

“To ensure that the Council has efficient and effective support services which are fit for the purpose of delivering modern local government, and able to support the delivery of improved and new services to benefit Easington people”

District of Easington

Best Value Review of Support Services

Final report April 2007

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Executive Summary

1. This review, conducted between October 2005 and January 2007, set out “to ensure that the Council has efficient and effective support services which are fit for the purpose of delivering modern local government, and able to support the delivery of improved and new services to benefit Easington people”. In doing this, its aims were to:
 - maximise the effectiveness and efficiency of the Council’s support services in terms of cost, performance and quality
 - ensure that we have the right support services to respond to the Council’s priorities and the current and future needs of customers
 - improve support service processes and ensure consistent quality explore all available delivery options with a view to finding the best fit for Easington
 - realise efficiency savings (cashable or non cashable) which can be ploughed into frontline service delivery
2. The review has employed a range of tools to ensure effective challenge, comparison, exploration of the marketplace and consultation. These included:
 - Benchmarking through a range of sources
 - Business process mapping and diary analysis
 - Service PROBE (independent analysis of each service including comparison across sectors)
 - Best practice visits
 - Soft market testing (public and private sectors)
3. The review has in general terms demonstrated that the Council’s support services provide good value for money (low cost, high quality, “lean and fit”). However it has also identified efficiencies and areas of growth where either the Council is not investing enough resource, or not providing enough focus in terms of emerging agendas. The key growth areas are:
 - Finance (strategic as opposed to statutory)
 - Strategic HR as opposed to operational activity
 - Training and development
 - Policy work
 - Performance improvement activities
 - Support for community engagement and promotion of democracy
4. The review recommends in the immediate future converting some of the efficiencies identified in the review into additional capacity to address the areas of under-focus, without needing to increase overall spending on support services (in fact spending would be likely to reduce slightly against an already low base, with investment in some specific areas).

5. Through soft market testing, the review identified that opportunities do exist for both shared service development and strategic partnering with the private sector. The appetite for the former was limited at the time of the soft market testing exercise, and the private sector indicated that a package of services such as that explored in the review is not in itself sufficient to attract interest.
6. However, future financial settlements, and the arguments around economies of scale fleshed out in the Local Government White Paper, mean that we need to go beyond the duty and imperative to demonstrate best value in the Council, to a cross authority drive for major economies of scale. The review needs to be seen as part of the context for this wider agenda; the Council would be unlikely to be able to deliver on its own the level of efficiency savings likely to be required beyond 2008/9.
7. The review's second recommendation is therefore that the Council should set aside additional review efficiencies to help pump prime work across the County to develop shared services arrangements for support and other services over the coming two years.

Section A: Introduction

1. Background

1.1 The duty of best value

The Government has placed a duty of best value on local authorities to deliver services to clear standards of cost and quality by the most economic, efficient and effective means available. The Local Government Act 1999 established the framework of best value. Our duty as a 'best value authority'¹ is to:

"make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

Best value is a challenging framework designed to improve local services. Councils are required to assess their own performance and put in place measures to ensure continuous improvement in all of their services. Under Gershon principles we are also required to demonstrate value for money and effective use of resources, and are now assessed annually by the Audit Commission on our ability to do this.

1.2 The "four Cs" and continuous improvement

In reviewing their services, councils must show that they have applied the four Cs of best value:

- **challenging** why and how a service is being provided;
- **comparing** their performance with that of others (including organisations in other sectors);
- embracing fair **competition** as a means of securing efficient and effective services;
- **consulting** stakeholders in the services under review

Councils must demonstrate to local people that they are achieving continuous improvement in all of their services. Performance in Best Value Reviews is subject to inspection by the Audit Commission; although the District of Easington is not subject to such inspection because of our status as an excellent Council, we have carried out this review in a rigorous manner and its findings will be part of the general body of knowledge about the Council which will inform Direction of Travel and CPA judgements. In conducting the review we have also borne in mind the two key judgements the Audit Commission would make if the review were inspected; ie:

How good is the service?

What is the likelihood of improvement?

¹ The Local Government White Paper October 2006 proposes changes to the Best Value duty including a greater emphasis on the **compete** and **consult** elements.

1.3 Easington's Best Value approach

District of Easington has carried out a series of best value reviews over a five year period, and this review is the last in our programme. During this time we have developed our approach to best value reviews, leading to the 57 step process used for the Regeneration review to ensure all elements of best value were covered. In this review we have again adapted the approach to the large scale nature of the review, and used a set of different tools to address different elements of the best value process. These are described in section 4.

As with any Best Value review in Easington, the purpose of this review has been to:

- improve services for Easington people
- enable the public to see whether best value is being achieved
- enable the council to see how well it is doing and identify areas for improvement
- enable the Government to see how well its policies are working at a local level
- identify and disseminate best practice.

2. Context for the review

Support services in Easington are the only broad area of service which has not been subject to best value review in the past; it could be said that the services have developed ad hoc over a period of time, in response to a range of needs. A strong corporate core has long been recognised as essential to an excellent authority, and whilst Easington's corporate activity has been seen as a strength through CPA, we needed to expose our corporate support services to the same level of rigour that had been applied to front facing services.

A number of national and local developments have made the review very timely. Because support services are so important to the working of the Council as a whole (its corporate effectiveness), it is essential that our support services are configured and delivered in the way that best meets the challenges we have to face in the next 10 years. Some key contextual elements are set out below.

2.1 The national picture

Local Vision and the Local Government White Paper

This phase of the Government's modernising agenda for local government began to emerge at the end of 2004, and has continued to emerge during the life of the review. Badged as "Local Vision", the new policy direction has several key messages about the changes needed in local government, including:

- Greater partnership working at all levels
- Local Area Agreements between Government and a local area to deliver agreed outcomes in return for agreed funding streams
- Investment in community leadership
- Greater community engagement
- Clear, complementary national, regional and local roles (although there is still considerable debate about what "local" means)

This agenda is developed through the 2006 Interim Report of the Lyons Inquiry, and is also at the heart of the new Local Government White Paper. Easington has been fully engaged in responding to this agenda as it has developed. One opportunity provided by the review is to ensure that our support services provide sufficient strategic capacity to be effective in responding to the changing agenda.

Gershon efficiency review and Use of Resources

There is an increasing requirement on local government to deliver efficiently and make the best use of resources. An explicit part of this is the requirement to deliver efficiencies which can be released into better frontline services. Councils' ability to make good use of resources is now formally assessed through the Audit Commission's annual Use of Resources judgement, which assesses us on our financial standing, financial management, risk management and, crucially for this review, Value for Money. The key lines of enquiry we are subject to in this area are²:

- Costs compare well with others allowing for external factors
- Costs are commensurate with service delivery, performance and outcomes achieved
- Costs reflect policy decisions
- The council monitors and reviews value for money
- The council has improved value for money and achieved efficiency gains
- Procurement and other spending decisions take account of full long term costs

The Comprehensive Spending Review 2007 will mean much tighter settlements for local authorities and it is already known that we will need to find efficiencies of 9% for the period 2008/9 to 2010/11. This will place additional demands on all Council services.

Shared services

The drive towards shared services as one of the routes to greater efficiency has grown over the past two years. Government policy would seem to reflect an impatience with the pace of change in terms of shared services, as illustrated by this opinion from the PM's Delivery Unit:

“The centre thinks it is no longer optional to share. That will come through in the financing decisions if nothing else.”³

The Local Government White Paper⁴ makes it clear that the sharing of support services should be a key feature of any proposals for future models of local government, whether these be Unitary or enhanced two tier.

² *Use of Resources Key Lines of Enquiry*. Audit Commission June 2005

³ Ian Watmore, Head of PM Delivery Unit 2005

⁴ *Strong and Prosperous Communities*. CLG October 2006; and *Invitation to all councils in England: to submit proposals for unitary status; to pioneer, as pathfinders, new two-tier models*. CLG October 2006

Government has identified a number of approaches⁵ to service sharing:

- A Centralisation/standardisation within an authority (eg personnel)
- B Collaboration between authorities on strategic approaches (eg LAA)
- C Collaboration between bodies for better delivery (eg shared expertise or cost reduction), joint or collaborative procurement
- D Franchise approach (authorities providing direct support to each other; one authority providing methodologies to others)
- E Joint service delivery between authorities
- F Joint service delivery between different public bodies
- G Commercial trading for income (exploiting assets/skills/location for benefit of initiating authority)

H Commercial trading in partnership with a private sector partner
The Council is already engaged in several activities of this type, as well as formal outsourced arrangements for such services as Legal and Leisure. However it is probably fair to say that most of our (and partner authorities') shared activity has been around collaborative or contracted services rather than joint service delivery.

We have explored the potential for shared services in our soft market testing for this review⁶.

CPA and excellence

While still assessing the Council's ability to deliver services, future CPA is clearly tied to both the efficiency agenda through the Use of Resources judgement, and to the increased emphasis on community leadership and partnership working outlined in the Local Vision documents. Excellent Councils in future will be those that understand their communities, lead their communities and work in partnership to deliver the best, most effective and efficient services to meet their communities' needs.

This review is part of how the Council responds to the challenges of the future and delivers its mission to "make the District great". Its outcome will influence how excellent we are, most importantly impacting on how well we improve the quality of life of Easington people.

⁵ Structures for collaboration and shared services: technical notes. DCLG June 2006

⁶ See section 11

2.2 The local picture

The Local Area Agreement

During 2005/6, partners across County Durham worked to develop a Local Area Agreement with Government which was signed in April 2006. This has given us an opportunity to work much more closely together as Councils and other partners towards a genuine focus on citizens, on joint issues and joint solutions. A core principle is to share outcomes and workloads, and there is a clear correlation between this countywide principle and the best value review of support services. We are in a unique situation where all Councils are committed at least in principle to finding ways to share work.

Partners in other sectors

It was the original intention to use the review to explore ways of working more closely with the East Durham Primary Care Trust, with whom the Council already had some shared services arrangements. The merger of PCTs across County Durham has meant that this avenue of work has not been possible during the life of the review.

The development of our Arms Length Management Organisation, East Durham Homes, has impacted on support services in the Council. Many of EDH's support services (Personnel, ICT, corporate development) were provided by the Council on a service level agreement (SLA) basis; however in May 2005, EDH received a Housing Inspection report which expressed concern about EDH's value for money and the degree to which the organisation is genuinely at arms length from the Council. During 2005/6 EDH reviewed all SLAs and has taken the decision to bring many support services inhouse, with the exception of ICT (pending further review), Health and Safety and Equality and Diversity. We have needed to take this into account in our review, and also to bear in mind that while in other circumstances a shared services arrangement with EDH might have been a delivery model to be further explored, circumstances have dictated that this has not been possible at the current time.

3. Scope of the review

3.1 Overall approach

As part of our preliminary thinking about the review, we explored the approaches taken by others who have looked at support services. These tend to divide themselves into:

- Taking a very broad strategic approach- are the support services the right ones, is the delivery approach right?
- Taking a very service specific approach, identifying the service areas most in need of improvement and conducting either parallel or joint reviews of those.

Preliminary discussion led to agreement that we should take a strategic approach, identifying the key issues for Easington in how support services are delivered and focusing on where we can make the most difference through this review. This means that all support services have been subject to application of the 4 Cs, but that we have focused the review team's energy on areas where it was commonly recognised, through an evidence based approach, that we could make the most difference in making our support services effective, efficient and fit for purpose.

3.2 Services in scope

The review covers the work areas currently undertaken by 5 teams within the council, with some exceptions (discussed below). Whilst many of the activities undertaken in the review were carried out on a service by service basis for practical purposes, it was not assumed that the current team structure is a given for the future.

Democratic Services and Administration Central admin ⁷ Insurance Legal services Co-ordinating right to buys Land charges Scrutiny support Electoral registration Risk management Committee support Member support	Personnel Services HR strategy General personnel Recruitment Payroll Health and safety	Corporate Development Corporate policy and research/strategic planning Performance management Emergency planning Training and development Equality and diversity
Finance and Audit Accounting Internal audit Payments	IT IT Strategy IT Support Printing	

Not included in the scope of the review were services reporting direct to the Chief Executive (Communications Unit) newly created services (Procurement Manager, Customer Services) and services which had already been reviewed (Graphic and technical team, although some work was done on this team as part of the review).

3.3 The scoping event

3.3.1 Approach

The Council took an inclusive approach to scoping the review. Preliminary briefing of all service teams was followed by a scoping event⁸ on 20th October 2005, which was attended by Members, Trades Union representatives, representatives of the teams in the review and customers of those teams, including East Durham Homes. Three critical friends from Durham, Chester-le-Street and Derwentside councils also took part in the event, as did a representative from the IDeA who was commissioned to offer support to the review in the early stages.

⁷ Administrative functions in service departments were not in the scope of the review due to a wish to focus on the centre and also keep the scope manageable. However it has emerged during the review that it may be desirable to do further work on departmental administration in the future.

⁸ BVR scoping event, Seaton Holme October 2005

The scoping event:

- confirmed the draft aims and objectives of the review
- confirmed the services in scope
- explored stakeholder views of the current position and the desired future position with support services, taking a factual approach based on a presentation of the data we had about the services at the time

3.3.2 Fundamental challenge

The event included an element of “fundamental challenge” to Support Services; participants were invited to consider the impact if we were to “kill support services”, and then invited to consider which Support Services they felt the Council would need if we were starting from a clean sheet or zero base. However while this activity gave a useful picture of the types of services people feel the Council needs, it was not able to conclusively suggest areas the Council should discontinue. In this sense it was a preliminary challenge which needed to be backed up by further information and work through the review as a whole.

3.3.3 Where we want to be

The scoping event identified a general view as to our current position with support services, and a general desired thrust in terms of where we should be at the end of the review- the outcome we are looking for. This can be summarised as:

Current position

Historically evolved, traditional
Emerging ad hoc in response to agendas eg CPA, Best Value
Unsure of value for money
Have not been challenged
Unsure if best fit for new agendas
Contributed to CPA excellent score (existing strengths)

Desired future position

- Actively designed support services, not just traditional form, which help the Council deliver its priorities and meet Government and citizen expectations
- Support services offer value for money
- Support services are responsive to customers and there is ability to specify/negotiate levels of service
- There is a more effective approach to managing our human resources including tackling the issue of training and development being split across 3 teams
- The Council has a more effective approach to some of the emerging areas for a modern local authority, particularly horizon scanning, policy development and community engagement/consultation (ie currently unmet needs are met)
- The Council has a more effective approach to member support (a significant number of participants in the Scoping event felt that our member support needs to be improved/is not modern enough)
- We should test whether the outsourced arrangement for Legal is still effective

In considering the future position, we took an open minded approach to delivery options and were willing to explore any options which would deliver the desired outcome.

