

CABINET

21 May 2003

INTERNAL SERVICES SCOPING REPORT

REPORT OF DIRECTOR OF COMMUNITY SERVICES

Contact Officer: Steve Tilbury Tel No: 01962 848292

RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

The report seeks approval of the scoping report for the Internal Services Best Value Review.

RECOMMENDATIONS:

- 1 That the Internal Services Best Value review scoping report be approved.

CABINET21 May 2003INTERNAL SERVICES SCOPING REPORTREPORT OF DIRECTOR OF COMMUNITY SERVICESDETAIL:1 Introduction

- 1.1 The scoping report for the best value review of internal services is attached as Appendix 1. The content of the report should be self-explanatory. Cabinet is asked to approve the report as the basis for the review.

OTHER CONSIDERATIONS:2 CORPORATE STRATEGY (RELEVANCE TO):

- 2.1 The conduct of Best Value reviews helps to work towards the key priority in the Corporate Strategy:

“To maintain budget stability through strong performance and resource management while accommodating the requirement of new legislation and duties.”

3 RESOURCE IMPLICATIONS:

- 3.1 None.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

Internal Services Scoping Report.

Internal Services Best Value Review

Draft Scoping Report

INTRODUCTION

The Council has adopted a programme of themed Best Value Reviews to examine its effectiveness and efficiency in delivering services that are not easily contained within traditional definitions. The importance of internal services (defined below) and their potential to affect the way in which all services are provided to our external customers was identified as an issue and included in the work programme for review. The review has been allowed two years, reporting in mid December 2004, but the review team aims to complete its work by March 2004 (see project plan) if other commitments permit.

1.2 In order to identify which functions are considered to be 'internal services', the review team decided to apply the following definition:

" A service, or part of a service, where the direct customer is predominantly another service/team/individual within the Council."

1.3 This does not mean that internal services have no impact on external customers. All these services are important to the way in which the Council delivers to the public. If they are not performed well and at a reasonable cost then the quality of other services will be undermined. Most 'internal services' do have some direct contact with external clients or members of the public as part of their business. For example, whilst the involvement of Personnel in recruitment is an internal service, all job applicants are effectively direct customers of Personnel as well.

1.4 Initial discussions of the scope of the review centred on the team's desire to ensure that the Internal Services Best Value Review is genuinely crosscutting, rather than a collection of smaller service reviews. To this end, the emphasis of the scoping report is on themes cutting through the different internal services, and how they relate to one another.

AIMS OF THE REVIEW

The aim of this review is principally to test whether the organisation and delivery of the Council's internal services is as effective and efficient as it could be, and to recommend changes where these could improve service delivery and/or reduce cost.

2.2 The review will test the performance of each individual internal service and will then examine the overall approach to the delivery of internal services. This is to evaluate whether they are coherently arranged, so as to provide the best service, through the support they give to internal customers.

3 KEY OBJECTIVES

3.1 The team believes that the function of a good network of internal services should be to help the Council deliver its objectives to our external customers. To do this effectively, the whole network of internal services should have the following attributes:

- cost-effective provision of services.
- accurate, informed and compatible information for performance management, actively used to achieve continuous improvement of these services and adding value to the delivery of all services provided by the Council.
- consistent and accurate advice given to the Council's service departments in order to support all aspects of service delivery, which will ensure that service delivery staff receive the correct information or advice, first time around.
- a properly structured relationship to other internal services. This will allow effective and timely communication between services and give support to client departments, when and how they need it. This will include the effective use of the Intranet and Internet.
- a consistent approach to project management for projects which require the support of internal services, ensuring that projects receive the services they need to deliver results to our wider customers.

3.2 This review will aim to examine the Council's current way of providing internal services in light of the attributes listed in 3.1. The review will measure how well the Council's internal services perform against this standard. It will also look at whether the current system that delivers these services is best arranged to deliver this standard.

3.3 The review will progress in two principal phases:

Phase 1 will consist of a 'health-check' of existing service provision within the review areas. This will test the nature and cost of the service against benchmark organisations and examine customer views of service provision. Initial research has shown that there is a considerable quantity of information already available to inform this process. New research will only be undertaken where there are manifest gaps in information, or where the available information shows a significant variation of cost or performance from experienced norms.

Phase 2 will consist of reviewing the structure of service provision within the City Council and testing the cost and effectiveness of the current approach against alternative models. This will involve wider challenge and comparisons as discussed later in the report.

