



**Appendix to Item: 7(a)**

**AGENDA ITEM: 5(j)**

**CABINET: 15<sup>th</sup> November 2011**

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**Report of: Transformation Manager**

**Relevant Managing Director: Managing Director (Transformation)**

**Relevant Portfolio Holder: Councillor D. Westley**

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**SUBJECT: ORGANISATIONAL RE-ENGINEERING UPDATE**

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Wards affected: Borough wide interest

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To provide an update on the Council's Organisational Re-engineering (OR) programme to date. This includes information on the following:
- The level of cash and efficiency savings resulting from OR, together with the improvements to both service delivery and customer accessibility
  - Progress of the Organisational Re-engineering (Efficiency Reviews) Framework and proposed service areas for future OR reviews.

## **2.0 RECOMMENDATIONS**

- 2.1 That the positive progress and successful outcomes of those reviews detailed, together with the summary of cash and efficiency savings identified, be noted.
- 2.2 That the Assistant Director Housing and Regeneration and the Borough Planner, with the support of the Transformation Manager, undertake and report back on the findings of the OR reviews carried out in their service area in 2012/13.

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## **3.0 BACKGROUND AND CURRENT POSITION**

- 3.1 The Council launched its Organisational Re-Engineering programme in 2004 and to date has conducted seven successful OR Projects. These projects are;
- Council Tax
  - Travel Concessions
  - Housing – Property Services

- Street Scene (support services)
- Electronic Document Management (EDM)
- Environmental Health
- Private Sector Housing

As Members have been advised previously of the outcomes of the first five projects this report provides an update on the reviews undertaken within Environmental Health and Private Sector Housing.

- 3.2 As referred to within the Business Plan, one of the outcomes of MSR is that it helps to identify service areas which would benefit from OR. The continued commitment to re-engineering, particularly in conjunction with the MSR initiative, places the authority in a sound position to be able to secure further savings and efficiencies in a planned and co-ordinated way. Clearly, there is the continued need for the authority to:-
- Secure tangible year on year savings and efficiencies, within both front and back office.
  - Promote greater accessibility for all citizens by migrating services and the associated workload to 'front of house' i.e. to the website; to the Contact Centre; and to the Customer Service Points (CSP), thus improving service delivery from the customers' point of view.
  - Encourage staff ownership and promote the work undertaken on innovation/maximising the use of new technology, especially at a time of overall budget reduction
  - Deliver more streamlined and customer centric services through harnessing the latest information and communications technology, thus maximising customer satisfaction levels in line with increasing citizen expectations
- 3.3 Prior to OR commencing 17 services were delivered from within Customer Services (i.e. including the Contact Centre and one CSP), with a resource of 10.5 staff. As at September 2011 a total of 134 services can now be accessed from within Customer Services, with a resource of 14 FTE's, meaning that the section continues to deliver value for money on an even range of Council services. So for example, Customers can register for Council Tax, request a recycling receptacle, report a housing repair, pay a bill, book a pest control treatment, report illegal gypsies/traveller sites and so on, all within one interaction. Additionally, our website customers have access to more than 100 online services. Customers can request services, make payments, report problems, give their views, find information and much more through the website, which is available 24/7.
- 3.4 The level of cumulative cash savings identified to date amounts to around £2.5 million, with efficiency savings also gained totalling approximately £809,000. Details of the specific level of savings in respect of each individual project are contained within item 5, together with information detailing a small sample of the positive and practical outcomes of each review.
- 3.5 An OR Strategy detailing proposals for the order of rolling out future projects is being developed as one of the work streams within the Business plan and consequently the OR Manager is now working with The Partnership and

Performance Manager to produce this strategy, which will be produced in April 2012.

- 3.6 By way of a further reminder, in 2010 the Customer Service & OR Manager left the organisation. This provided an ideal opportunity to review the structure within Customer Services in order to streamline the approach to OR, together with the delivery of the corporate Customer Services function. In order for each discipline to become better focused, the traditional role of Customer Service & OR Manager was subsequently split into two separate dedicated roles within current budgets.

#### **4.0 OR FRAMEWORK AND AREAS FOR FUTURE OR REVIEWS**

- 4.1 Following recommendations from the Business Plan Working Group (BPWG), Members agreed that there was merit in revisiting the approach to OR with a view to speeding up the process. To accommodate this, an amount of £50,000 was identified and it was agreed that this money would be used to commission an external consultant to conduct the next OR review, whilst simultaneously reviewing/streamlining the methodology for future reviews and training the new OR Manager. This will ensure future sustainability in accordance with the Business Plan.

Members may also recall that a tendering exercise has now taken place and six external organisations have now been identified for inclusion on the Framework list. As detailed below:

- Ad desse
- Agilisys
- CPC
- KPMG
- RSM Tenon
- UK Public Sector

The advantage in building an in-house capability, together with formalising a Framework list (which can be utilised for up to 4 years) is that Members will have future flexibility regarding the roll out of OR. For example a decision may be taken to undertake two projects simultaneously i.e. one undertaken by a private sector partner listed within the framework, the other delivered by the newly trained internal resource. For clarification, the Transformation Manager will remain the officer responsible for the delivery of all projects, however commissioned.