3.4 Aims and objectives

Leading from the scoping event, the overarching aim of the review was agreed as:

To ensure that the Council has efficient and effective support services which are fit for the purpose of delivering modern local government, and able to support the delivery of improved and new services to benefit Easington people

Within this, the review's objectives are:

- ***To maximise the effectiveness and efficiency of the Council's support services in terms of cost, performance and quality***
- ***To ensure that we have the right support services to respond to the Council's priorities and the current and future needs of customers***
- ***To improve support service processes and ensure consistent quality***
To explore all available delivery options with a view to finding the best fit for Easington
- ***To realise efficiency savings (cashable or non cashable) which can be ploughed into frontline service delivery***

4. Process

4.1 The project team

A project management approach was taken to the review, using a cross Council team comprising:

Joy Brindle (Assistant Chief Executive: Project lead)
Mick Devine (Principal Corporate Development Officer: CDU)
Peter Faill (Procurement Manager)
Barry Garside (Head of Democratic Services and Administration)
Reg Gott (Head of Personnel and Payroll)
Ian Morris (Head of Housing Strategy: Customer representative)
Barry Nicholson (Head of IT)
Mary Readman (Principal Corporate Development Officer: CDU)
Tom Scott (TU representative)
Dave Temple (Head of Finance)

The Management Team acted in the role of Project Board with the review becoming a standard agenda item at weekly meetings. Member involvement was via shaping the scope, deciding outcomes and offering a steer at specific parts of the review⁹.

Staff from the relevant service teams were involved in specific review activities, and staff briefings were carried out at the scoping stage and again midway through the data gathering phase. Progress was also reported to the Council's Tripartite working group.

The review team used consultants to offer independent analysis in two areas:

- Service PROBEs (independent benchmarking against the public and private sectors. The Council has used the PROBE before as part of the review of regeneration, and this time piloted a Public Sector version of the tool, resulting in a lower negotiated cost).
- Business process mapping was carried out by Contact Centre Professionals, building on work already commissioned to deliver the Customer Service Centre and back/front office split.

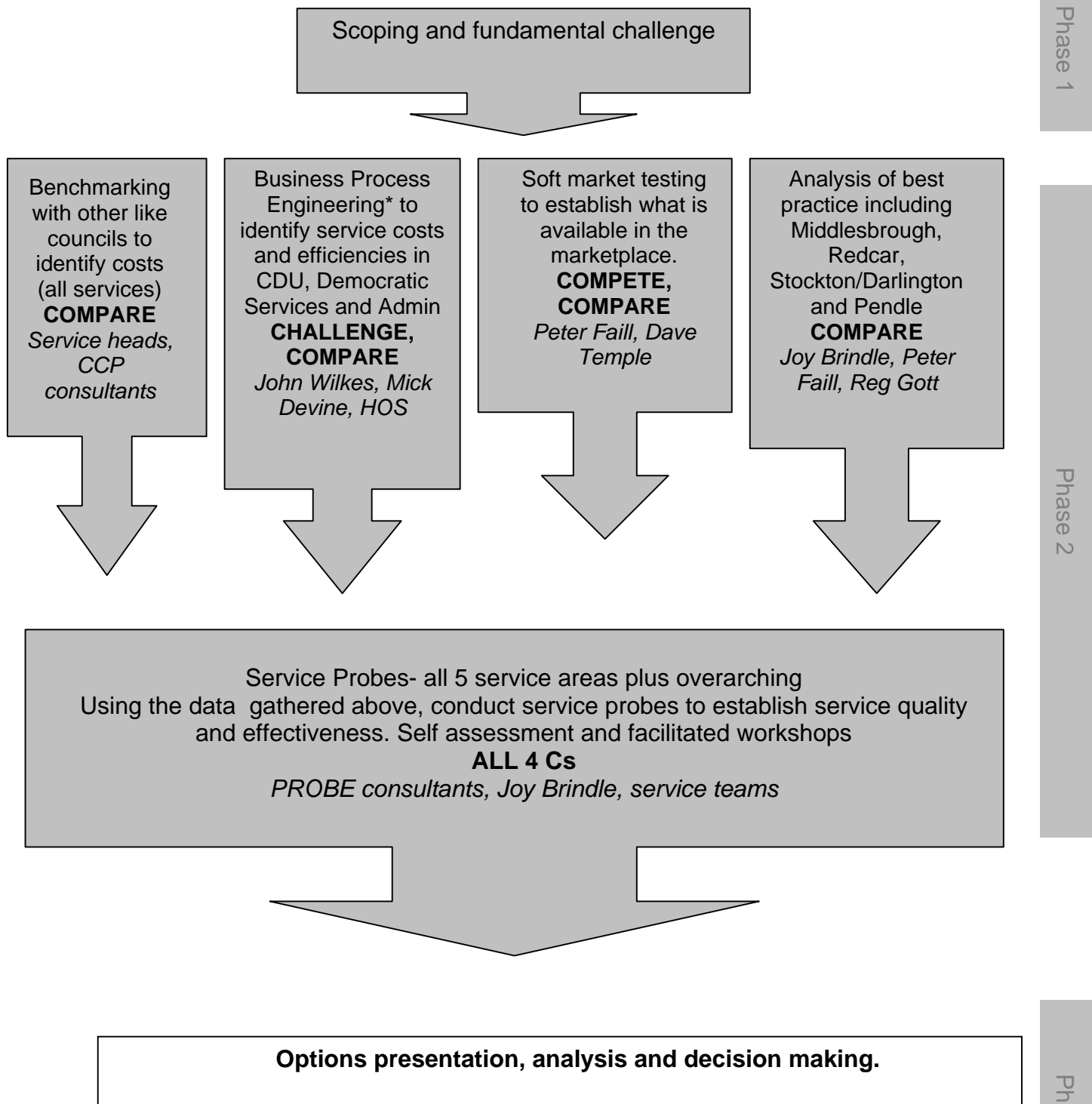
⁹ *Scope and methodology of the Best Value Review of Support Services*. Report to Scrutiny February 2006

Best Value Review of Support Services: phase 2 methodology and progress report: report to Working Executive and Scrutiny May 2006

Best Value Review presentation to Tripartite meeting October 2006

4.2 The process

The process used for the review is outlined below.



4.3 A note about Service PROBE

Service PROBE¹⁰ is an organisational assessment and benchmarking tool designed around concepts of business excellence. The tool has been used by many organizations in the public and private sectors, and one of the attractions of using the tool for us was that it provided an opportunity to benchmark against both sectors and also to look at our services from a wide range of perspectives.

Public Sector PROBE is a version of the PROBE tools which has been recently adapted for use in government organisations and services, while maintaining comparability with other sectors as an aid to learning across sectors. The Council agreed to pilot new elements of the PROBE in carrying out our review.

PROBE seeks to assess the current position of an organization or team, examining both practices and performance across a broad range of business processes. These can then be compared against “world-class” standards.

The PROBE methodology consists of a self assessment exercise based on a questionnaire, followed by a facilitated workshop which tests and challenges the self assessment in order to assess the team’s position. We chose to carry out the self assessment as a facilitated team exercise so that it was genuinely based on a cross section of opinion; self assessment sessions were facilitated by staff from the CDU. The full workshops were facilitated by external PROBE facilitator Dave Procter.

The areas covered by the PROBE¹¹ are:

Leadership: Quality leadership, value orientation, market acuity, relationship marketing, supplier relationships;

Service processes: Business processes, Kaizen (continuous process improvement), managing moments of truth, new service development, tangibles, e business;

People: Empowerment, cycle of virtue (training-involvement-recognition and reward), innovation;

Performance management: Using a balanced scorecard of measures, service standards;

Overall results: Customer growth, service quality, productivity, results for stakeholders, business performance (financials).

Feedback scores services overall (the figures given in this report), but also gives detailed feedback on the best and poorest elements of the team’s score, so that areas for improvement can be identified. Each of our teams had a series of detailed areas for improvement which were acknowledged as accurate by the teams concerned.

¹⁰ Developed based on the Made in Europe studies 1994, 1996, 1998 (London Business School); the International Service Study, 1996; Manufacturing PROBE, 1995 (CBI) and PILOT and MICROSCOPE , 1996 (Northumbria University).

¹¹ The Public Sector pilot also contains scores around corporate performance, which are based on issues such as CPA, value for money and other concepts familiar to local government. It was our experience that these issues need to be scored corporately so they have not featured in the individual scores of service teams.

Section B: How good is the service?

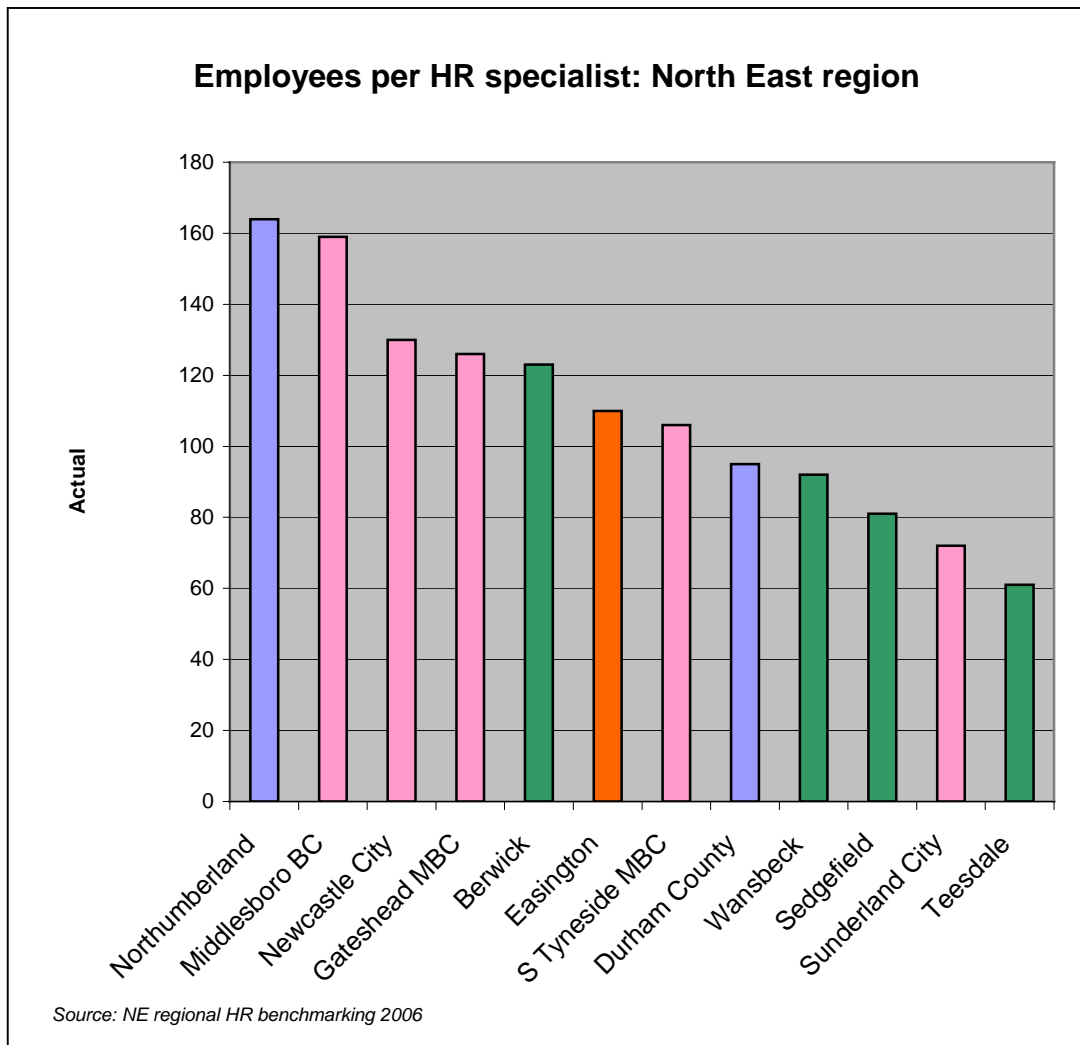
5. People

This section focuses primarily on the activities carried out by the Personnel Services team, but also includes training and development activity which is currently split across Personnel, Corporate Development and Democratic Services.

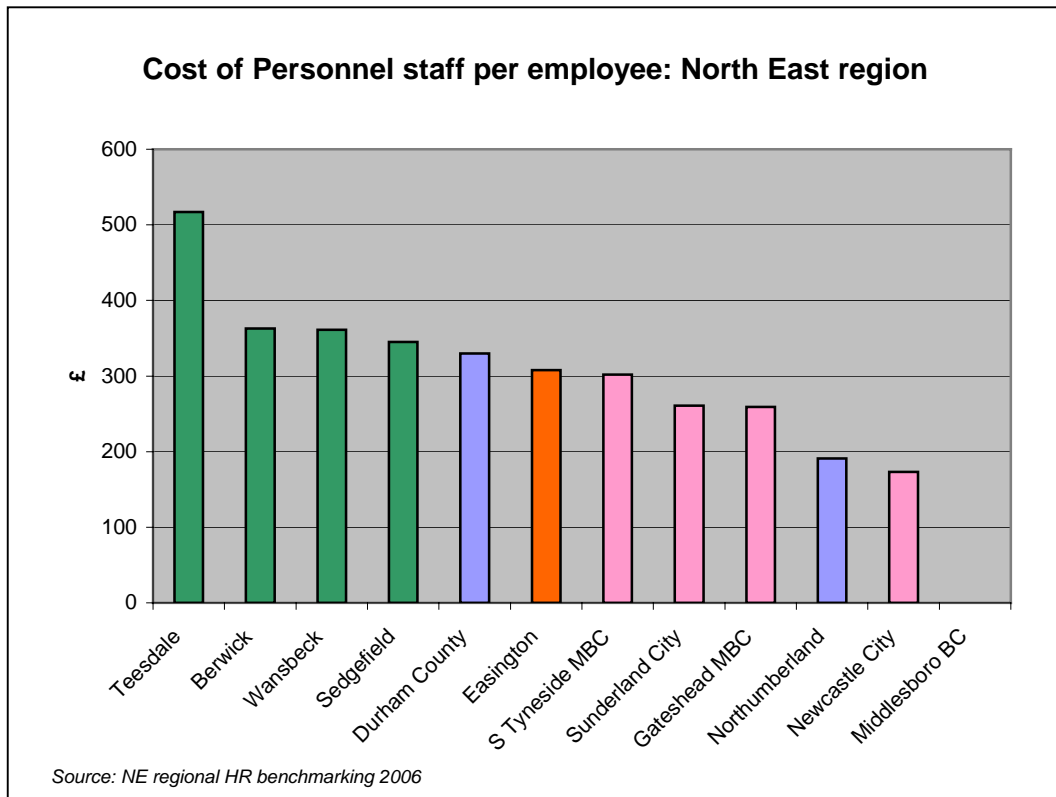
5.1 Cost

For the Personnel and Health and Safety (including training and development) functions, we used two benchmarking opportunities to establish cost; the CIPFA benchmarking club (2005 data) and a regional personnel officers' benchmarking club (2006 data).