Inevitably, the two phases will not be completely distinct. The principle however is clear. The team does not wish to spend significant time reviewing minor variations in service level between Winchester and others. Only if variations provide clear evidence of poor economy or effectiveness will the reasons be pursued.

4 KEY AREAS OF REVIEW

- 4.1 By applying the definition set out above, the review team concluded that the following service areas that should be included in the review. Some activities contained within these services are considered to be externally focused, and have therefore been excluded. These decisions may be subject to revision as the review progresses and evidence is gathered.

Research and Statistics

- access to and format of information and statistics available to Members and officers to assist decision making
- electronic access to information

Accountancy

- financial information systems
- preparation of budgets
- final accounts
- financial reviews
- treasury management
- access by departments to financial information
- assistance provided to other departments

Information and Communications Technology (ICT)

The review will look at those aspects of ICT which support officers in delivering services to customers. This will include the timeliness and quality of advice given by Steria's help desk and the ease with which officers and members can undertake their work with the support of ICT.

Corporate Advice and Support

- public relations
- corporate support
- Best Value support
- internal administrative support provided by Committee Services

In looking at Corporate Support, the team will be examining the processes of formulating policy, but not the quality of the policy itself.

Property Services and Estates

The review will be focusing on the service provided by Estates/Contract and Property Services in Health and Housing when they manage operational property on behalf of another department. This will cover operational property, such as the Council's offices and the River Park Leisure Centre, and not investment property or the Council's housing stock.

Legal

All work except licensing which is a service provided for mainly to external customers and only incidentally to services/team/individuals within the Council.

Personnel

- training and development
- recruitment
- corporate personnel services
- health and safety

Facilities and Office Support

All aspects of Facilities and Office Support

- 4.2 It is not proposed to examine those internal services that have recently been subject to a specific Best Value review in their own right. These services are: internal audit, ICT support provided by Steria, design and print, committee services and land charges. However, should any work on the review highlight issues relating to these services the implications will be investigated.

5 ISSUES FOR REVIEW

- 5.1 In order to examine these services effectively, and to ascertain if they provide the Council with 'Best Value', key challenging questions will be asked of the services, which will include:
- what impact does the current network of internal services have on external service delivery?
 - does it allow us to monitor performance effectively?
 - does the internal service network support staff in their work effectively?
 - is the cost of delivering our internal services acceptable?
 - are there models on which to base our internal services that would serve the Council better?
 - do the systems currently in place to serve internal services function effectively?
 - what level of customer care exists for staff?
 - in what way do our internal services effect the external customer, and do they have a positive impact?
 - are our internal services provided promptly, and within a timescale acceptable to the customer?
 - do the systems in place that help internal services allow for accurate information to be distributed to customers first time around?

- 5.3 As the services under review are fundamental to the operation of a local authority (as they are to any business with employees and customer relations) there is likely to be little scope to challenge whether they should be done at all. However, as the way in which we provide our internal services is largely at the discretion of the Council, there is still considerable scope to challenge process and organisation. The principle challenge will come from examining whether the way in which the Council currently provides its internal services is the best and most efficient way to organise them.
- 5.4 The team will also be using the European Foundation for Quality Management (EFQM) Business Excellence Model as a means of self-assessment for service provision.
- 5.5 In order to draw out and consider examples of best practice that could be adapted to the Winchester model of internal services, the team will look at comparing the Council's provision of internal services with those of other organisations. These organisations will include:
- non-local authority public sector organisations, such as a hospital trust, or a higher education establishment. These have similar internal service requirements to the Council's, and so it will be a useful comparison to see which models they use to provide those services.
 - private sector companies, such as a bank, building society or an insurance organisation.
 - voluntary organisations and faith sector organisations.
- The focus will be on how the services work together as a whole, rather than looking at individual services. The team will also challenge whether these models are a suitable way to deliver internal services in the Council.
- 5.6 Initial investigation has suggested that a number of services under review already have significant comparative and benchmarking information available. The team will compare the performance of the Council's internal services to that of other local authorities, and also observe how competitive the provision of internal services is against these standards. The review will look to the information gained from our family group of authorities or other relevant benchmarking groups, to ensure that the comparison is relevant to Winchester. Examples of benchmarking already underway include:
- CIPFA Accountancy Benchmarking Club 1998/1999 to 2001/2002
 - Comparator results 2001 for Planning work done by Legal (Hampshire only)
 - IPD Survey for Personnel - "Who Learns at Work" 2002 and "Training and Development" 2001
 - People and Skills Scoreboard - Personnel comparison within local government employers
 - East Hampshire District Council benchmarking survey for Recruitment
- 5.7 In order to gain the views of the clients of the internal services, the team will prepare a consultation plan designed to address the objectives of the review. This will indicate the information available, additional information required, who will be consulted, the methodology to be used and resources required.

