applied to customer information on parking charge notices. A planned request for additional staff has now been considered unnecessary.

4.10 Housing Relets

The check phase had revealed that the relet process took too long and a factor was the poor standard the accommodation offered was in. It was also highlighted that there was 3.7 let offers per let and, therefore, the aims of the experiments were to reduce the time taken to let the house, improve the quality of the house offered and reduce the number of offers per house. From the first phase of experiments, the time to relet has reduced from 18 weeks to 12 weeks and this has contributed an additional £36,000 per month, or approximately £400,000 per annum. The experiments included putting more accurate information on about the prospective tenant at the first point of contact, reducing the time taken to repair houses and experimenting with the Council redecorating the house to a higher standard instead of relying on redecoration allowances to tenants.

Movement of keys took up a significant amount of staff time and a new system is being introduced to install locks on houses as they become vacant that can be opened by a master key available to the relevant staff. It is hoped that, over the long term, the decoration programme will improve the quality of homes being offered and the next phase will look at how this will reduce the number of offers per let. Further work will involve getting a closer match between the top ten tenants in the allocation system to the house that has become available.

4.11 Payroll

The Payroll Section process pay and employment details for 4,069 employees (excluding Education). A number of problems highlighted the need for a lean service review and these included consistently missing the deadlines for processing pay set by the IT system and a staff turnover of 60% caused by the high stress environment. It was noted that the failure demand is caused in the main by an error rate in data submitted by departments of 26% one month and 17% another month. 12% of staff time is spent chasing errors at a critical stage in the process and that this is replicated in departmental payroll teams. Two experiments are proposed to make departments responsible for the quality of data to be measured by clean data received centrally and following training given by the payroll department piloting local input by departmental staff.

The main principle being pursued is that the quality of the data should be owned by departmental managers, and should be right first time. Further innovations were being pursued that will reduce the paperwork and steps in the process. These included an electronic signing off process for noting absence and return to work, e-payslips instead of paper and self-service by employees on maintaining data in the resourcelink system such as next of kin, change of address, etc.

4.12 Architects

This project focussed on 2 issues. One related to an increase of 550 hours travel time by using the bus to travel to site compared to taxis. The second is that 70% of the Division's work comes through the GVA process and they noted that this requires 24 more steps than the standard process they used when clients contacted them directly. The project is concentrating on exploring cost effective means of getting staff to sites apart from re-introducing contract taxis, and how the Architectural Services Department engage with customers and other relevant departments to find ways to streamline the GVA system

4.13 The Revenues Division

In the last financial year, there were 74,209 contacts at the enquiry office. In their demand analysis they noted 22% failure demand at the reception point which deals with 25,000 of the total enquiries to the office. Immediate action was taken to deal with the issuing of unnecessary tickets for customers to queue and this had the immediate effect of reducing failure demand to 14%, and it is anticipated that this will reduce further by increasing the skills available at the reception over lunchtime and by converting the mail member of staff to a skilled member. It was noted that the remaining 10% of failure demand is a result of customers seeking other Council services not available at 8, 7, 6 City Square. A number of experiments are being devised to streamline processes

4.13 Housing Advice and Information Service

It was noted that, in the last financial year, they had 14,099 contacts and that this service has now transferred to customer services team in Tayside House. It deals with four housing services: letting/homeless, rent recovery, housing repairs and anti social complaints. 70% of the contacts are related to rent recovery and lettings/homelessness and, respectively, the level of failure demand was 84% and 41%. The main reason for this is that the staff can only give information and advice about the application forms but they cannot actually process them as this can only be done at the lettings/Lily Walker centre. The staff don't have access to the relevant information to verify medical/homeless status.

To reduce this failure demand, a genuine first point of contact service needs to be designed and, therefore, the team will investigate the feasibility of inputting the data at the first point of contact and providing the front line staff with access to more and relevant information. With respect to rent recovery, the main issue concerned customers being confused about the contact details for dealing with rent arrears. The team will work with the Rent Recovery Section and clarify and improve customer communications.