- 4.2 One of the possible options agreed by Members as part of the MSR process was that the OR Manager would conduct reviews of Housing Services and during this period the post would be funded from the Housing Revenue Account. In addition Planning Services was also identified as an area for a future OR review. Consequently discussions are currently taking place around the timing of both of these major reviews.

## **5.0 UPDATE ON RECENT OR PROJECTS**

### **5.1 ENVIRONMENTAL HEALTH**

5.1.1 The OR review recommended a series of service improvements which provide a faster, more convenient and efficient service for customers. Examples here include the introduction of an appointment system for Licensing customers; Customer Services' making appointments and taking payments for Pest Control; the transfer of a further 12 processes to Front Office; full system integration to fully automate the end-to-end process whereby information is transferred electronically into the back office system streamlining workflow and creating a quicker, slicker service for customers.

5.1.2 Phase 1 is now complete and Customers can now access Environmental Health Services at first point of contact by contacting front office either via the telephone; or using one of the Customer Service Points; or by completing a form on the website. The project team is now planning the implementation of phase 2, which will include;

- Taxi drivers being able to book taxi license appointments at first point of contact.
- Implementation of the corporate Electronic Document Management system into Environmental Health. This will initially be introduced within Licensing and then be rolled out across the whole of the Environmental Health section.

Officers from Environmental Health, Customer Services and ICT/One Connect Limited (OCL) will continue to work together to implement phase 2. It is envisaged that the introduction of Taxi licensing in front office as well the implementation of EDM into Licensing will be in place by July 2012.

5.1.3 In terms of measuring the success of online requests/transactions for pest control appointments, although seasonal, over a 3 month period, the website generated an approximate income of £2,100 which meant that customers were able to book and pay for an appointment at first point of contact without the need for officer intervention.

### **5.2 PRIVATE SECTOR HOUSING**

5.2.1 The project identified a number of service improvements, which again provides a faster, more convenient and efficient service for customers. These are as follows:

- The streamlining of the Disabled Facilities Grant (DFG)
- Changes in procedures for enquiries about home ownership from the Land Registry, which will speed up the application process.
- Reduction in the Admin Support resource by 0.5 FTE
- Team relocation to Property Services Office at Sandy Lane
- Customers can now contact the Council direct or complete an electronic form on the website for all general enquiries and requests for information for Private Sector Housing services. So for example: enquires on Houses of Multiple Occupations; enquires on Landlord Services; Reporting Empty

properties; Reporting illegal gypsy/traveller sites can now be submitted in this way.

5.2.2 All of the above improvements have now been implemented, with the one remaining action to implement Northgate EDM. As an outcome of the recent Management restructure, Private Sector Housing now forms part of Community Services and so the implementation of EDM will be done at the same time as its introduction into Environmental Health, the estimated completion date being July 2012.

## 6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 The continued roll out of OR will help generate further essential savings and/or efficiencies for the authority, whilst simultaneously driving up quality and accessibility of services for the citizens and businesses of West Lancashire in accordance with the Business Plan.

## 7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 The following table provides a summary of year on year cash and efficiency savings that have been identified as a direct result of the OR reviews undertaken to date:

		2004/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total Cash	Total Efficiency
<i>Council Tax</i>	Cash	357,800	110,400	110,400	110,400	110,400	110,400	909,800	
	Efficiency	127,800	42,600	42,600	42,600	42,600	42,600		340,800
<b>Travel Concessions</b>	Cash	4,900	3,700	3,700	3,700	3,700	3,700	23,400	
	Efficiency	24,100	18,100	18,100	18,100	18,100	18,100		114,600
<b>Property Services (Repairs)</b>	Cash	77,900	77,900	170,000	190,000	190,000	190,000	895,800	
	Efficiency		27,500	27,500	27,500	27,500	27,500		137,500
<b>Street Scene (Operational Support)</b>	Cash		3,000	3,000	3,000	3,000	3,000	15,000	
	Efficiency		20,500	20,500	20,500	20,500	20,500		102,500
<b>Environmental Health (1)</b>	Cash			41,000	82,100	88,600	96,100	307,800	
	Efficiency					47,000	57,000		104,000
<b>Private Sector Housing (1)</b>	Cash			39,500	96,300	96,300	96,300	328,400	
<b>Total</b>		<b>592,500</b>	<b>303,700</b>	<b>476,300</b>	<b>594,200</b>	<b>647,700</b>	<b>665,200</b>	<b>2,480,200</b>	<b>799,400</b>
<b>TOTAL CASH/EFFICIENCY SAVINGS</b>								<b>3,279,600</b>	

(1) OR/OD combined savings

## **8.0 RISK ASSESSMENT**

- 8.1 OR plays a critical role in identifying savings and service improvements, particularly in the current economic climate, without OR the authority would miss out on opportunities to make further savings and efficiencies, whilst at the same time improving services for our customers.

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### **Background Documents**

There are no background documents (as defined in Section 100D (5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

None