

Report

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Report to:	Performance and Review Scrutiny Forum
Date of Meeting:	29 September 2009
Report by:	Executive Director (Finance and IT Resources)

Subject:	Future Best Value Service Review Programme and Council-wide Improvement Framework
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Performance and Review Forum of
 - ◆ the reviewed guidance to be followed when conducting Best Value Service Reviews
 - ◆ the programme of Service Reviews to be undertaken over the next two years pending the introduction of the Public Sector Improvement Framework (PSIF) system of self assessment throughout the Council
 - ◆ the proposed Council-wide framework to be used to identify and manage future improvement projects
 - ◆ the proposed monitoring arrangements

2. Recommendation(s)

2.1. The Forum is asked to approve following recommendation(s):-

- (1) that the revised guidance to be used when conducting Best Value Service Reviews, attached as Appendix 1, be noted
- (2) the future programme of Service Reviews, attached as Appendix 2, be endorsed
- (3) that the Council-wide framework set down in paragraph 9 be used in conjunction with the Public Sector Improvement Framework (PSIF) to identify and manage future areas for Best Value review and other significant improvement projects
- (4) the Figtree would be used, pending developments to Improve, to track the benefits of all corporate improvement projects to enable a single corporate evidence based register of benefits to be maintained

3. Background

- 3.1. The Council currently undertakes a range of activity relating to improvement and efficiency. This is driven by the dual aims of improving service delivery and achieving cost savings and efficiencies.
- 3.2. This work includes the annual budget exercise, the diagnostics projects, best value reviews, lean reviews, review of core/non-core activity etc.
- 3.3. Recognising the wider economic position, it is evident that the Council will require to deliver considerable savings and efficiencies over the next few years. This will involve striking an appropriate balance between improvement and efficiency activity to ensure the required outcomes are delivered.

- 3.4. This report sets the background to the Council's programme of Service Reviews but recognises that it is only one of a suite of approaches which will require to be used in the years ahead.
- 3.5. A recent study by Internal Audit which reported in January 2009 has confirmed that all 'material' service functions within the Council have been subject to a formal Best Value Service Review over the last ten years.
- 3.6. Notwithstanding this, the report also identified potential gap areas at both Council and Resource level, albeit recognising that many of these areas were potentially small in terms of budget and staffing numbers.
- 3.7. In summary, the main improvement areas noted during the audit are summarised below:-
- ◆ Central catalogue – a central catalogue of Best Value Service Reviews, and other reviews following best value principles should be re-introduced and enhanced
 - ◆ Best Value Guidance – the Best Value Service Review Model followed by Council officers should be updated to reflect emerging Best Value 2 guidance and any other examples of best practice available
 - ◆ Extending Review coverage – areas not previously subjected to analysis should be used, following discussions with Resources, as a guide to inform future service reviews
- 3.8. The first action point will be addressed through the expanded use of the existing Risk Management/Internal Audit system, Figtree, pending further development of the Council's performance management system, Improve. The last two points are addressed more fully in this report.

4. Service Review Guidance

- 4.1. The attached Appendix 1, Best Value Service Review Guidance has been updated to reflect the undernoted key points:-
- ◆ the emerging Best Value 2 framework
 - ◆ the need to ensure sustainability and equality issues are mainstreamed into the service review process
 - ◆ the need to develop a more robust approach towards options appraisal and cost benefit analysis
 - ◆ examples of best practice elsewhere
 - ◆ the need for robust management of the review process

5. Self Assessment

- 5.1. The Council has recently approved the introduction of a Corporate Self Assessment Tool – Public Service Improvement Framework (PSIF) on a phased basis over the next two years. PSIF is based on the EFQM Excellence Model and has been developed for use with Local Government and the Public Sector. There are currently approximately 20 Local Authorities committed to the use of PSIF.
- 5.2. It is anticipated that implementation of this tool within Resources will greatly assist the Council and Resources in identifying those service areas which require focussed improvement activity to be undertaken in the future.

