



Regional Business Process Improvement Project: March 2009 Joint business transformation project heralds fresh drive towards wider partnership working in Kent

Summary

Three local authorities in Kent – Maidstone Borough Council, Tunbridge Wells Borough Council and Ashford Borough Council – are mid-way through a two-year joint business transformation project that aims to improve the delivery of services to their communities, and reduce their cost.

The initiative has its origins in an internal review undertaken by Maidstone Borough Council during 2006/07 which found £300,000 in savings, and is targeted initially at improvements in four key service areas – legal, finance, contract monitoring and print.

Focusing on detailed analysis of the unit costs of each service's delivery, best case examples and informed input from staff, the project is being managed internally by a team drawn from the three authorities involved and is already on track to save £500,000 in its first year, as well as serving as a catalyst for further shared service initiatives.

William Benson, Director of Change and Business Support, Tunbridge Wells Borough Council:

"A great many authorities are now involved in business process re-engineering to improve customer service and to reduce cost, duplication and turnaround times.

"The programme we have embarked on with Ashford and Maidstone Borough Councils provides the added benefit of identifying joint-working opportunities. This has allowed us to reduce management overheads and increase resilience.

"In short, the programme allows us to take a structured approach to improving our services and taking advantage of technology and, in the process, to learn valuable lessons from one another in terms of best practice."



Project background

With local councils tasked with delivering three percent service efficiency gains year-on-year between 2008/09 and 2010/11 under the 2007 Comprehensive Spending Review (CSR07), the focus at Tunbridge Wells, Maidstone and Ashford Borough Councils has been very much on meeting the challenge of improving local services within the resources available.

In January 2008, the three authorities joined forces with the formation of a joint business transformation project which aims to build on past collaboration – Maidstone's audit partnership with Ashford, for example – and expand this into wider partnership working. The anticipated result is that, by the end of 2010, better working practices and customer service (plus a reduction in costs) will have been achieved.

The project is a natural evolution of a number of initiatives in the county. One of the principal drivers was the Kent Price Book, a programme championed by Maidstone Borough Council chief executive David Petford. This analysed the provision of 21 services to establish which authority in each case matched lowest cost delivery with upper quartile performance. It found that, if each best case scenario was replicated across the county, £50 million in savings could be made.

Another was an internal review within Maidstone Borough Council of service performance to see which procedural costs could be removed through better practice. During 2006/07 this saw £160,000 shorn off the books with further savings targeting a total of £300,000.

Driven by practical, common sense approaches – and a strong steer from David Petford – these savings highlighted what might be possible elsewhere. With similar approaches underway in Tunbridge Wells and Ashford, each with its own strong culture of improvement, a common view was emerging leading to the formation of the joint business transformation project.

Objectives

The business transformation project is running for two years from January 2008 and is being concentrated on four core local authority services – finance, legal, contract monitoring and print.

In each case the aim is to secure a ten percent saving in costs, a ten percent improvement in service (measured in response and cycle times) and a corresponding ten percent increase in customer satisfaction. All savings targets are cashable and net of implementation costs.

“The focus is on securing efficiencies and savings,” said Alasdair Robertson, Head of Business Improvement at Maidstone Borough Council. “By looking at the unit cost of each stage of each process, we can see huge variations in the way each authority goes about things.

“By analysing what could be delivered if each service was optimised internally using best case examples, or run as a shared service, we can arrive at a cheaper overall process.”

A shared approach to business transformation means lower management costs when compared to those of an authority going it alone (up to 40 percent cheaper) and permits a ‘compare and contrast’ methodology whereby benchmarking and identification of good practice are integral to the programme.

Benefits achieved

In its first ten months to October 2008 the business transformation project found savings of £450,000 in finance, legal services, contract monitoring and internal print.

These are net cashable savings that can be returned to the budget and limit future council tax increases and preserve services. “It represents money that council tax payers won't have to find from their own pockets,” added Alasdair.

Individual savings have come from a variety of procedural reviews – from ensuring the right people are in place to provide the service, to making the process right first time for the customer.

“The general principle has been one of detailed management of cost,” Alasdair Robertson went on. “The changes may be individually small but, when added together, they make a significant difference.”

Alasdair has dubbed the process the ‘Tour de France model’ as the project reflects the principles adopted by Lance Armstrong, the record seven times winner of the race.

“Armstrong analysed every aspect of the race in micro detail,” he explained. “While other teams majored on using technology to take big strides in single steps, Armstrong's looked at the minutiae of how, for example, minor adjustments in technique could shorten times. They were tiny details – each apparently insignificant on its own but, collectively, very powerful. The upshot was he won consistently, although other riders could have prepared in the same way had they undertaken that level of scrutiny.”

With the business transformation project, excellence in cost management has made a similar difference.

“We’ve looked at the use of specialists, the reallocation of staff to get the best from them and the elimination of unnecessary administrative steps,” Alasdair continued.

“This has meant designing the right inputs for processes that might in themselves be fine but for which, say, the forms or staffing levels are inadequate. With paperwork, we’ve gone for clarity, simplicity and common sense language to reduce both the time taken to complete it and the number of telephone queries and incorrect responses it might generate.”