4.14 Customer Services

The annual number of contacts to customer services on floor 2 is 529,168, this included 439,779 to the switchboard and face to face contacts in Tayside House were 53,599. Investigation has revealed 39% failure demand in the contacts made by the public. One of the main causes of this is that the majority of services at the contact centre are still not first contact in design and frequently require the customer to make repeat visits having completed a form or brought in proof of entitlement documentation. In services looked at in detail the length of time for service provision was a key factor and resulted in 75% of the repeat visits for customers. By far the biggest cause of this is disabled bus pass applications. The average time elapsed for new applicants and renewals is respectively 52 days and 44 days. More than half of this time is the gap between the customer requesting an application form and receipt of application form from the customer. Therefore, from the customers' perspective, eliminating the need to complete the application form and make a second visit would be a significant improvement. The next step is to investigate and analyse the full end to end process with other departments (Social Work, City Development, Education) with a view to making the entitlement verification process a one stop service.

4.15 Welfare Right Duty Advice Line

The average number of inward telephone calls per week is 607. The demand analysis estimated that 52% is failure demand. Analysing staff activity behind this failure demand identified that a number were calls to the DWP, Revenues and HMRC to establish benefit status. This involved welfare rights staff calling back the customer relaying the same information already previously provided by, in the Council's case, the Revenues Division. The next step here is to conduct an experiment to eliminate the impact on customer time and experience through enabling welfare rights staff to access the documents issued by the revenues division that a welfare rights customer may be calling about it. An additional line of enquiry was to look at the approximately 397 notice of potential eviction cases per annum. It was noted that the actual number of eviction cases last year was 72. When evictions proceedings are started by the Housing Department, an intensive amount of casework has to be carried out with a combination of welfare rights and staff from a variety of council departments.

It is proposed to establish a project in conjunction with the rent recovery section, housing support team, Lily Walker centre, legal section and homelessness strategy team to test new preventative measures and early intervention support services for tenants.

5. **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.

6. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive, Director of Finance and the Improvement and Efficiency Board members have been consulted on this report.

7. **BACKGROUND PAPERS**

None.

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11/12/2009

LEAN SERVICE REVIEWS - EFFICIENCIES IDENTIFIED

CASH EFFICIENCY SAVINGS (same output but less resources used)						Amount of Savings
No.	Type	EG Workstream	Input	Output	Description	2009/10
					<u>Environmental Health Food Hygiene</u>	£
1	Same output for less input	Other	Staff Time	Changing from low value to high value work	Changed method of communicating with customers	250
					<u>Libraries</u>	
2	Same output for less input	Procurement	Staff Time	Cheaper purchase prices	Change to online suppliers for special purchased	2,600
					<u>Housing</u>	
3	More output for the same input	Other	Staff Time	Removal of non value processes	Reduced number of void days on council house relets	400,000
NON-CASH EFFICIENCY SAVINGS (doing more for the same resources)						
					<u>Environmental Health Food Hygiene</u>	
4	More output for the same input	Other	Staff Time	Changing from low value to high value work	400 hours redeployed from low risk to high risk premises	18,000
					<u>Schools</u>	
5	More output for the same input	Other	Staff Time	Removal of non value processes	Admin teams taking approx 15 hours/week non teaching duties from teachers	16,742
					<u>Car Parking</u>	
6	More output for the same input	Other	Staff Time	Removal of non value processes	84 hours pa saved for appeals panel staff	2,142
7	More output for the same input	Other	Staff Time	Removal of non value processes	Equivalent to £44000 staff savings from improved appeals procedure and less progress chasing. Staff being redeployed to take work from Senior Parking Officers, introduce cash Receipting, etc.	44,000
					<u>Payroll</u>	
8	More output for the same input	Other	Staff Time	Removal of non value processes	2110 hours per annum saved between payroll section and departments resulting from better 1st submission of data	31,650
					Total Gains	515,384