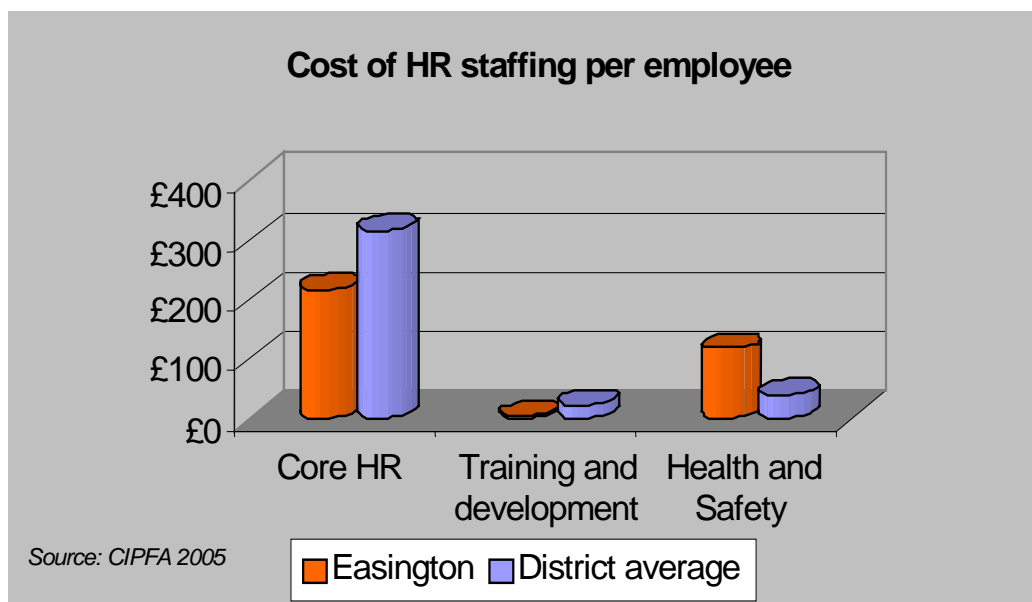
In terms of ratios of employees to HR staff, the regional picture is generally as might be expected, showing that most large authorities have higher employees:HR staff ratios than smaller organisations. However, Easington's ratio is higher (better?) than all Districts but Berwick, and higher than several much larger authorities where economies of scale might be expected to be found (South Tyneside, Durham County and Sunderland).



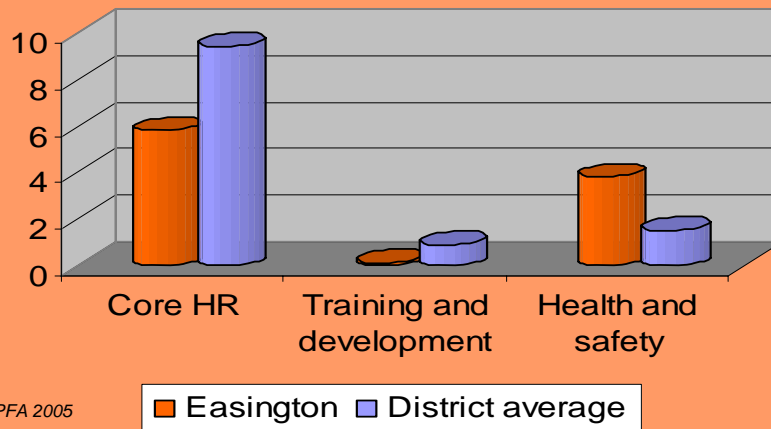
When this is translated into cost, the graph shows that Easington outperforms all Districts as well as Durham County, although most of the other larger authorities do show lower HR staffing costs per employee.



On a national level, CIPFA benchmarks show that Easington's costs across core HR and training and development are lower than the district average, whilst the authority invests more in Health and Safety than the average District (above). This echoes the pattern of staffing (below). The Training and Development resource is arguably excessively low and this is explored further in section 5.5.



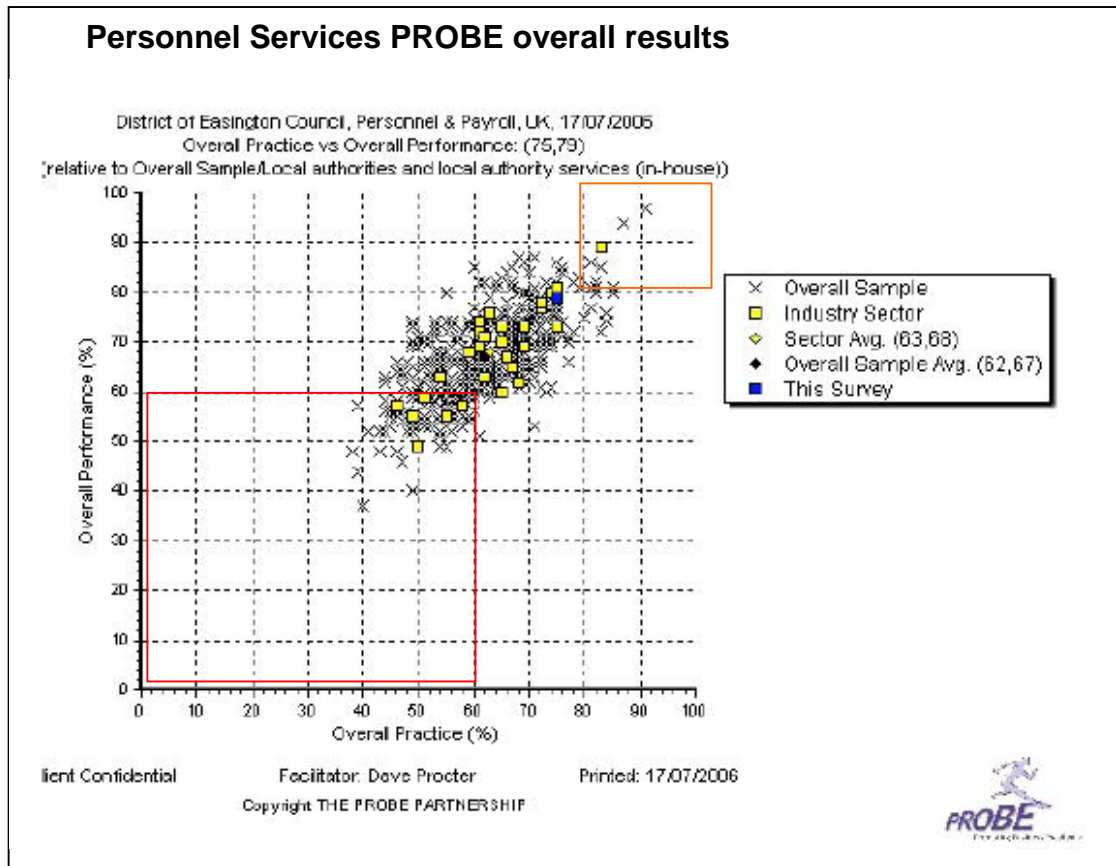
HR staffing resources compared: full time equivalents



Source: CIPFA 2005

5.2 Quality: the Service PROBE

The Service Probe measures quality in terms of **performance** and **practice**, taking into account a full range of organisational factors and comparing all organisations in the PROBE database, private and public sector. Organisations scoring less than 60 in these categories (red box) are poor. Organisations scoring more than 80 are “world class”. Personnel Services scored 70 for performance and 74 for practice- high in the “contender” category and above the sector average.



The PROBE identifies key strengths and weaknesses in the service and suggests that the strengths should be protected and the weaknesses systematically addressed. The results for Personnel Services were:

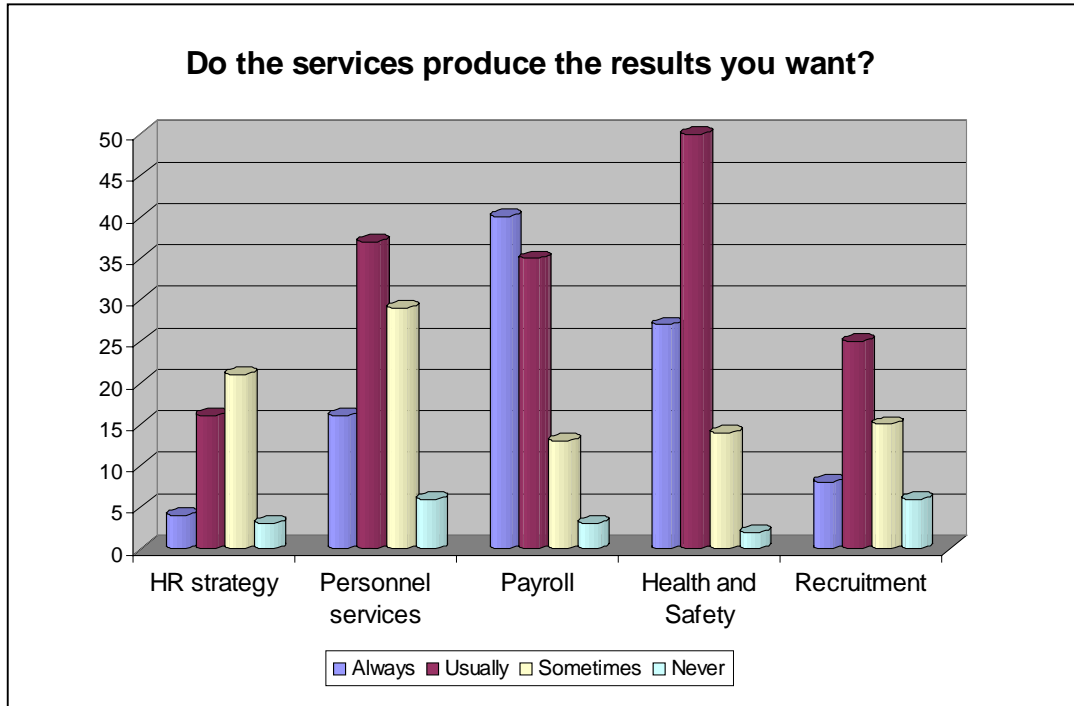
Strengths and weaknesses

The service’s practice strengths were spread across the 4 areas of leadership, performance management, people and processes. The performance strengths were also spread with a slight majority of strengths in service quality.

The team’s weaknesses were spread and not concentrated in a particular area.

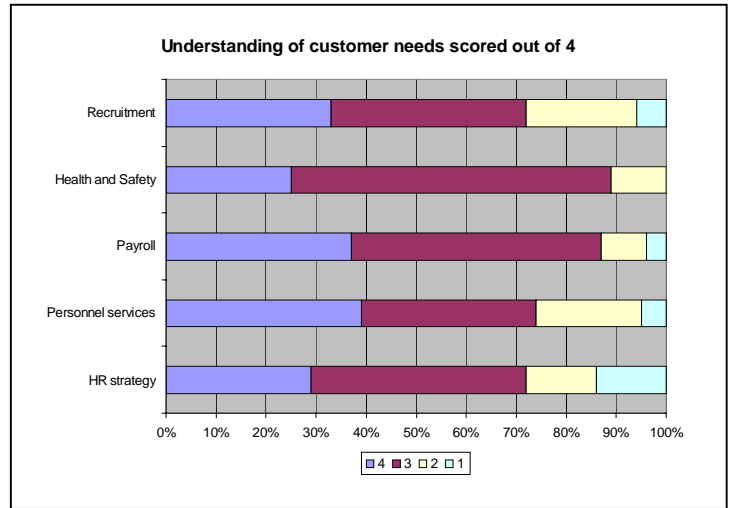
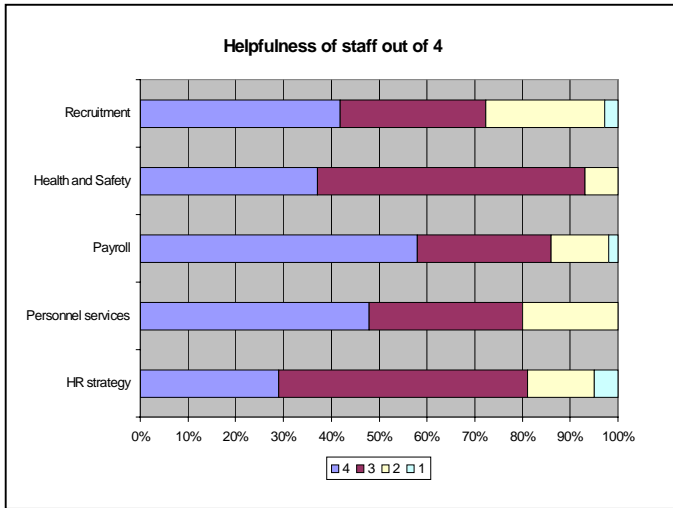
5.3 Quality: satisfaction

The customer satisfaction survey carried out for the Best Value Review measured satisfaction with services across a range of factors including results, timeliness, availability, improvement and attitudinal factors (helpfulness, professionalism and understanding of customer needs). The full results are available in the Appendices; the Results and Helpfulness/Understanding of Needs tables are shown below as a proxy for overall satisfaction.