While costs have been reduced, service improvements and cycle times have sometimes been more difficult to quantify due to the absence of suitable baseline data. These have now been set and the reasonable assumption, based on Maidstone’s own project experience, is that these will show similar gains in customer satisfaction.

When reviewing its planning application procedures, for example, Maidstone worked at removing and clarifying processes that had previously frustrated customers, thereby converting a 44 percent dissatisfaction rate into one of 88 percent who said they were happy with this aspect of the service.

Critical success factors and lessons learned

The business transformation project has stimulated partnership working between Maidstone, Tunbridge Wells and Ashford and has provided the opportunity for the three authorities to think about doing things differently, and thereby make them more achievable.

Overheads are split three ways with the result that overall implementation is cheaper and good ideas are more easily transferred.

The focus has remained local and generated a supportive environment in which the project can work. An internal review team of four led by Alasdair Robertson has managed the project under the direction of a steering board comprising a director from each of the three participating authorities – William Benson, Director of Change and Business Support at Tunbridge Wells, David Edwards, Director of Change and Support Services, Maidstone and Paul Naylor, Deputy Chief Executive, Ashford Borough Council.

The steering board has decided which reviews to undertake while the review team, made up of personnel from the authorities involved, has worked closely with the services concerned to develop new approaches in delivery. This has kept decision-making sovereignty at a local level while adding the capability to share generic administrative and processing tasks. Only £3000 has been spent on external consultancy, largely to benchmark the review methodology.

Each review has been undertaken jointly with the relevant service manager while frontline staff have been consistently involved, right from initial briefings through to dedicated discussions in which they have been encouraged to air their experiences and any difficulties they face. Importantly, these have been conducted without service managers present to allow them to express their views freely.

This engagement has been vital to the project’s success and has helped break down resistance to change. “We all have our comfort zones and not every recommendation we come up with is going to be welcome. But the project has largely been able to meet any objections with hard evidence that supports the case for change,” added Alasdair Robertson.

The project has already contributed to staff development through service redesigns. Not only have these increased a sense of ownership among those involved but have also made the work more fulfilling and generated greater productivity.

This, in turn, has contributed to a discernible shift in culture within the services themselves. Thanks to the genuine evidence produced, there is now greater appreciation and understanding of cost bases and how best to meet the ongoing challenge of effective service delivery.

Risks

The greatest risk to the success of the project has been that of staff morale and attitude.

“The very fact that a service comes under review can imply there are problems with it; also, to present alternative ways of doing things can suggest that what was done before was wrong,” commented Alasdair Robertson. “It’s not an easy message to convey.”

To allay such fears, the project team has gone about its business quietly and shared its aims and objectives with all those involved at every stage. No-one has been made redundant – a natural concern among staff when cost savings are on the agenda – and is committed to managing forthcoming vacancies proactively by re-allocating staff in line with service recommendations.

Transferability

The Corporate Transformation Theme identified Business Process Improvement (BPI) as one of its key streams to achieve the CSR07 objectives and have supported this project as one of the clusters in the Regional BPI programme; it demonstrates proof of concept as it is delivering big gains in cost savings and service delivery and as such its progress is of much interest to other local authorities faced with how best to deliver better value to their communities.

The Regional BPI programme Corporate is supporting similar clusters of authorities undertaking a collaborative approach to BPI and sharing this projects approach and methodology, where appropriate. Training and workshops for transformation practitioners have been provided to, among others, Wealden District Council and Rother District Council as part of a wider knowledge and skills sharing programme that will build greater experience of what can be achieved.

Meanwhile, the understanding and relationships built up between Maidstone, Tunbridge Wells and Ashford Borough Councils have helped to build an even wider collaboration culminating in the formation of the Mid-Kent Improvement Partnership in August 2008.

This strategic alliance, which also includes Swale Borough Council, aims to extend and expand the business transformation programme and enable it to deliver even better quality and more resilient services.

Efficiency savings in service procurement, management and delivery are also targeted and there will be opportunities to share best practice and explore trading opportunities.

Role of IESE

Improvement and Efficiency South East (IESE, formerly the South East Centre of Excellence) provided an initial fund of £50,000 in the 2004 spending review, working together with Kent Improvement Partnership (KIP) which gave an additional £75,000 to support the project.

In CSR07 Improvement and Efficiency Corporate Transformation theme, has continued to support this project as one of the clusters in the Regional Business Process Improvement Project, providing a small amount of funding and an onsite Business Transformation Manager to support the project. Both IESE and KIP are represented on the programme board from where they communicate the project's outcomes across Kent, and to other authorities in the wider south-east that are undertaking business process improvement (BPI).

The three Kent authorities also signed up to a memorandum of understanding with IESE (formerly SECE), under which a critical friend of the project – Alasdair Robertson of Maidstone Borough Council – has undertaken to train other authorities in the methodology and share the project's outputs and learnings at the Regional Business Transformation Practitioners network meetings.

If you would like more information about the regional BPI project and how your authority can be supported, please contact your local rural enterprise investment programme, or heather.lumby@southeastiep.gov.uk

Contacts

Heather Lumby

Programme Manager

Improvement and Efficiency South East

heather.lumby@southeastiep.gov.uk