Consultation outcomes already available:

- Internal Personnel survey conducted by Saratoga, July 2002
- Annual Internal Customer Survey regarding IT services which are contracted out to Steria
- Survey conducted by the Organisational Infrastructure Best Value Review team concerning the Council's office accommodation
- Internal customer satisfaction survey for Legal 2001 and 2002

Consultation which will be undertaken by the team:

- Focus group undertaken with internal customers, especially front line staff
- Members
- Survey of departments regarding their use of the various internal services and their effectiveness
- External Customer groups, where they interact with the Council's internal services

5.8 It is important that the review does not focus solely on the internal customers of the services under review. The team will ensure that results generated from consultation with external customers are given a high weighting.

5.9 The team has further identified that internal services have two types of external customer – direct and indirect, and consultation will be sought with both groups. Direct customers would be those directly affected by one of the Council's internal services, such as a job applicant or a media agency contacting the PR unit. An indirect customer would be a third party who indirectly interacts from an internal service. For example, legal services advice to Community Services would indirectly affect an external contract holder such as DC Leisure.

5.10 Further consultation may be required, particularly in relation to reviewing potential options arising out of the review and also for those services that have done little work on identifying customer expectations.

5.11 The review will then challenge this consultation to see whether internal services are catering to the needs of the internal customers, which will in turn affect whether the Council's external customers have access to the best possible services.

5.12 The review will also aim to investigate how competitive the current provision of internal services is, and whether or not there are different ways of providing them. The comparison work done with other public sector bodies and private companies will provide models of internal service organisation that the team will evaluate to see whether they provide a more competitive service.

5.13 There are several options which can be examined when looking at whether the current way we provide our internal services is competitive or not, including outsourcing and re-organising the services.

- 5.14 As well as examining whether these options are more competitive, the team will also consider whether they are appropriate models for the Council.
- 5.15 The review can also aim to consider how competitive internal services are by looking at performance management standards and gauging how well they are performing. This process will see how competitive the Council's internal services are against our own standards.

6 SCOPE OF THE REVIEW

- 6.1 The potential scope of the review is very wide but the time and resources required to complete it are limited. In order to complete the tasks within a reasonable timescale the team has of necessity had to set realistic parameters for its work and put some limitations on its activities.
- 6.2 As this review is thematic, the team will mainly concentrate their efforts on examining themes in Internal Services and services' relationships with each other, rather than looking at individual services in great detail, where there is already solid evidence of appropriate performance. The initial information gathering exercise, which the team will undertake, will help to highlight whether or not areas of a service have already been checked, and if so the team will concentrate on other sections. For example, as the District Auditor examines the Council's accounting processes each year and has found them acceptable, the review will not spend significant amounts of time covering this or similar issues. The review will focus on the Internal Services' relationships within the organisation in a wider sense instead.
- 6.3 The review will take account of work already underway and covered by other Best Value reviews, such as that of 'Organisational Infrastructure'.
- 6.4 Criteria have been drawn up to assist in keeping the review on track. In particular the review team will not spend time on:
- minor service changes that would normally be included in the business planning process
 - items that are shown by an initial review to be so minor in nature, that the likely outcomes do not justify the cost and time implications of further detailed investigation
 - items that do not have financial or quality consequences or outcomes that can be measured in financial or qualitative terms
 - parts of services which have recently been reviewed as part of robust internal management processes
 - elements of a theme which initial review indicates links more appropriately with other reviews and are best dealt with by those reviews
 - a detailed review of a service when it is not immediately relevant to a theme the review is examining or whose performance is already monitored by an external agency

7 SUSTAINABILITY AND FINANCIAL ISSUES

- 7.1 Sustainability is an important element that runs through all Best Value work.

The theme also potentially has an impact on all of the Council's internal services.

- 7.2 In particular, sustainability issues such as energy efficiency and sustainable resources can be examined in reference to procurement, and Property Services and Estates. The team will initially use the sustainability checklist in terms of the review generally, and then use the checklist for each individual service.
- 7.3 The review will seek to identify efficiency savings in accordance with the Council's agreed targets for Best Value reviews at 2%, 5% and 8% of total expenditure. It will examine the scope for these in both the individual services and in the opportunities that might arise from better organisation or streamlining of services.