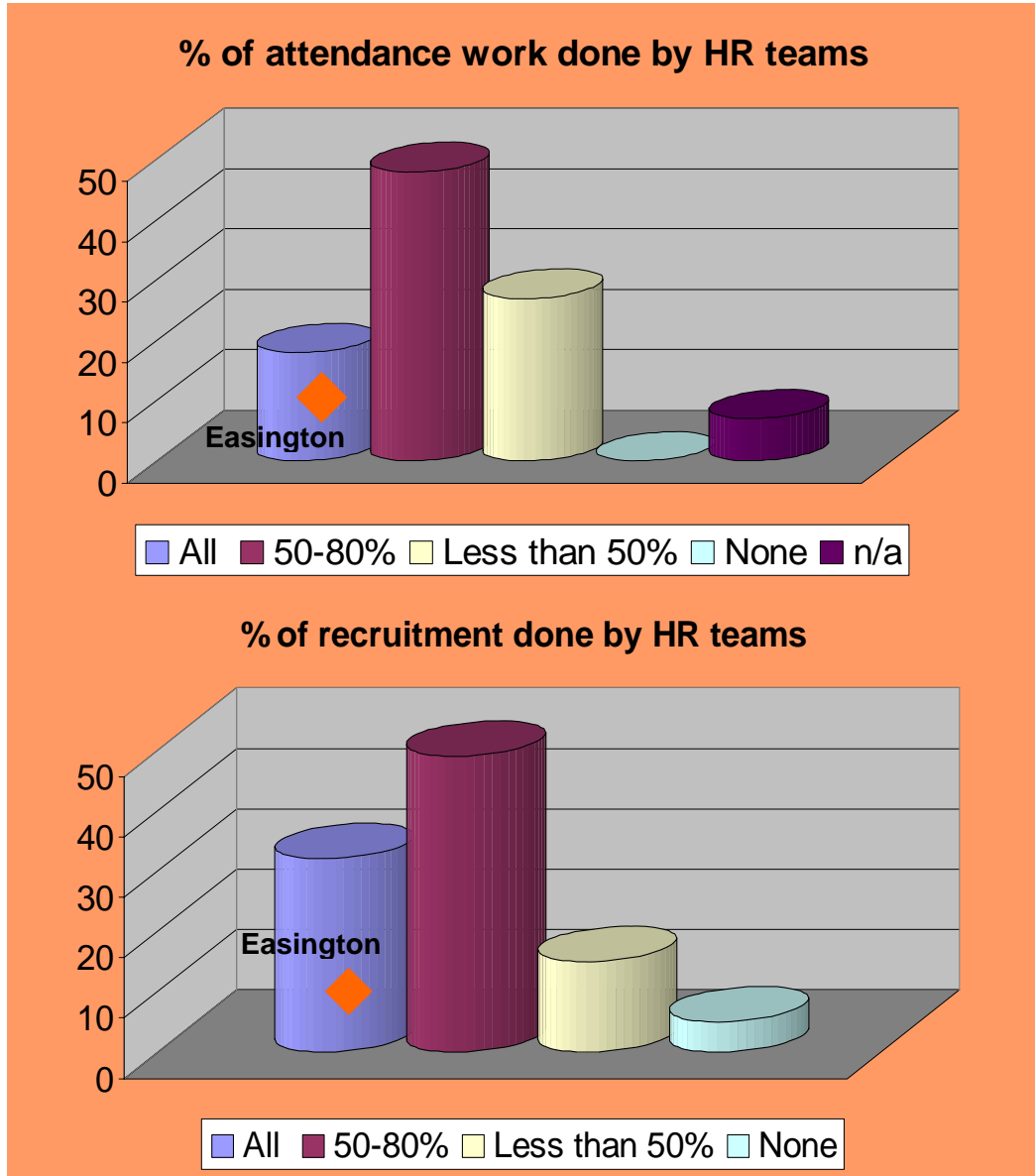
Satisfaction with results is generally good, but there is a significant number of 'sometimes' scores in general Personnel and also in HR strategy (where "sometimes" is the most popular score). When taken alongside analysis of what the Personnel team does (section 5.4), this could indicate a lack of focus on strategic matters. Payroll and HR score very highly.

For the attitudinal questions, we asked participants to score the services out of 4 where 1 is low and 4 high. Because we would wish to set high standards in relation to customer service, we took a combined score of 80% of total responses either 3/4 or 4/4 to represent good service. Personnel services overall scored highly for helpfulness, with only Recruitment not hitting the 80% mark. For Understanding of Customer Needs, the scores were slightly lower, with only Health and Safety and Payroll hitting the 80% mark; however the scores are generally good overall.



5.4 Benchmarking what the Personnel service does

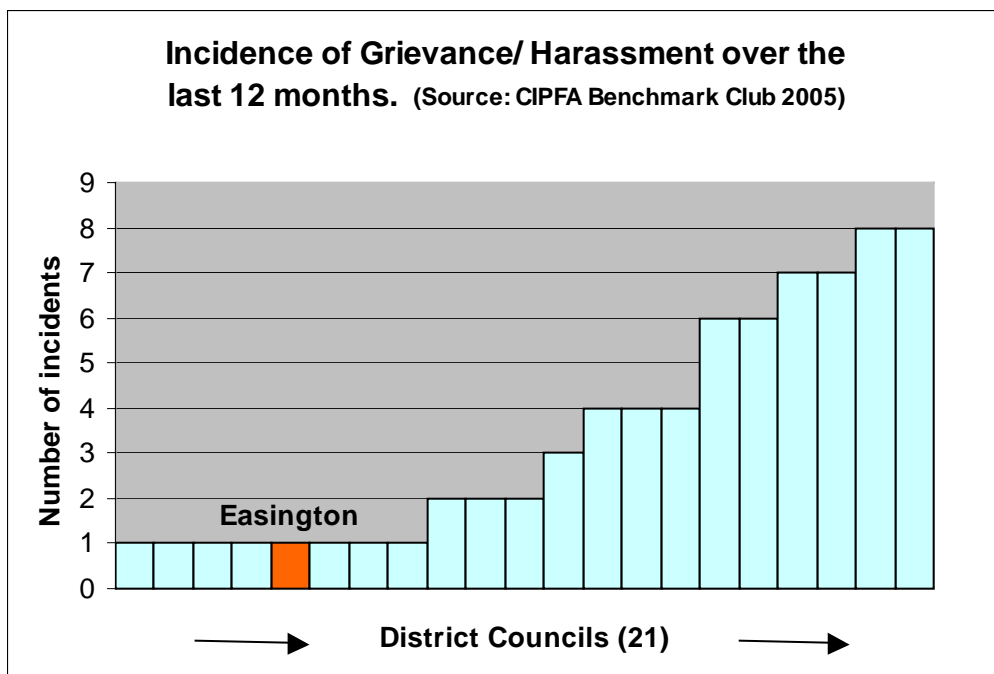
The CIPFA benchmarking questions allow us to compare what our Personnel service spends its time on, with other Districts. The most interesting factor here is that in Easington a greater proportion of some core personnel tasks is undertaken with significant input from the central unit rather than delegated to service units, notably in the areas of Attendance and Recruitment (Easington's personnel team also carries out all Discipline and Payroll work, but this is more in line with the national picture).



It could be argued that the Personnel led approach to attendance work, though more unusual, is paying off given the significant improvement in BVPI12 (days lost to sickness absence) over the last 3 years. However, it may also be felt that a concentration on core personnel functions (with less delegation of the work) allows less time for strategic functions such as HR strategy and workforce planning. Easington's approach to other core activities (performance, financial management) is one of delegation.

5.5 Benchmarking grievances

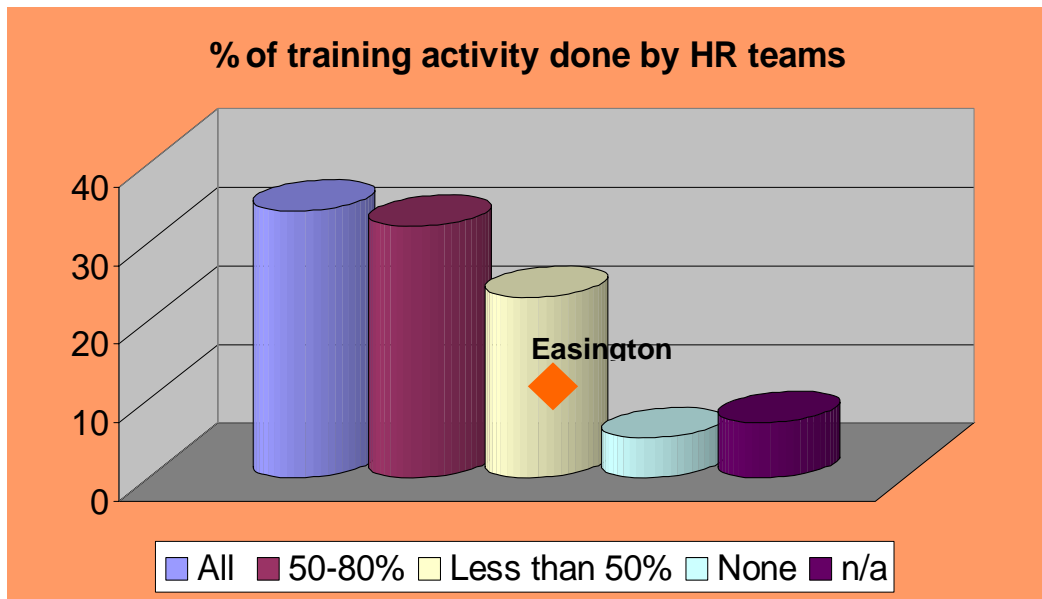
The CIPFA benchmarking club also allows the benchmarking of HR outcomes in the form of grievance and harassment cases. Easington's performance compares well with other Districts in the club on these issues:



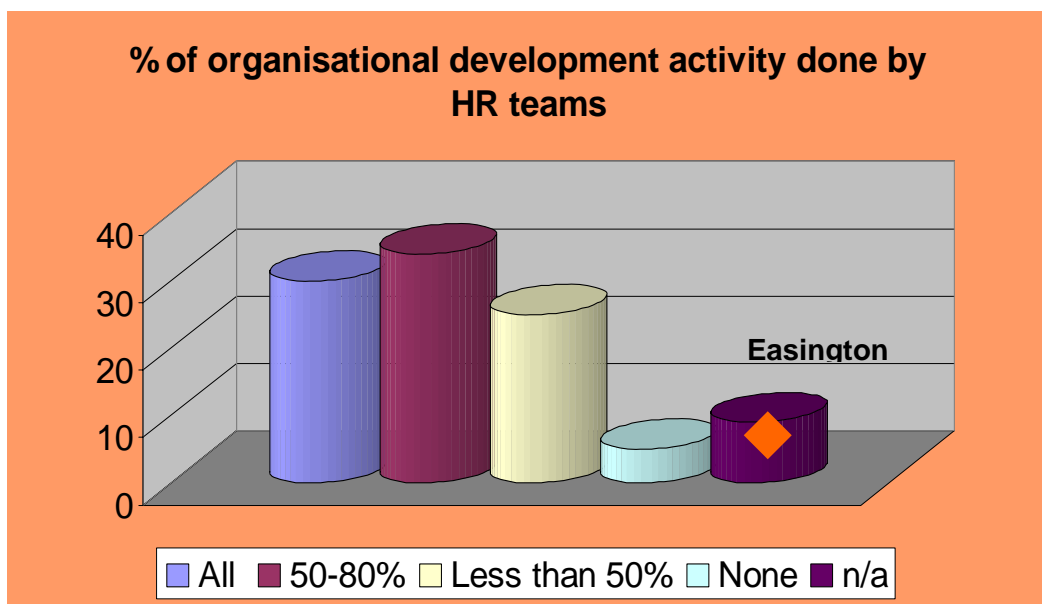
Although this is not entirely a reflection on the quality of HR services in the Council (being also a reflection of effective relationships between staff, managers, Trades Unions and Members), it is nevertheless likely that the practices and policies implemented by the HR team on behalf of the Council have facilitated this.

5.6 Training and development

The cost information from CIPFA benchmarks shows that Easington spends less on training and development staffing than comparator Districts. When we explore the amount of training carried out by HR teams, the benchmarking shows that Easington's position, where training and development are divorced from HR/Personnel, is relatively unusual (in fact the HR team carries out significantly less than 50% of the training in the Council):



It is also relatively unusual for the organisational development and HR/Personnel functions to be split so markedly as in Easington, where the OD function rests with the Corporate Development Unit with Member development resting with Democratic Services:



It would seem sensible to bring into this section relevant findings from the diary analysis work carried out by CCP¹² in the Corporate Development Unit and Democratic Services. This identified that no dedicated resource is specifically identified in these teams for training activity (work that is done tends to be done on an ad hoc basis alongside other tasks, by the Assistant Chief Executive, a Senior Corporate Development officer, the Scrutiny Manager and Head of Democratic Services and Administration); in the diary sample period, relatively short though it was, no significant activity was undertaken. CCP's general conclusion about this area of work was:

“No evidence (during the review) to support the prevalence of business focussed training across the function or Council, although it is acknowledged that there is not a training officer or department to formulate this approach”.

Whilst a significant amount of focused organisational development activity and training have in fact been carried out in recent years and this has been formally evaluated¹³, there is clearly an element of risk in the level of *staffing* resource currently given to supporting this activity across the Council.

In relation to training *budgets*, an analysis of existing budgets and spend over recent years indicates that there may be potential for realignment of these to free up some capacity to deliver wider improvements in the training and development function.

