

EAST RENFREWSHIRE COUNCIL

CABINET

21 August 2014

Report by Chief Executive

ANNUAL EFFICIENCY STATEMENT (2013/14) &
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 2013/14 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 2013/14 for submission to CoSLA; and
 - (b) notes the progress being made to develop the Council's Public Service Excellence programme and deliver efficiencies for 2014/15 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

7. Since the PSE programme was launched in 2009, we have delivered total recurring financial savings of at least £4,103,000 and contributed to a workforce reduction of at least 231FTE. Our rates of customer satisfaction with Council services have also remained broadly stable during that time, despite significant budget reductions.

PSE Progress in 2013/14

8. As always, PSE projects in 2013/14 have been very much a team effort, with colleagues across the Council working together with services to drive transformation and new ways of working. 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 but the following section will give a flavour of the big project areas progressed over the last year.

9. There have been a range of substantial projects this year in the CHCP. The development of the Eastwood Health and Care Centre came with it a drive to have over 400 CHCP staff agile working (i.e. out in the field with laptops and smartphones etc) by December 2014 in order to reduce the CHCP's use of buildings from 18 to just 4 and reduce desk ratios from 1 employee:1 desk to 5-7 desks for every 10 staff members. The programme is on target and 270 staff are now agile working. This has been a significant piece of work which has had complexities in the testing and use of devices; the challenges of working across 2 ICT networks (Council and NHS) and the exploration of new ways of working to maximise benefit. The savings in this project will come primarily from the reduction in the use of buildings and the reduced desk ratios able to be projected for the new health centre. These savings will be delivered when the health centre is opened and the other buildings vacated. In addition, we are already finding that agile working is having a positive impact on face to face client time available; client response times; reduced mileage costs; overtime reductions and the need for administrative hand-offs. The ongoing process redesign as a result of the move towards agile working will influence further savings in future.

10. A further significant programme of work that has seen good progress this year is in the area of Care at Home. The Programme of Work has already delivered significant cashable savings of £280,000 for 2014/15 through partial service re-design changes in reablement and there are further proposals for savings in region of £500,000 over next 3 years. In addition to these financial benefits, there are clear benefits to service users and carers. Reablement has already helped service users to regain independence following hospital discharge. Service user satisfaction rates have improved for in-house provision of Home Care due to factors such as a re-focus on continuity of care provision. There is a large 'agile' working element to the next stage of the Care at Home programme. This will see Home Carers issued with devices that give them better access to information; will allow more accurate monitoring of care provision including consistency of care; and will facilitate more accurate billing.

11. This project in turn links to a complex Care Finance project which has been developed over the last year, culminating in the national launch of Self Directed Support on 1 April 2014. This project has involved putting 1,000 personal service agreements online to allow individuals to make choices about how their resources are spent and direct purchase the care that they feel would suit them best. This project will bring with it significant efficiency savings in terms of reduced manual input to spreadsheets and reduced overpayments. Further work is continuing over 2014/15 to finalise the management reporting system behind this area.

12. Moving now to look at other areas, the Environment Department has been pressing hard this year to develop an agile working offering for its staff in order to derive improved productivity for what is a very field-based workforce. The Housing Service embarked on a review of its services and identified Response Repairs and Asset Management as a priority for change. There were delays last year as a result of PSN compliance issues, but progress is now being made.

13. The Housing service perform Housing stock surveys to obtain statistics on condition and threats, such as asbestos and Legionella. A mixture of Housing staff and contractors participate in this predominately paper based task that involves visits back to the Housing office to have the findings of the surveys updated into back office systems. The process was time consuming and resulted in duplication of effort. A new Asset Management System was introduced into the Housing service in 2013. The system provided staff and contractors with the capability to access and update Housing Asset information electronically. The system enhancement planned for September 2014 will allow this information to be remotely input by external partners and staff.

14. In addition, the response repairs process lacks automation, involves trade operatives travelling to and from the Barrhead office and their stores in Thornliebank, with manual handling of repair paperwork that needs to be processed by supporting administration staff.

15. A mobile solution for the repairs service was investigated in 2013, by having three mobile suppliers presenting their products to the service, and in January 2014 an exemption from Cabinet to tender and obtain a solution directly from CIVICA mobile was granted. This is on target for implementation in September.

16. Again, it is envisaged that there will be associated savings with regard to improvements in productivity and reductions in overtime, mileage, administration and absence reductions (better work life balance).

17. Beyond Housing, the Environment Department provides a diverse array of functions that often involves staff delivering services away from their office at various locations across the authority. During 2013/14 a PSE overview of the current working practices of 17 job roles showed that the majority of the workforce does not have access to ICT applications, back office systems and network drives when working away from the office. Systems are very paper-based and reliant on staff travelling back and forth to their desks. Detailed process work was undertaken in a few pilot areas (including Environmental Health, Trading Standards and Property & Technical Maintenance). This identified scope for process improvement and service redesign as well as the deployment of ICT kit. This work will now be taken forward in a collaborative agile working project with Renfrewshire Council.

