

## **EAST AYRSHIRE COUNCIL**

### **POLICY AND RESOURCES COMMITTEE – 19 SEPTEMBER 2006**

#### **STREAMLINING BUREAUCRACY – PROCUREMENT OF CONSULTANCY AND TRAINING SERVICES**

##### **Report by the Executive Director of Corporate Support**

## **1 PURPOSE OF REPORT**

- 1.1** This report seeks approval to negotiate appropriate contractual terms with Vanguard Limited for the provision of consultancy and training services in respect of work being undertaken in the cross cutting service review of housing and property repairs and the implementation of Verification Framework within Benefits.

## **2 BACKGROUND**

- 2.1** The Efficient Government Initiative suggests that public sector organisations should specifically examine the areas of;
- Procurement
  - Asset Management
  - Shared Support Services
  - Managing Absence
  - Streamlining Bureaucracy
- 2.2** At the special meeting of this committee on 24 January 2006 which considered the 2006/07 budget, members agreed to encourage services to examine these specific areas and noted that the achievement of efficiency improvements in these areas may necessitate spend to save measures in the shorter term. This proposal in this report supports that commitment.
- 2.3** In addition the proposal builds on the decisions of the Housing Committee of 17 May 2006 in relation to Housing Repairs and related matters.
- 2.4** The proposal will also assist in further addressing a number of the items contained within the Improvement Agenda arising from the Audit of Best Value and Community Planning to be considered by the Council on 20 September 2006 including; improving Housing Repairs response times; deployment of the Service Review process around cross-cutting priorities; implementation of an Asset Management Strategy; ensuring maximum efficiency across council services; and improving competitiveness.
- 2.5** Both of the projects involved are crucial to the quality of services received by customers of the Council. The reviews being carried out are designed to improve those services in terms of speed and quality by reducing duplication and administrative effort promoting a “Lean Systems” approach to process review. It has become apparent that bringing in specific external expertise

would help to ensure that an optimum outcome is secured from anticipated significant changes required in processes and procedures.

### **3 GENERAL**

- 3.1** The Lean Systems approach is unique to Vanguard and involves proven techniques which identify the specific changes that are needed to improve the service to the end customer and establish the performance measurements needed to manage and improve performance as opposed to the Statutory Performance Indicators which can lead to behaviour that reduces efficiency and customer satisfaction.
- 3.2** Vanguard carried out a brief examination of housing repairs and prepared an initial scoping report which highlighted their unique approach to improving services. Initial observations from this suggested that;
- (a)** much demand is from customers asking why their repair has not been done yet. Reducing this failure demand would free up resources;
  - (b)** a significant proportion of repairs lines issued do not contain sufficient information to let work proceed immediately. Resolving this would allow tradesmen to turn up at jobs with the right tools and materials first time;
  - (c)** some jobs are inspected after completion by staff from different services at different times indicating duplication and consequently opportunities to reduce costs ;and
  - (d)** in certain circumstances clients and contractor can spend unnecessary time identifying and agreeing whose budget should pay for a repair when it is clear that it is council money that will pay, whatever budget line it is charged to.
- 3.3** The second stage of the work would look in much more detail at such issues and involves setting up a control team for one geographic area, comprised of Housing, Property and Building and Works staff to identify how different ways of working can be introduced to streamline bureaucracy, reduce costs and deliver a better service to customers. Once this has been proved over a six week period the changes would be rolled out across the whole property maintenance service over the following twelve to sixteen weeks.
- 3.4** A similar approach has been proved to work in council tax and housing benefits sections and given the evidence that the introduction of the Verification Framework is resulting in longer benefits processing times it is felt that intervention of this nature now may assist in the early resolution of this.
- 3.5** The Executive Director of Educational and Social Services has indicated an interest in whether such an approach would enable reduced administrative effort in his department to free up resources for front line services. He intends to meet with the company to determine their level of expertise and potential for delivering viable solutions in this area.

- 3.6 One of the advantages of the Vanguard approach is that skills are transferred and relevant staff build up expertise which can then be used to implement similar projects within their area with much less external support and therefore at minimum cost.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The cost of undertaking these significant projects covering Building and Works, Housing, Property, Technical Services and Finance is estimated at a maximum of £150,000. This may increase if the scope was extended to cover Educational and Social Services. Given the outcome of the initial scoping work indicated above the pay-back period may well be very short.
- 4.2 Funding has been received from the Department for Work and Pensions for implementation of the Verification Framework which would be used to fund the work in Benefits and Revenues and it is proposed that £60,000 be met from this with the balance being set against underspending in the current year within Miscellaneous Services recognising the benefit to all services which is anticipated to accrue.

#### 5. RECOMMENDATION

It is recommended that Members;

- 5.1 approve the negotiation of contract terms in respect of consultancy and training services with Vanguard Limited in terms of paragraph 9(2) of the Council's Standing orders Relating to contracts; and
- 5.2 otherwise note the contents of this report.

Elizabeth Morton  
**Executive Director of Corporate Support/Depute Chief Executive**  
31 August 2006

#### LIST OF BACKGROUND PAPERS NIL

Any person wishing further information should contact Alex McPhee Executive Head of Finance (Tel 01563 576300).