5.6. Conclusions about Personnel Services

Cost	Quality
<p>Low relative to Districts and some larger Councils</p> <p>Health and Safety spending is higher than the District average</p> <p>Training and development spending (staffing) is lower than the District average</p>	<p>Performance and practices very good according to PROBE</p> <p>Satisfaction quite high but with some issues re delivery and interface on HR and Recruitment</p> <p>Issues around split Training and Development functions</p>

¹² Easington District Council Best Value Review Process Evaluation Report August 2006. John Wilkes, CCP Ltd

¹³ IdeA evaluation of organizational development activity in Easington, August 2006

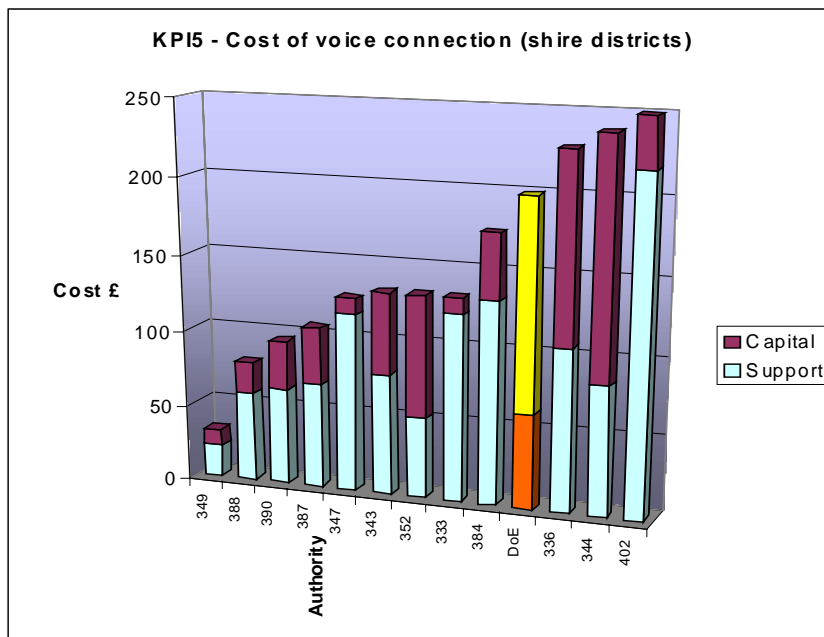
6. IT

6.1 Cost

For IT, benchmarking was carried out using the SOCITM national benchmarks which are widely used in public sector IT services. Because no performance information had been available for the IT service until this review, the exercise of collecting this data has been useful if time consuming. Various members of the IT team have been involved in collating the data.

6.1.1 Cost per connection to voice network (SOCITM KPI 5)

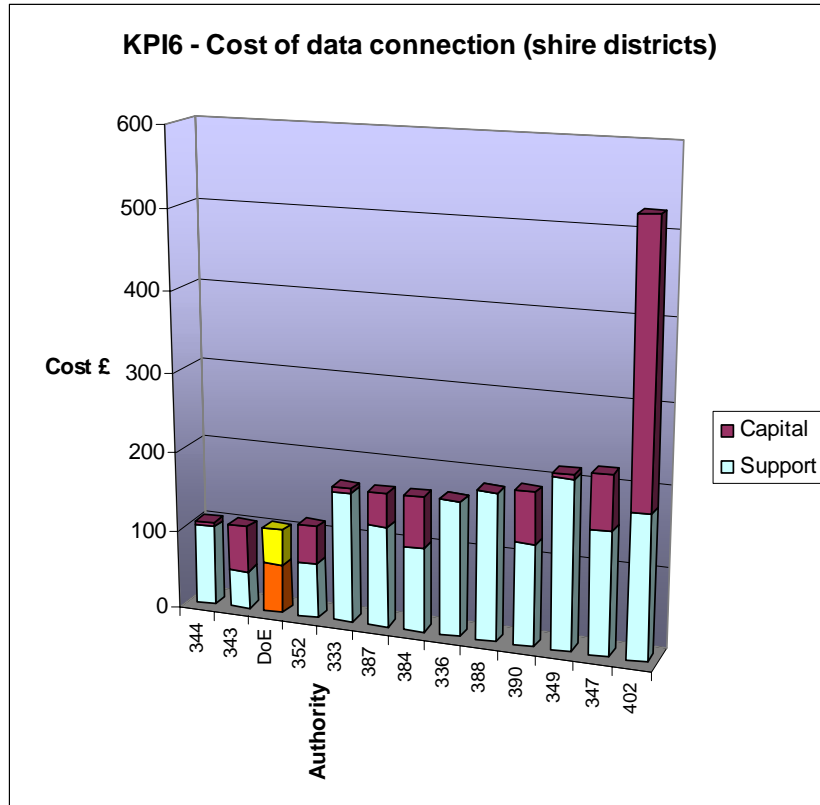
The graph below shows Easington's position alongside other district councils in terms of the cost per connection to the voice network (telephony), broken down by support cost (shown in orange for Easington) and capital cost (shown in yellow for Easington):



Easington's current support and capital cost per connection to the voice network is comparatively high (Support cost per connection £62, capital cost per connection £137, total cost per connection £199). However, the recent investment in a new telephone switch, network and handsets has had a significant impact on the total cost per connection. This figure is calculated over the next two years after which the total cost per connection will reduce to simply the support cost (presently £62 - well into best quartile). Within the next two years, our telephony costs will represent good value for money.

6.1.2 Cost of data connection (SOCITM KPI 6)

This graph shows Easington's position alongside other district councils in terms of the cost per data connection, broken down by support cost (shown in orange for Easington) and capital cost (shown in yellow for Easington):

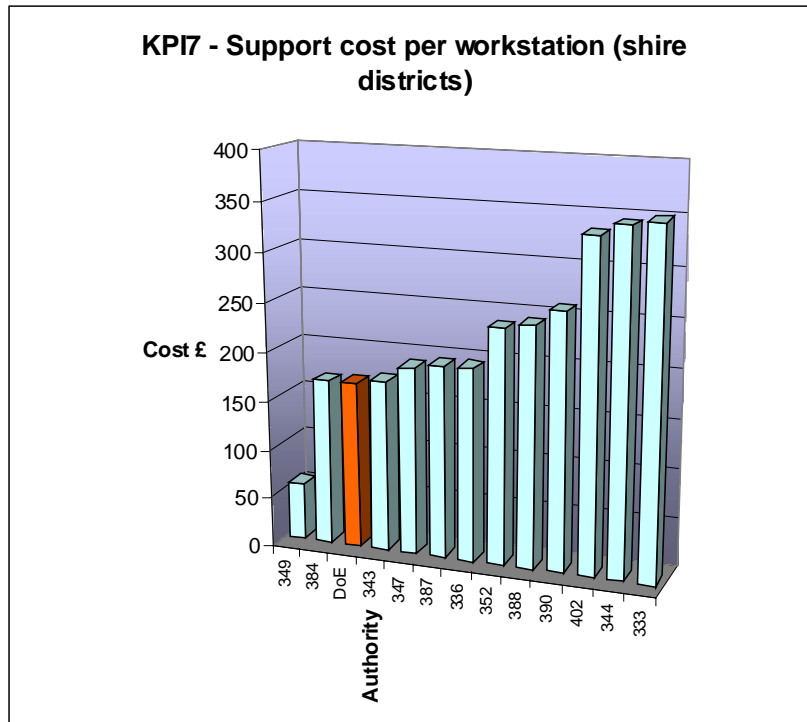


As with KPI 5 it should be noted that the recent investment in the data network and switches has had a significant impact on the total cost. This figure is calculated over two years after which the total cost per connection will reduce to simply the support cost (presently £62).

Despite this, as can be seen from the graph Easington's figure is well below the median and in the lower (highest performing) quartile. The cost without capital will bring Easington to becoming almost the lowest cost District.

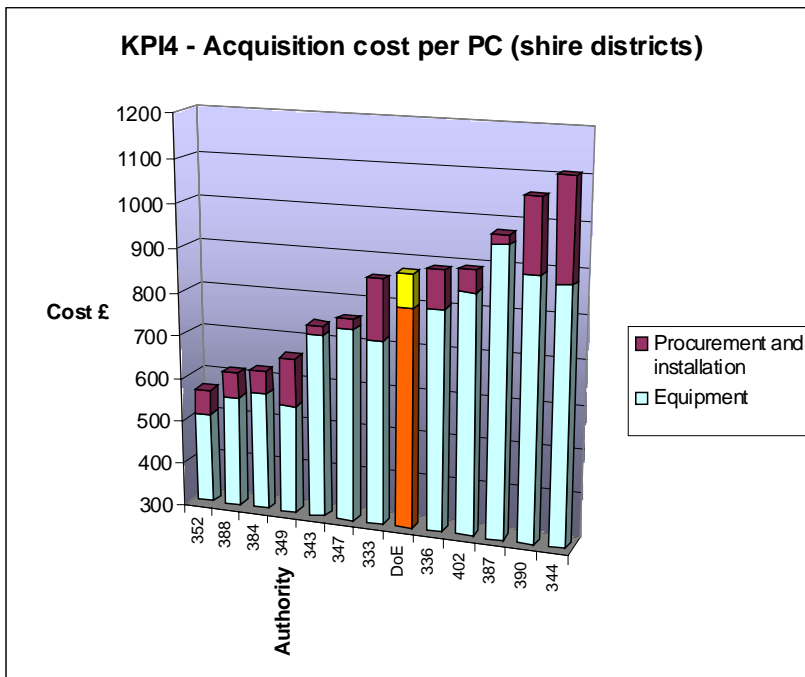
6.1.3 Support cost per workstation (SOCITM KPI 7)

This PI measures the cost efficiency of providing support for users of workstations and standard office software, excluding palmtops etc. At £170.19 per workstation, Easington's support costs are below the District median (£220) and the overall median for all Council types (£200). This is second best quartile, though somewhat short of top quartile performance at £110.



6.1.4 Cost of acquiring a PC (SOCITM KPI 4)

This PI measures the cost of procuring a workstation including the cost of the equipment, procuring and installing it. Easington's acquisition costs per workstation are shown below. The graph shows that our costs are high and we are above the median for district councils. The majority of the cost is in relation to the equipment rather than the process of procuring it, which suggests that the specification we use for our PCs is higher than the average.

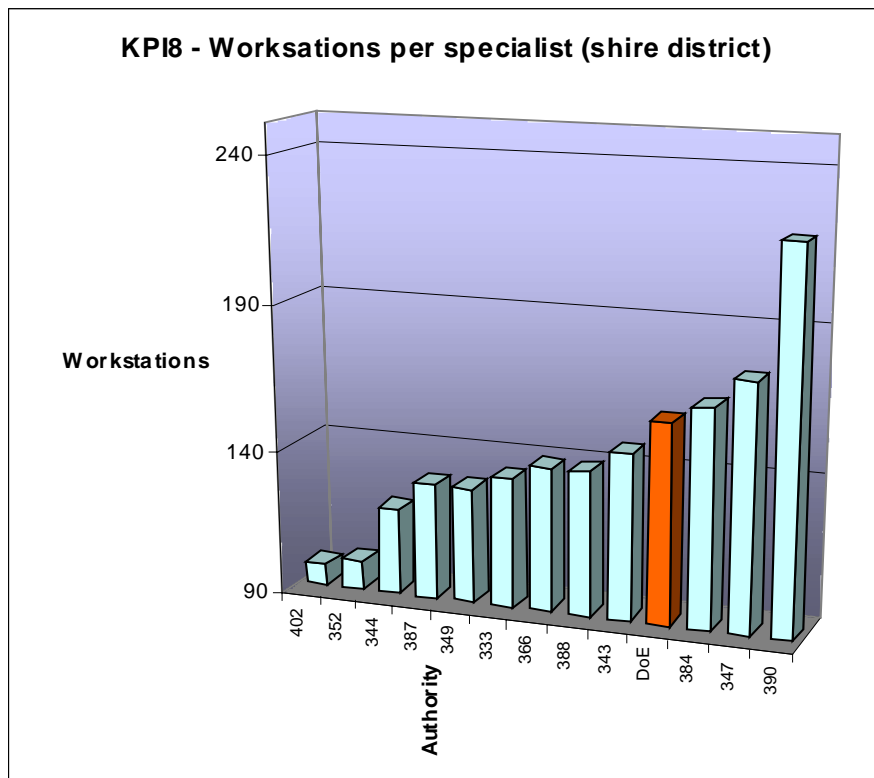


6.2 Efficiency

The IT team's efficiency was measured through a number of SOCITM PIs, as set out below.

6.2.1 Workstations supported per specialist (Helpdesk staff- SOCITM KPI 8)

This PI measures workstations supported per support worker and is therefore a measure of efficiency and productivity. Easington's ratio of workstations supported per support specialist is **159:1** (based on helpdesk staffing and support for workstations only). The average number of workstations supported per specialist is 130 for Districts; Easington's performance therefore exceeds many other Districts but not all.



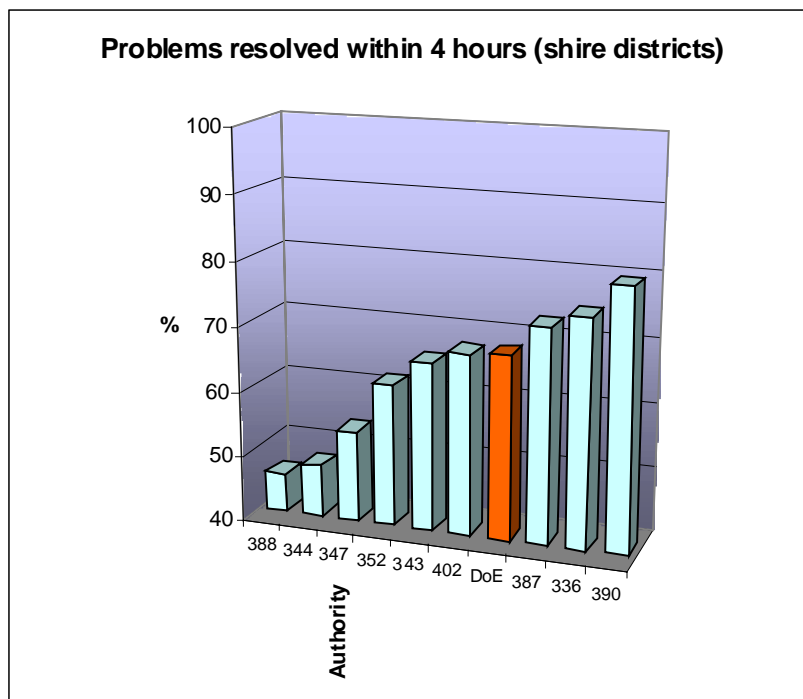
6.2.2 Resolution of reported incidents

This PI measures speed of restoring service within an agreed timescale after an incident is reported, and covers the service offered by the Help Desk (data collection for Applications, Systems and Website is in too early a stage of collection to be meaningful). Easington's performance is as follows:

Incidents resolved over the last year in:-

0-4hrs	2783	68.29%
4-8hrs	315	7.73%
8-16hrs	248	6.09%
Over 16hrs	729	17.89%

Performance on 1-4hrs is above the District median of 62.5% although we are outperformed by several of the districts in the sample.