18. In the Education Department there are a complex range of projects ongoing around the development of the Foundry coupled with fundamental sports services transformation, and most recently the move to develop a business plan for a Cultural and Leisure Trust. There are a range of interdependencies in these projects and they have complex HR implications. Key benefits should be a redesigned staffing structure and processes including rationalisation; creation of multi-activity hubs at sports centres; improved customer service; and improved self-service capability.

19. In 2013/14, work was also undertaken jointly with the Scottish Qualifications Authority (SQA) to progress a specially developed accreditation course in project management, designed, coached and mentored in-house by our Programme Management Office. This scheme was designed to widen out project management skills in the Council and to mentor candidates through 'live' projects with the dual benefit that candidates could achieve a nationally recognised qualification and the Council would build its capacity and capability around projects. The first 5 candidates are due for formal award in September with a further 4 shortly thereafter and then the next tranche of 8 candidates in Spring of 2015.

Future Efficiency & Transformation

20. As was reported in last year's Annual Efficiency Statement, in May 2013, the Corporate Management Team agreed principles to support a further 4 year plan to deliver transformation, efficiency and improvement within the Council, with the commitment to at least £7million cumulative recurring cashable savings by March 2017:

- Better customer experience
- Delivering through digital services
- Improving assets and agile working
- Processes simplified and standardised

21. The scale of the budget challenges ahead has meant the need to ask some tough questions about future transformation and change in East Renfrewshire and to assess how well placed we are to respond to these challenges. Work is ongoing with the CMT to develop a future mandate for this work, considering what the future Council will look like; the current direction and pace of travel; the necessary resources and skills for this type of service redesign; and how best to prioritise and govern resources to deliver the most significant benefits.

22. It is envisaged that this will culminate in a refreshed approach for the future. Agile, online and lean service redesigns are likely to form key components of the Council's approach to meeting future financial challenges.

23. There is also ongoing work with Renfrewshire Council on an ICT collaboration project. This started in June 2013 and was set up to look at ICT provision across East Renfrewshire, Renfrewshire and Inverclyde Councils with a view to identifying opportunities to work together and bring benefits to service delivery across the three local authorities. Inverclyde Council withdrew their involvement in the collaboration project in February 2014, however work continues with Renfrewshire. This has included a Strategic Review of ICT; development of a collaborative approach to agile working; development of a collaborative approach to customer access (including digital access) and work is also being done to look at ICT procurement opportunities; ICT networks and infrastructure and information/data use across the councils. These collaborative strategies will form key building blocks of East Renfrewshire Council's future approach to delivering new ways of working, efficiencies and meeting future budget challenges.

24. At the root of each of these workstream areas is a requirement for service redesign and process improvement. Building capacity in project management and service redesign skills will therefore be critical to delivery of future efficiencies across the range of Council services. In addition, linking the future programme to the delivery of the Council's 5 capabilities (prevention; community engagement; data, evidence and benchmarking; modernising the way we work; digital) will also be a crucial goal.

FINANCE & EFFICIENCY

25. 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 £5,712,100 in 2013/14.

26. 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.

27. 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. An example is the significant level of work put in this year to the CHCP agile programme – financial savings of which will only come when the new health centre is opened and the other smaller premises vacated.

CONSULTATION

28. 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 2013/14 rather than proposals for the future.

PARTNERSHIP WORKING

29. 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.

30. East Renfrewshire Council is continuing to engage with other councils, including Clyde Valley councils, to look at opportunities for sharing services. Good progress has been made in 2014/15 with Renfrewshire Council through collaborative reviews of ICT; agile working; customer access; ICT procurement; ICT networks and infrastructure and information use. Recommendations from these areas will now be taken forward in a collaborative way over the next year.

IMPLICATIONS

31. 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.

32. 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. Further changes will be necessary in future years as we push forward with a fundamental programme of service redesign. This will be challenging for services and employees and will stretch the organisation's capacity and capability for change.

CONCLUSION

33. It is clear that the PSE programme has delivered significant benefits over the last 5 years and has also developed a range of enabling projects on which we can now build.

34. 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.

35. 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 increasing the pace and reach of service redesign.

RECOMMENDATIONS

36. It is recommended that the Cabinet:

- (a) approves the annual efficiency statement 2013/14 for submission to CoSLA; and
- (b) notes the progress being made to develop the Council's Public Service Excellence programme and deliver efficiencies for 2014/15 and beyond.