6. Future Best Value Review Programme

- 6.1. Following consideration of the internal audit report at the Best Value Lead Officers meeting held on 5 May 2009, individual meetings were held with lead officers to discuss the findings.
- 6.2. In general Resources agreed to the actions proposed in the Audit but also commented as follows:-
- ◆ a focused approach is needed with priority given to areas where there is a recognised need or opportunity for change or improvement
 - ◆ the Council should use a range of improvement methods i.e. the most appropriate for the issues involved
 - ◆ best value encompasses efficiency and other characteristics such as effectiveness, sustainable development, accountability and equalities. These areas should feature in the guidance to ensure reviews consider these issues fully
- 6.3. Resulting from these meetings all identified gap areas have been discussed and the attached Appendix 2 summarises those reviews proposed over the next two years pending the introduction of PSIF.

7. Internal Audit Statement of Annual Assurance

- 7.1. In addition, the recent Internal Audit Statement of Annual Assurance for 2008/09 has also flagged up a number of prioritised areas which would benefit from review on a Corporate basis. These areas were considered and approved at the CMT on the 9 July 2009. These priority projects will form part of the wider Corporate Improvement programme and will also be monitored via Figtree.

8. Corporate Improvement Programme

- 8.1. Currently, the Council pursues a range of corporate improvement activity deriving from work around:
- ◆ Best Value
 - ◆ Efficient/Government/Diagnostics analysis
 - ◆ Lean Thinking
 - ◆ Internal/External Audit

Using a variety of tools including:

- ◆ Best Value Service reviews
 - ◆ Lean Thinking reviews
 - ◆ Leadership Development Project groups
 - ◆ Existing/new working groups
 - ◆ Commissioning of external consultants
- 8.2. While continued application of this activity using a variety of tools is recommended in the future, this must be within a single corporate improvement framework which identifies the most appropriate tool to use in different circumstances.
- 8.3. Regardless of the method used to identify an improvement project, the key outputs should be included in a benefits tracking plan that is retained on a central register and monitored on a corporate basis.

9. Corporate Improvement Framework

- 9.1. In the absence of detailed information regarding PSIF at this time, it is proposed that the criteria listed below are incorporated into the PSIF (if not already explicit) to help Resources, as part of the self assessment process, to focus on those areas which may most benefit from being reviewed or improved in the future.

It is implicit that local management action to address any issues should be promoted and pursued in the first instance prior to promoting the use of a more formal improvement tool.

Criteria

1. Outcomes of audit/inspections by internal or external bodies
 - ◆ review of action plans resulting from audit inspections with a view to reviewing areas that were highlighted as in need of improvement
 - ◆ identify any areas that action points have not yet been progressed
2. Customer complaints/negative comments received
 - ◆ negative feedback on services should be reviewed to establish the extent to which it highlights any areas where improved systems or processes could be established to improve the quality of services
3. Unexpected/disappointing consultation results
 - ◆ review of consultation results to identify any areas where satisfaction with services is not as expected
4. Significant decline in performance indicators (statutory or local)
 - ◆ analysis of declining performance indicators
5. Benchmarking results
 - ◆ review benchmarking activity undertaken by services and consider any areas where results are unsatisfactory in comparison to any appropriate comparators
 - ◆ consider any appropriate examples of innovative practice identified elsewhere
6. Areas where major changes have taken place since the service was last reviewed. Examples of major changes could include:
 - ◆ legislative changes that impact on service delivery
 - ◆ services that have been re-organised
 - ◆ new services or skills required(In Services where performance is high, a significant change in operation would not in itself be a reason to consider the service for a BVSR).
7. Outstanding actions from previous reviews that have never been completed
 - ◆ action plans from any previous BVSR's should be reviewed to establish whether there are any outstanding actions
8. Significant levels of failure rates or repeat service requests in process driven activity
9. Service areas where financial outturns are not being met
10. Opportunities arising from efficient government/shared services agenda e.g. diagnostics projects

11. Examination of service plans to identify areas of weakness. Consideration could be given to peer review of Service profiles (either by Heads of Service within a Resource, or by another Resource)
12. Any areas where contracts/Service Level Agreements are due for renewal
13. Review of relationships with partner organisations (where appropriate/possible)
14. Significant new capital or revenue investment required which is not readily available

9.2. Selection of appropriate tool

Developing this further, the table below sets down the key characteristics of the tools listed in paragraph 8.1. This acts as a signpost to assist Resources in selecting which tool to use in different circumstances.