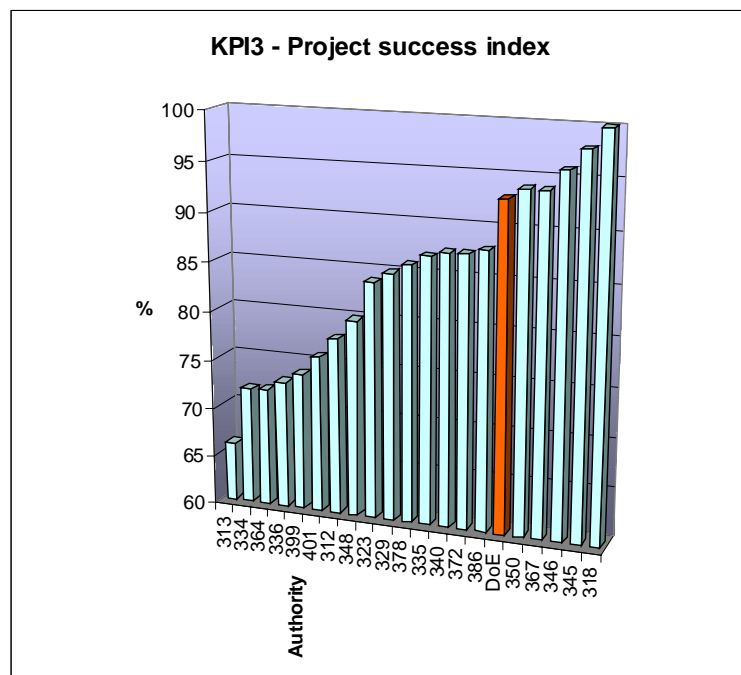
6.2.3 Completion of specified projects (SOCITM KPI 3)

This PI measures the percentage of projects completed successfully (success being defined as the customer agreeing that objectives have been met)

Criteria for this might include:

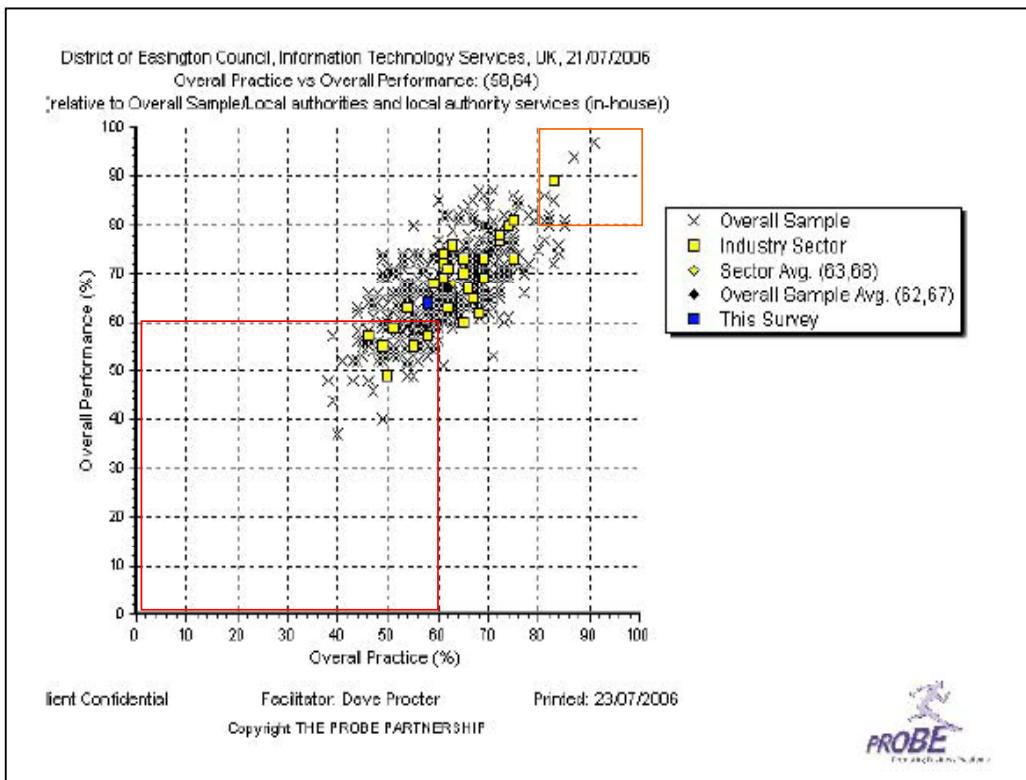
- completion within budget
- completion by agreed time scale
- achievement of business benefits
- smooth transition to new facilities

The calculation of this KPI was limited as all of the projects were assessed retrospectively. Easington's resulting figure for "Percentage of successful projects" is 93% which is significantly higher than most Councils identified in the sample.



6.3 Quality: the Service PROBE

The Service Probe measures quality in terms of **performance** and **practice**, taking into account a full range of organisational factors and comparing all organisations in the PROBE database, private and public sector. Organisations scoring less than 60 in these categories (red box) are poor. Organisations scoring more than 80 are “world class”. IT scored 64 for performance and 58 for practice, the latter score being heavily influenced by the lack of performance management in the service prior to the review. This places the service in the “contender” category for performance and the “poor” category for practice. Where scores for performance outweigh scores for practice, the PROBE classes these services as “vulnerable” in the sense that performance tends to be reliant on staff effort/goodwill to compensate for practices not always being in place. Though this is not a marked feature of the IT score it is nevertheless present.



The PROBE identifies key strengths and weaknesses in the service and suggests that the strengths should be protected and the weaknesses systematically addressed. The results for IT were:

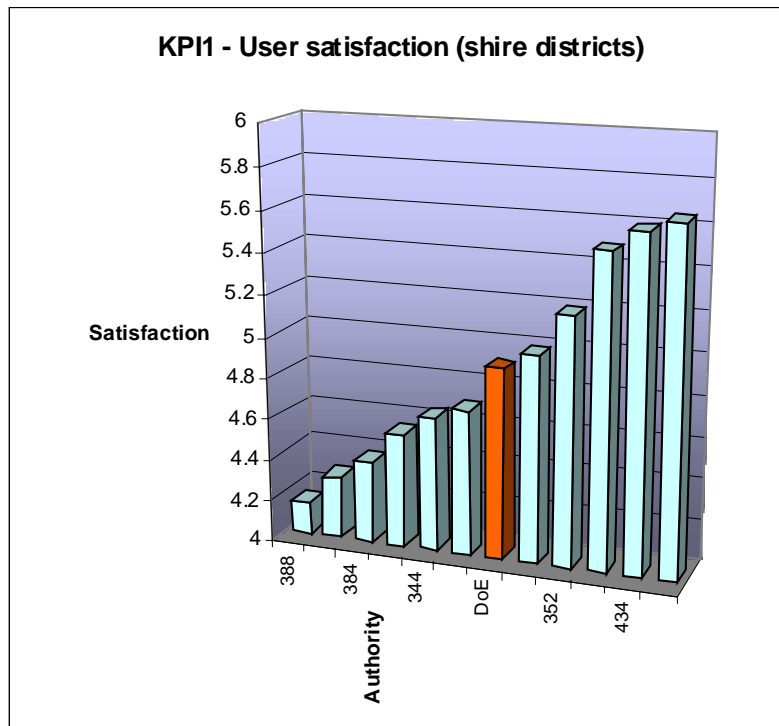
Strengths and weaknesses

The IT team's practice strengths were primarily split between service process strengths (especially in relation to use of IT) and leadership. The team's performance strengths were split across the range of factors.

The IT team's practice weaknesses were primarily in the areas of performance management and leadership, while the performance weaknesses tended to be in the area of service quality.

6.2.3 Satisfaction (SOCITM KPI 1)

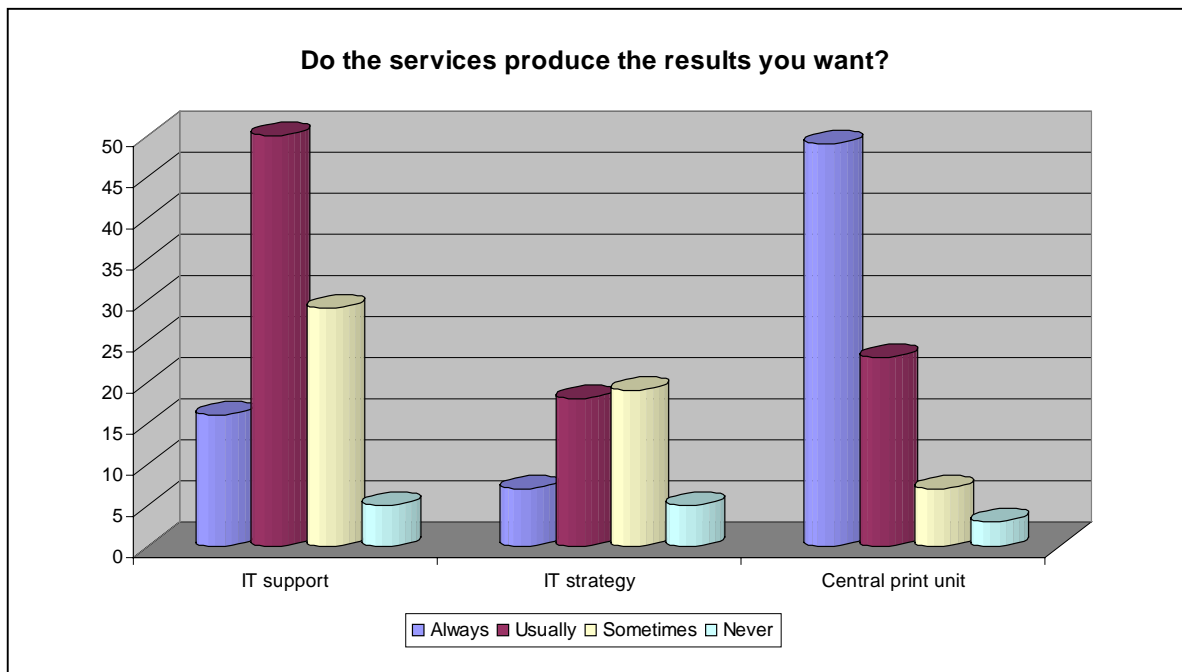
This PI measures overall satisfaction with IT services based on one question- "How do you rate the overall ICT service you receive", scored 1 to 7 where 1 is poor and 7 excellent. The survey was conducted in Easington by email in June 2006 and 215 responses were received. In terms of SOCITM benchmarking, our overall score was **4.92** which places us above the median for Districts but not in the upper quartile.



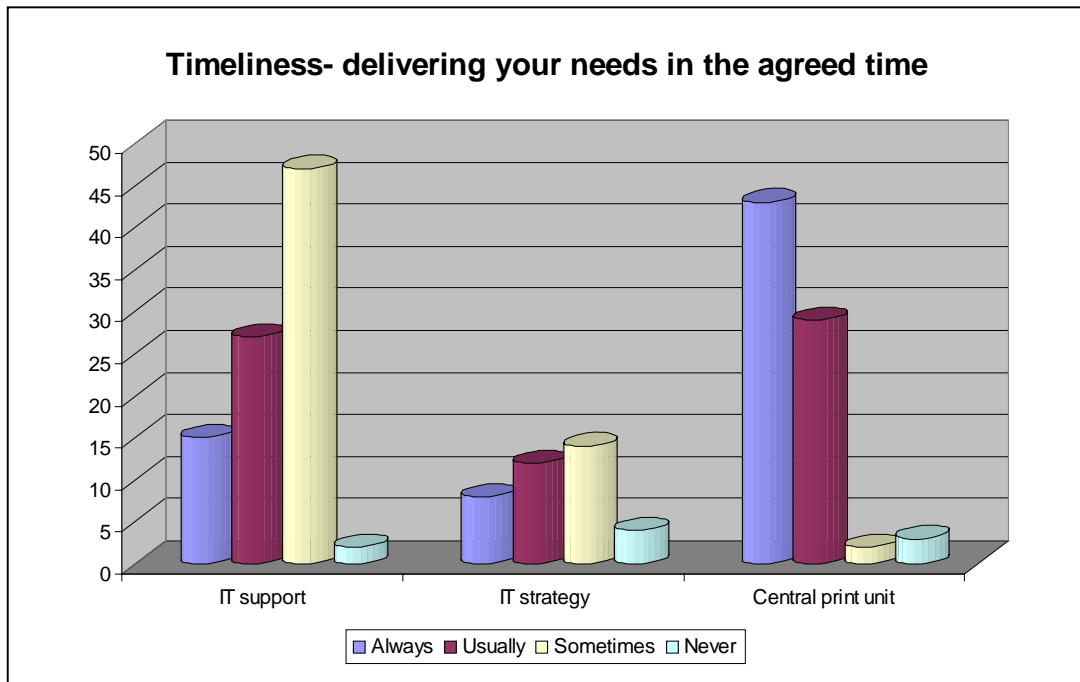
6.2.4 Satisfaction: the customer satisfaction survey

The customer satisfaction survey carried out for the Best Value Review measured satisfaction with services across a range of factors including results, timeliness, availability, improvement and attitudinal factors (helpfulness, professionalism and understanding of customer needs). The full results are available in the Appendices; the Results and Helpfulness/Understanding of Needs tables are shown below as a proxy for overall satisfaction.