REPORT AUTHOR

Chief Executive

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29 July 2014

BACKGROUND PAPERS

- Leisure Trust Feasibility, Council 25 June 2014
- Audit Scotland Assurance & Improvement Plan Update 2013-16, Cabinet 19 June 2014
- Strategic End Year Performance Report 2013/14, Cabinet 19 June 2014
- Draft Outcome Delivery Plan 2014-17, Cabinet 1 May 2014
- Local Govt. Benchmarking Framework 2012/13 Performance, Cabinet 10 April 2014
- ICT Collaboration, Cabinet 27 March 2014
- Citizens Panel results, 19th survey, presentation after Cabinet 30 January 2014
- Mobile Working for Responsive Repairs, Cabinet 16 January 2014
- Strategic Mid-Year Performance Report 2013/14, Cabinet 5 December 2013
- Comparative Results for Statutory Performance Indicators 2012/13, Cabinet 5 Dec 2013
- Changes to the Council's Organisational Structure, Council 23 October 2013
- Feasibility Study on Transfer of Services to a Trust, Cabinet 20 October 2013

KEYWORDS

This report sets out the Council's Annual Efficiency Statement 2013/14 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 2013-14

1	Local Authority Name	East Renfrewshire Council
2	Total cash efficiency achieved for 2013-14	£5,712,100
3	Summary of efficiency activity e.g. 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. 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. 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>Examples of key efficiency outcomes or activities undertaken in 2013/14 include:</p> <p>General</p> <ul style="list-style-type: none"> - Development of 5 capabilities as part of a wider programme of organisational development to drive East Renfrewshire Council into the future: prevention; community engagement; data, evidence and benchmarking; modernising the way we work; digital. - Delivery of £4,103,000 cashable savings from our Public Service Excellence (PSE) programme since 2009. - Key project areas in 2013/14 have been in our Community Health and Care Partnership (see below section on Shared Services/Collaboration); development of agile working pilots for Housing services and in our Environment Department; and progression of a fundamental programme of transformation in our sports services. - Feasibility study completed on potential transfer of Cultural and Leisure services to a charitable trust; business Case currently in development. <p>Procurement</p> <ul style="list-style-type: none"> - Increase in the annual Procurement Capability Assessment from 58% to 62%, retaining the “improved performance” position - Contract Standing Orders revised, one of the major amendments was the increase in the tender threshold from £25,000 to £50,000 - Sustainable e-learning module created and implemented - Increase in the volume of transactions via the purchasing cards from 15,011 to 17,181 - Value of spend awarded via Quick Quote increased from £2,909,739 to £4,086,995 - All contracts now issued via the Scottish Governments PCS tender system <p>Shared Services/Collaboration</p> <ul style="list-style-type: none"> - Fully integrated CHCP, with an ongoing programme of significant transformation underway – projects in 2013/14 have included the introduction of agile working with 270 staff now enabled to work from home and out in the field; Care at Home; Care Finance including self-directed support. - Working with Renfrewshire Council on an ICT collaboration project, which started in June 2013. to look at ICT provision across the councils with a view to identifying opportunities to work together and bring benefits to service delivery. This has

		<p>included a Strategic Review of ICT; development of a collaborative approach to agile working; development of a collaborative approach to customer access (including digital access) and work is also being done to look at ICT procurement opportunities; ICT networks and infrastructure and information/data use across the councils.</p> <ul style="list-style-type: none"> - Continued involvement in Clyde Valley shared services workstreams. <p>Asset Management</p> <ul style="list-style-type: none"> - Engagement with Scottish Futures Trust in the development of agile working environments for our CHCP, including the development of the new Eastwood Health and Care Centre. SFT also presented to the Council's Corporate Management Team on 'smarter offices' and pilots are now being planned within the Council's 2 main Headquarters. - Relocation of staff from Rhuallan House to Council HQ in a redesigned open plan office environment. Capital receipt from sale of Rhuallan House. - Relocation of staff from Arthurlie Parks depot into existing premises to reduce property revenue costs - 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 further reduced from £88.23 to £80.89 per square metre of Gross Internal Area. - Up to date asset plans have been approved by the Council for our major assets including Housing, Fleet, Property, Roads and Parks/Open Spaces. The one remaining Asset Plan (IT) is scheduled to be reported to Cabinet by September 2014. - An asset disposal framework is in place and is used to support asset rationalisations. Surplus asset disposals through sale/lease took place throughout 2013/14, reducing the Councils ongoing revenue and backlog maintenance liabilities.
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management (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>Procurement = £734,400</p> <hr/> <p>Shared Services = £752,200</p> <hr/> <p>Asset Management = £661,500</p>

5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	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 & Improvement Plan; external audits and inspections; internal audits; How Good Is Our Service self-assessments.
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Signed (Chief Executive or equivalent)

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

Date