8 REVIEW TEAM

8.1 The review team has been established in accordance with the agreed approach for the City Council and the team's membership and roles are shown in **Appendix 1**.

9 ORGANISATIONAL SUPPORT AND EXTERNAL INVOLVEMENT

- 9.1 The review scope is very wide and although exclusion rules have been drawn up, a great deal of time and effort will need to be put in by both officers and members. The main resource required will be the release of time for the individuals involved in the review team.
- 9.2 The team will be enhanced by resources external to the City Council. An officer from East Hampshire District Council and the Director of the private company 'Learning2XL' will participate as members of the review team and provide an external challenge.
- 9.3 There may also be a need to bring in external consultants for particular aspects of the review and this will need financial resources.

10 PROJECT PLAN

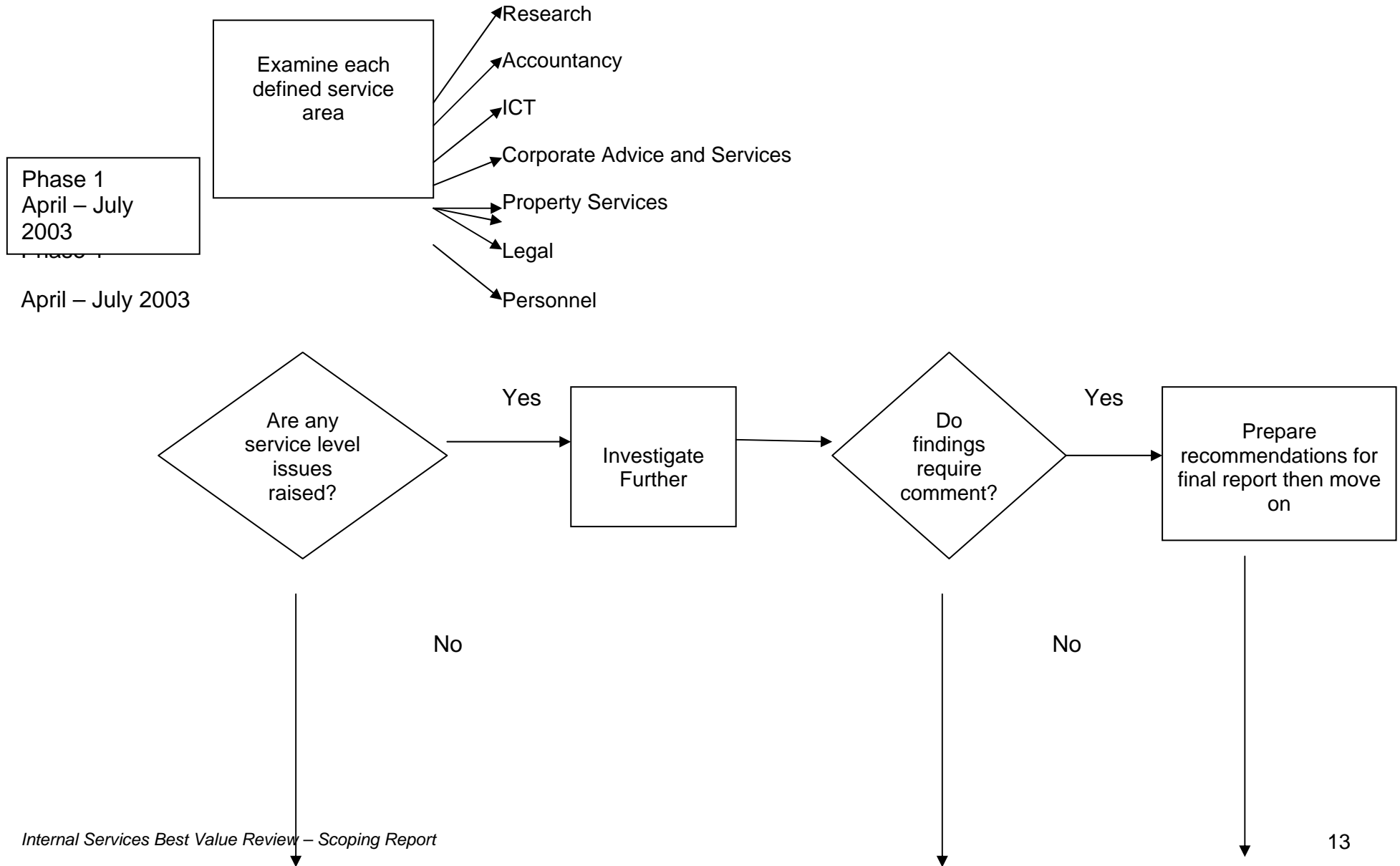
- 10.1 The plan for taking this review forward on the lines indicated above is shown at **Appendix 2**.