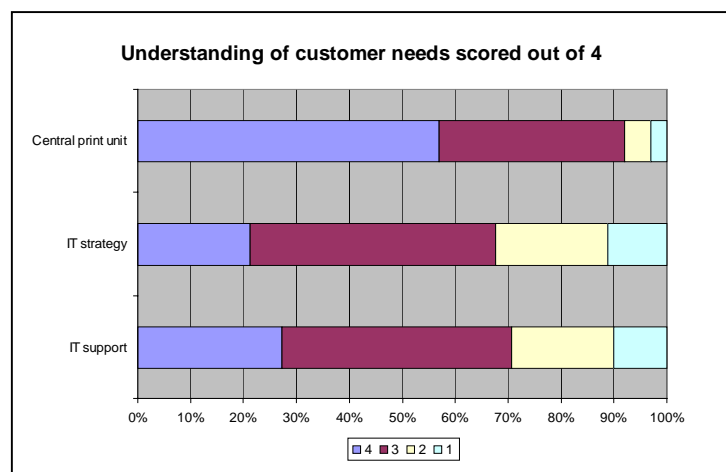
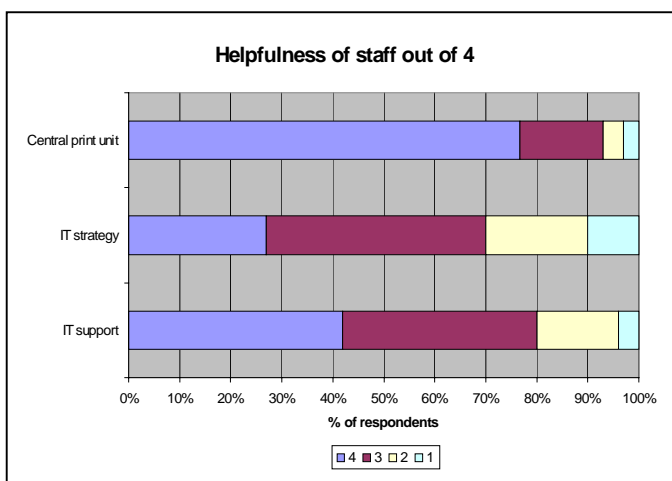
In terms of overall satisfaction with results, satisfaction with the Print Unit was consistently high. Whilst the results for IT Support were also good, a significant number of respondents felt that the service produces the desired results only sometimes, and this was also the case with IT Strategy although fewer people commented on this service.



In terms of timeliness, the picture is more marked, with a significant number of participants feeling that the IT Support service only delivers needs in the agreed time “sometimes”. There are in fact no current service standards for IT so this represents a “gut feeling” rather than an evidence based approach; however there would appear to be a strong case for service standards so that customers can know what to expect in terms of timeliness (and other factors).



In terms of the attitudinal factors, the Print Unit scored highly for both helpfulness and understanding of customer needs: IT support hit the 80% mark for helpfulness but fell short in understanding; and IT strategy scored 70% on both counts.



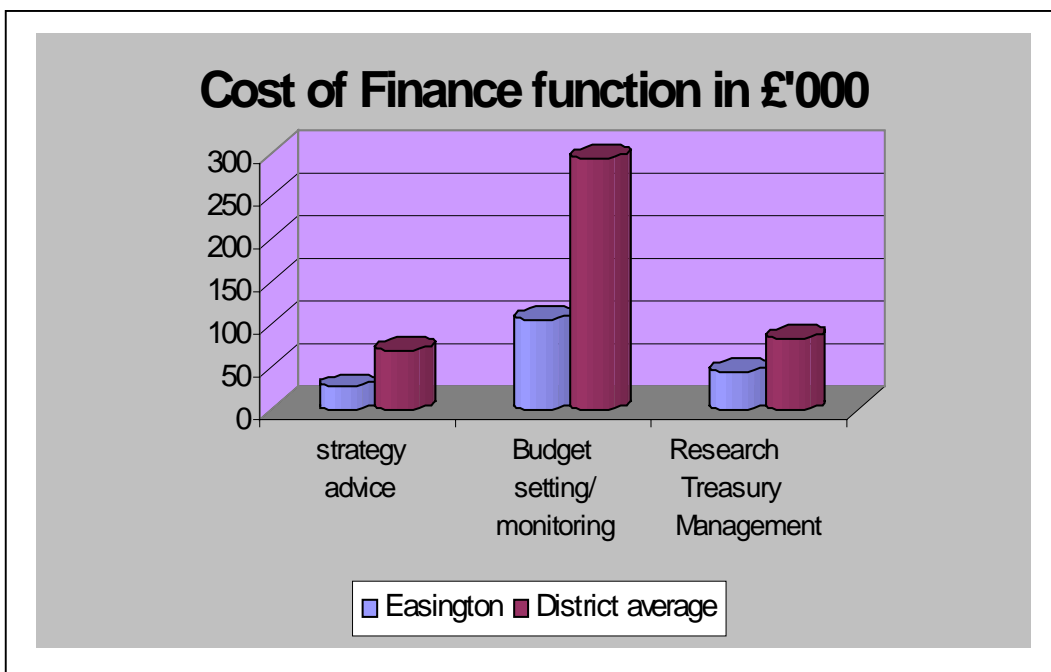
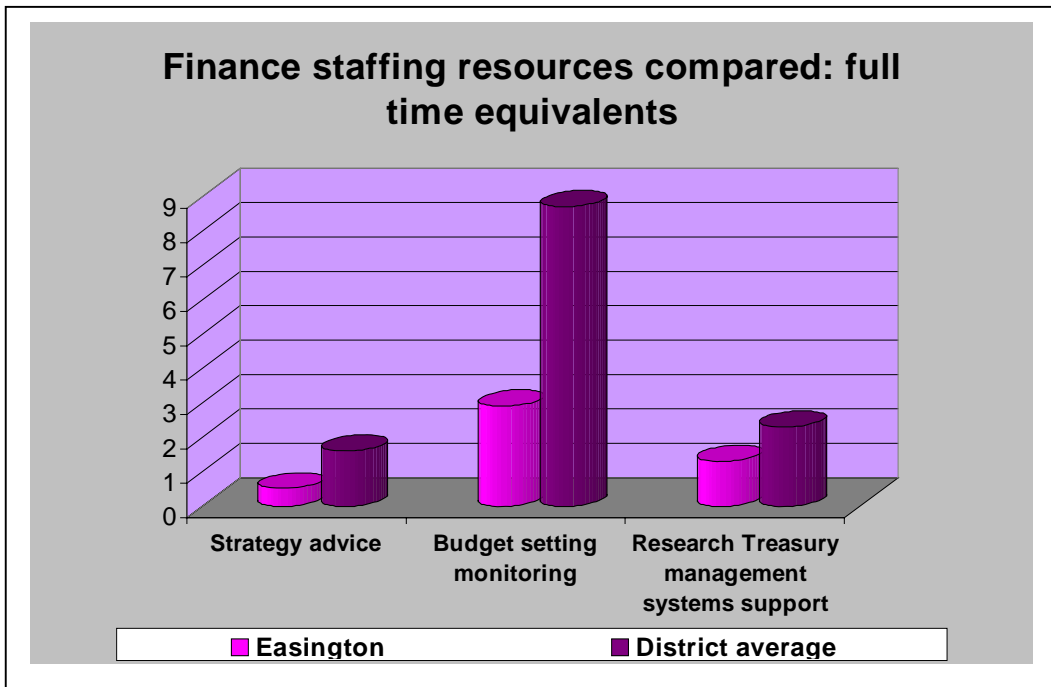
6.3 Conclusions about IT

Cost/efficiency	Quality
<p>Costs are below the District average for support per workstation</p> <p>Costs are high for PC acquisition and telephony, although the latter will fall to best quartile once the new switch is paid for</p> <p>The ratio of PCs supported to support staff is better than the District average but worse than for larger councils</p> <p>Resolution of problems is above the District median and project completion is high</p>	<p>PROBE shows the service as a contender but 'vulnerable' (performance not sufficiently underpinned by systems)</p> <p>Satisfaction quite high according to SOCITM benchmark and also internal survey, although some issues with 'results you want', timeliness and availability (IT Support and Strategy)</p> <p>Bottom quartile on performance management- no PIs in place until this review</p>

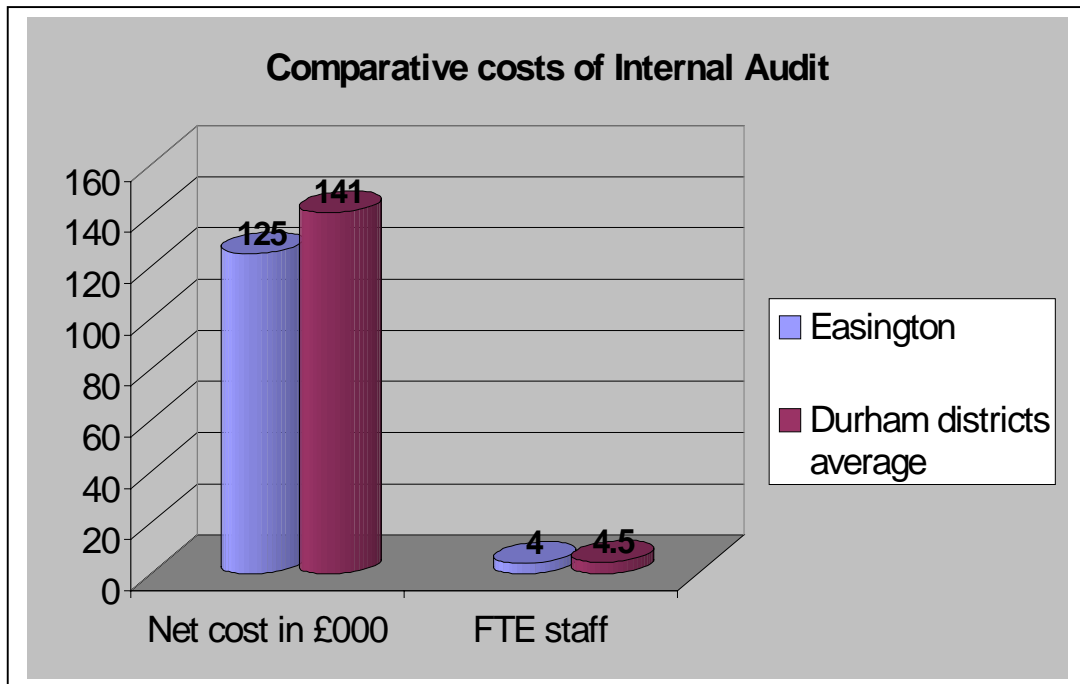
7. Finance and Internal Audit

7.1 Cost

To compare the costs of finance and audit services, we used CIPFA national benchmarks. Looking first of all at general financial support, Easington's staffing levels and costs per £000 gross revenue turnover are significantly lower than the comparator Districts (Easington's cost per £0000 gross revenue turnover is £3.32 against the District average of £8.15- less than half the average cost):

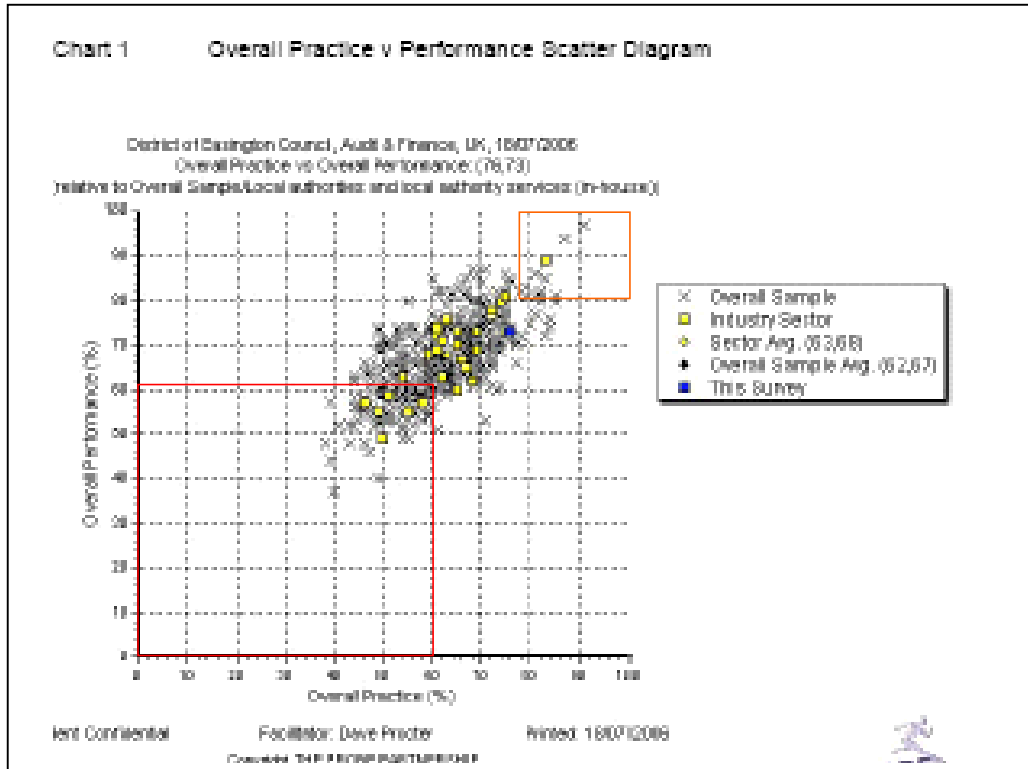


The picture for Internal Audit is more comparable to the average:



7.2 Quality: the Service Probe

The Service Probe measures quality in terms of **performance** and **practice**, taking into account a full range of organisational factors and comparing all organisations in the PROBE database, private and public sector. Organisations scoring less than 60 in these categories (red box) are poor. Organisations scoring more than 80 are “world class”. Finance and Audit scored 73 for performance and 76 for practice- high in the “contender” category and above the sector average.



The PROBE identifies key strengths and weaknesses in the service and suggests that the strengths should be protected and the weaknesses systematically addressed. The results for Finance and Audit were:

Strengths and Weaknesses

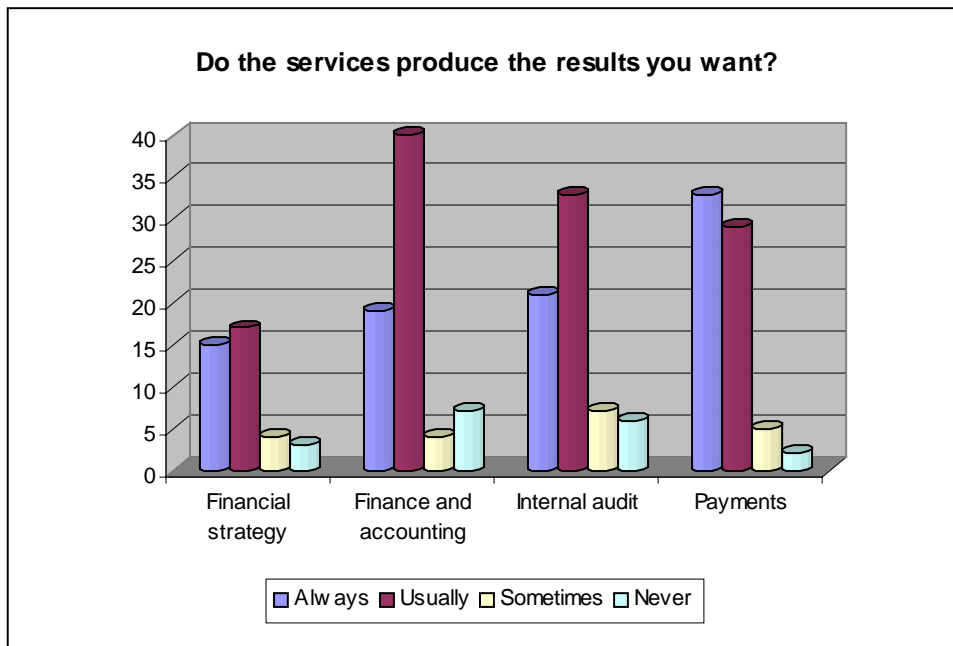
The service’s practice strengths were spread across 3 areas (leadership, performance management and people) with a majority in the Leadership area. The performance strengths were focused around service quality.