Improvement tool	Key characteristics
Best Value Service Review	Comprehensive process of reviewing a service in its entirety. Considers key components of compare, consult, challenge and use of competition. Extensive process which should lead to significant improvements and efficiency to justify its use.
Lean Thinking Reviews	Ideally suited to address areas where processes require improvement i.e. high failure rates/repeat enquiries/any need to streamline business process. Can be used for whole or part of service or process and involves key users in review.
Leadership Development Project groups	Brings a useful blend of cross Council experience. Ideally suited to develop good practice guidelines or address corporate issues via short life task force.
Existing/New Working Groups	Useful for short term task when expertise or specialist knowledge required.
Use of external Consultants	Only for use when other routes are not deemed suitable. Must be accompanied by detailed business case i.e. specialist knowledge required and must follow procurement process.

10. **Benefits tracking**

10.1. Investigations have been undertaken by the CIU into an appropriate methodology for tracking and listing all Best Value Service Reviews as per Internal Audit's recommendations, and as referred to paragraph 8.3. While Improve is recommended as a long-term solution for this piece of work, the use of Figtree can adequately address this gap in the interim. On this basis it is proposed that Figtree be developed for use on a corporate basis to track the benefits of all corporate improvement projects to enable a single corporate evidence based register of benefits to be maintained.

11. **Proposals**

11.1. In summary, the report proposes

- ◆ approval of the reviewed guidance to be followed when conducting Best Value reviews
- ◆ the programme of Service Reviews to be undertaken over the next two years pending the introduction of the PSIF system of self assessment throughout the Council
- ◆ the proposed Council-wide framework to be used to identify and manage future improvement projects
- ◆ the proposed monitoring and benefits tracking arrangements

12. Employee Implications

12.1. None.

13. Financial Implications

13.1. None.

14. Other Implications

14.1. None.

15. Equality Impact Assessment and Consultation Arrangements

15.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

15.2. Appropriate consultation has taken place with Council Resources.

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4 September 2009

Link(s) to Council Objectives/Values

- ◆ Performance Management and Improvement
- ◆ Efficient and Effective use of Resources

Previous References

- ◆ None

List of Background Papers

- ◆ Best Value Service Review Guidance

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Heather McNeil, Head of Improvement

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**Audit Report: Best Value Service Review Coverage
Feedback from meeting held with Resource officers during May 2009**

Service Review Actions Plans currently being implemented:

- Care and Support Services (Forum June 2008)
- Winter Maintenance (Forum September 2008)
- Recruitment Administration (Forum September 2008)
- Senior Manager Pupil Support (Forum November 2008)
- Lanarkshire Property Advice Service (Forum November 2008)
- Grounds Maintenance and Street Cleaning (Forum December 2008)
- Passenger Services (Forum December 2008)
- Refuse Collection (Forum December 2008)
- Legal Services (Forum December 2008)
- Better Regulation – Environmental Health and CATS (Forum May 2009)
- More Choice, More Chances (Forum May 2009)
- IT Help Desk Service (Forum May 2009)

Reviews currently on forward schedule:

Education Resources

- Review of New Management Structures In Schools (March 2010)
- Curriculum for Excellence (July 2010)

Enterprise Resources

- Planning Act Implications [Lean Thinking] (October 2010)

Finance and IT Resources

- Accounting & Budgeting (Service review/Diagnostic) (Sept 2009)

Housing and Technical

- Repairs and Maintenance Service – Policy Review (December 2009)
- Gas and Solid Fuel Servicing (September 2009)

Additional Reviews to be added to schedule (dates to be confirmed):

Community Resources

- Sustainable Development Strategy (2010)

Corporate Resources

- Vocational Programme (Lean Thinking) 2010/11
- Personnel Services (Longer term)

Education Resources

- Early Years Service
- Inclusive Education
- Integrated Childrens Services/Community Learning
- Youth Learning Service
- IT Service (RM contract element only)
- Operations Service
- Support Services
- Schools Service

Housing and Technical Resources

- Benefits and Revenues Review

Social Work Resources

- Day Opportunities for Adults with Disabilities
- Community Service (Adult and Justice Services)
- Reception Services (Adult and Justice Services)

Corporate issues:

- Capital Project Management
- Additional projects arising from the Management Structures Diagnostics report to be added as appropriate