Team Members and Roles**Appendix 1**

Review of Internal Services		
<u>Team Composition</u>	<u>Who?</u>	Department
Councillors	Phillip Clohosey	
	Richard Knasel	
	Barry Lipscomb	
Project leader	Steve Tilbury	Community Services
Best Value Advisor	Marian Ives	Personnel
External Challenge	Amanda Beech	Learning 2XL East Hampshire District Council
	Robert Chambers	
Service Provider Representatives	Howard Bone Alex Moore Vicki Finlay	Legal Finance Personnel
Service Customer Representatives	John Hearn Antonia Pickering	Planning Chief Executives
Administrator	Nancy Howarth	Committee Services

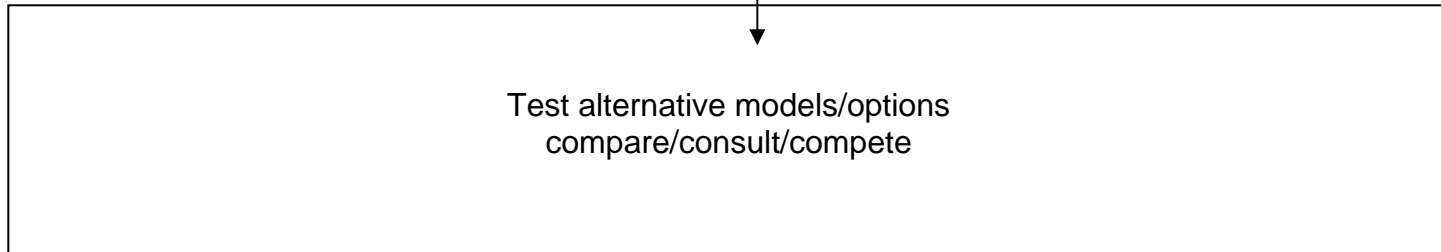
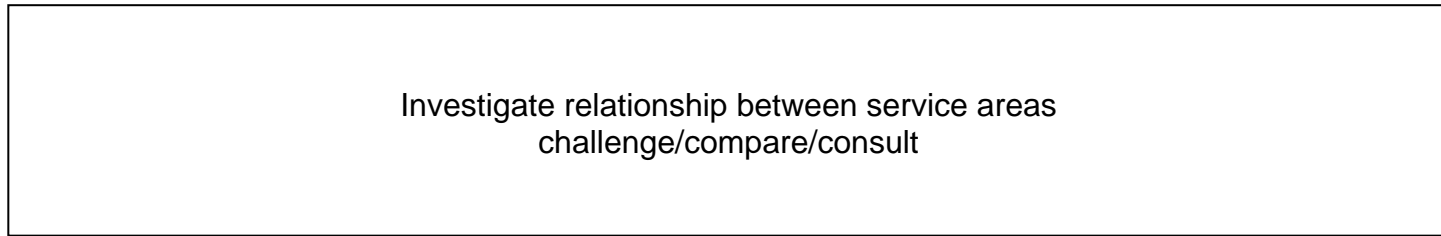
Project Plan

Appendix 2

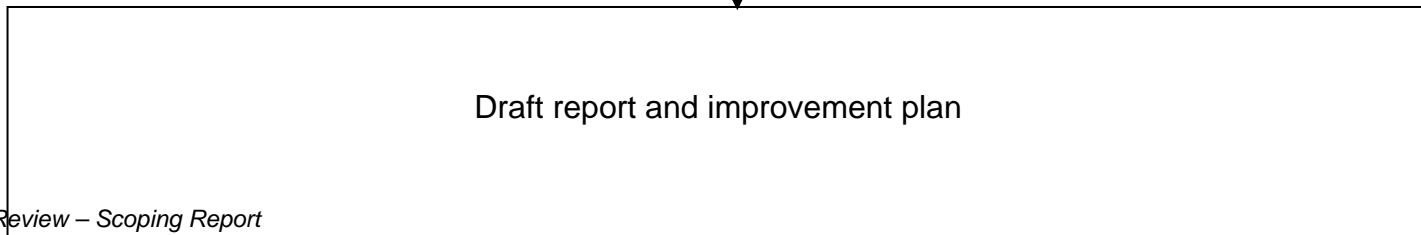


Phase 2
August –
November 2003

November 2003



Phase 3
January 2004





Phase 4
March 2004

Final report and improvement plan