The team’s practice weaknesses were focused around service processes.

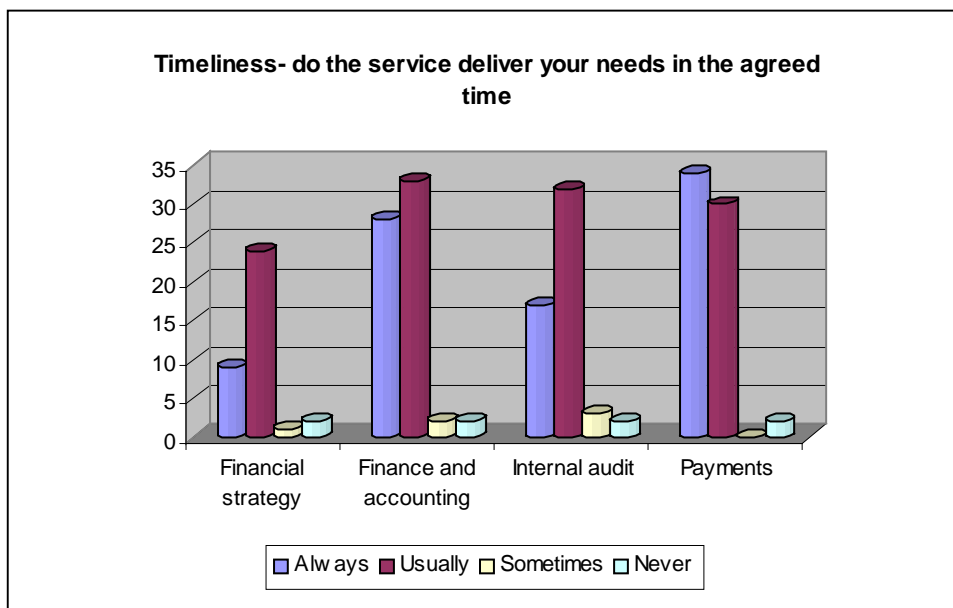
7.3 Quality- satisfaction

The customer satisfaction survey carried out for the Best Value Review measured satisfaction with services across a range of factors including results, timeliness, availability, improvement and attitudinal factors (helpfulness, professionalism and understanding of customer needs). The full results are available in the Appendices; the Results and Helpfulness/Understanding of Needs tables are shown below as a proxy for overall satisfaction.

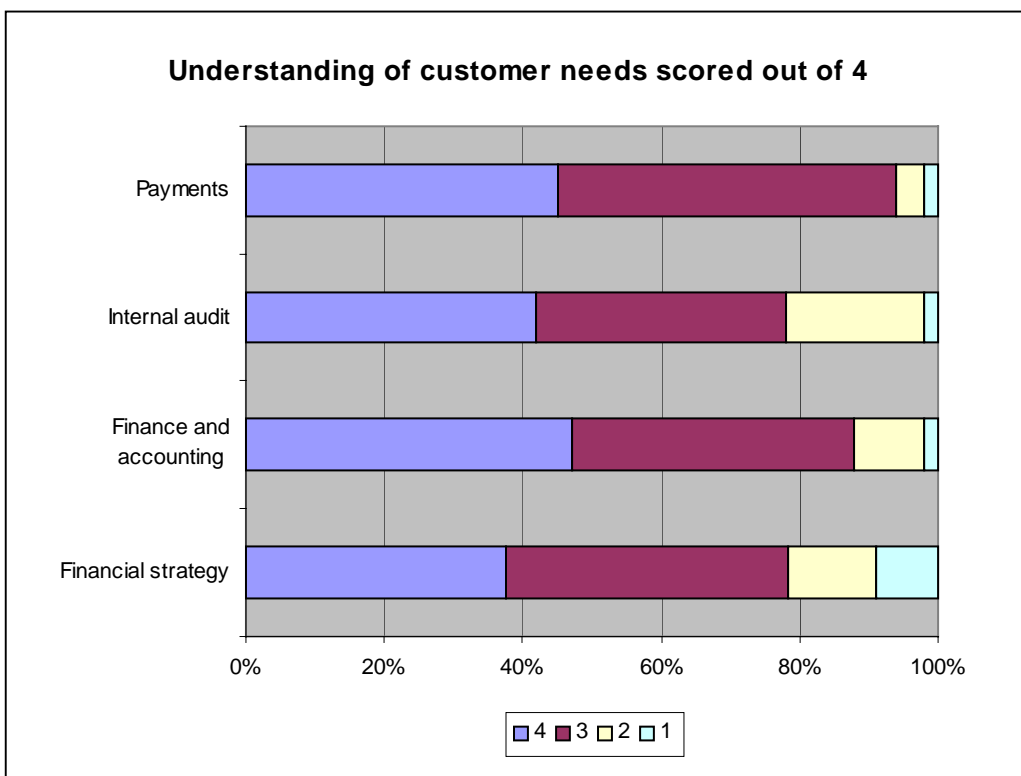
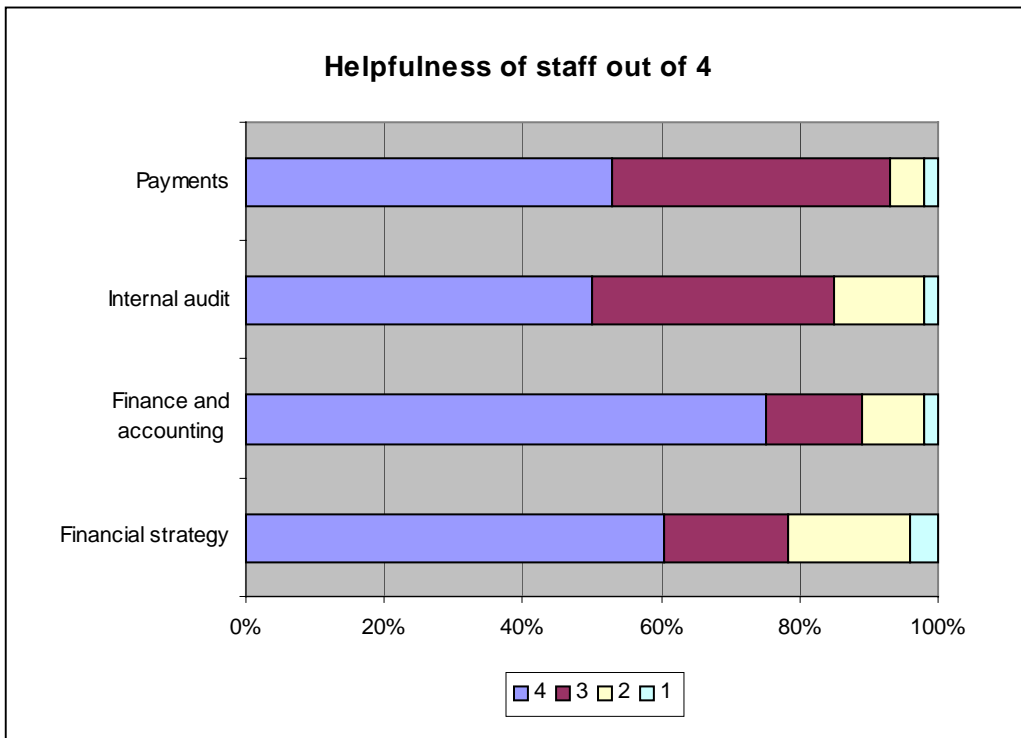
In terms of producing the results required by customers, the Finance and Audit team scores highly across all functions, with most of the scores being “always” or “usually”:



This is reflected in the picture regarding timeliness:



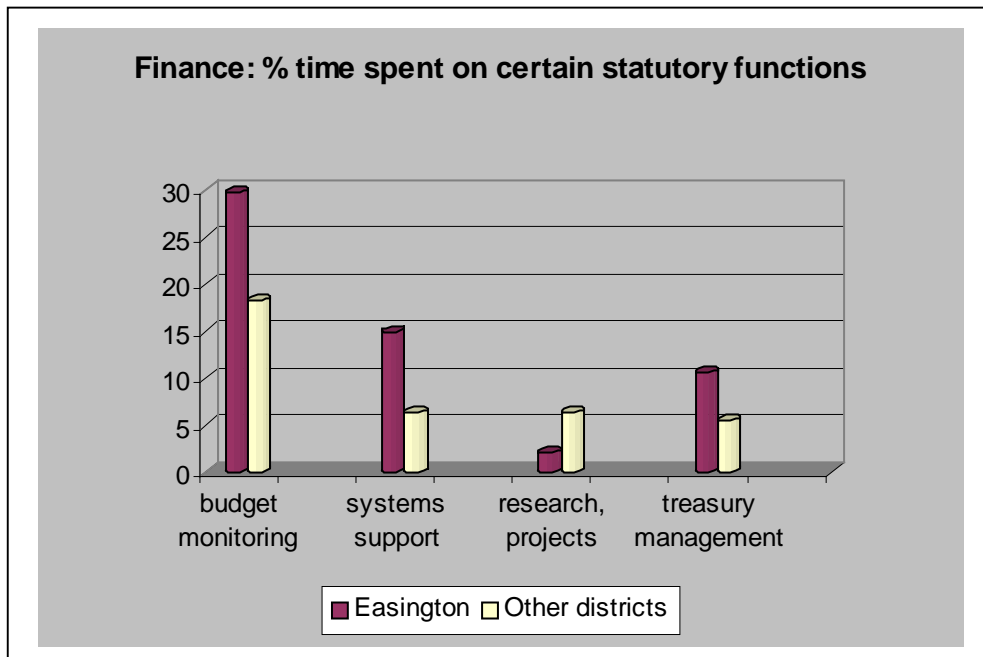
In terms of staff attitude, the scores for Helpfulness and Understanding of Customer Needs are similarly high; only Financial Strategy falls slightly short of the 80% mark on helpfulness, while Financial Strategy and Internal Audit score slightly below 80% on understanding of customer needs.



7.4 Benchmarking what the service does

The CIPFA benchmarks allow us to compare the % of available time spent on specific statutory financial activities (excluding Internal Audit). Compared to other districts, Easington's finance team spends a comparatively high proportion of time on statutory activities (some 57% in total compared to 35% on average). The proportion of time spent on budget management is also relatively high given that Easington operates a devolved budgeting system.

This could be explained by the fact that the overall staffing resources available for financial activity are relatively low and therefore a higher proportion of them needs to be spent on the statutory responsibilities; it is also the case that Easington has had to focus on getting its financial house in order in the not too distant past, so that a focus on the systems and processes is understandable. However it may also be the case that we are not focusing enough resource on more strategic/developmental activities.



7.5 Conclusions about Finance and Internal Audit

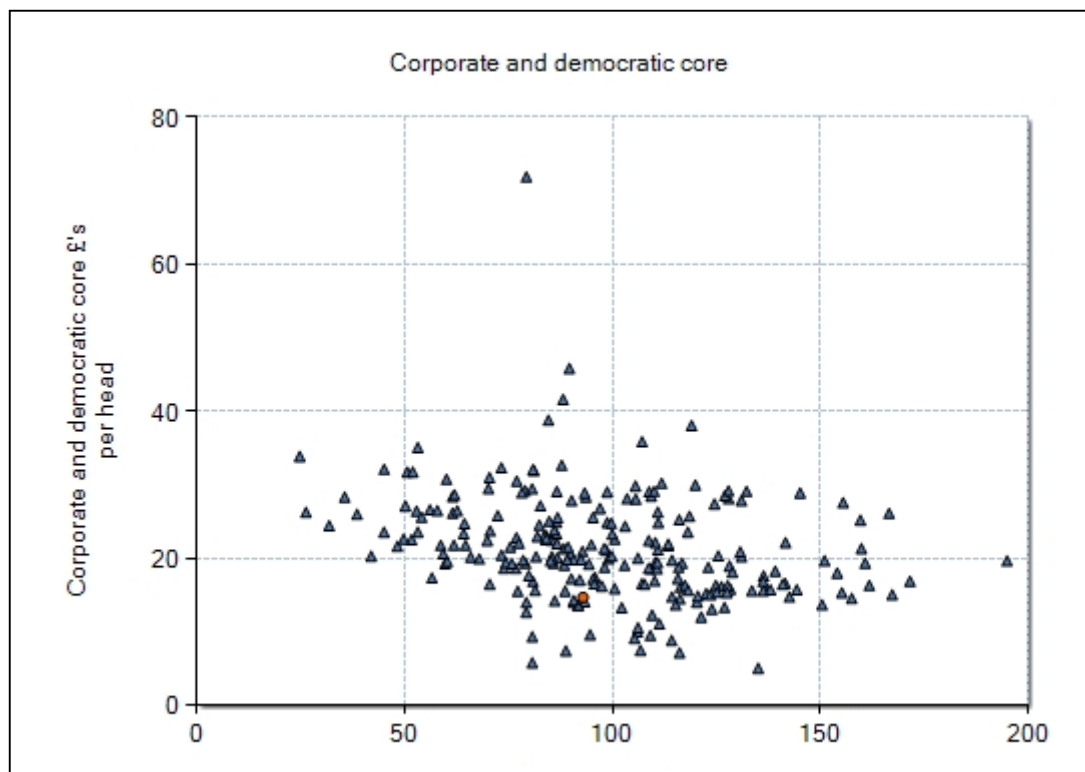
Cost	Quality
Significantly lower than national District average EDH SLA review felt that Internal Audit offered good value to the company	Performance and practices very good according to PROBE Satisfaction high across all aspects

8. Democracy and Administration

8.1 Cost

8.1.1 “Cost of democracy”

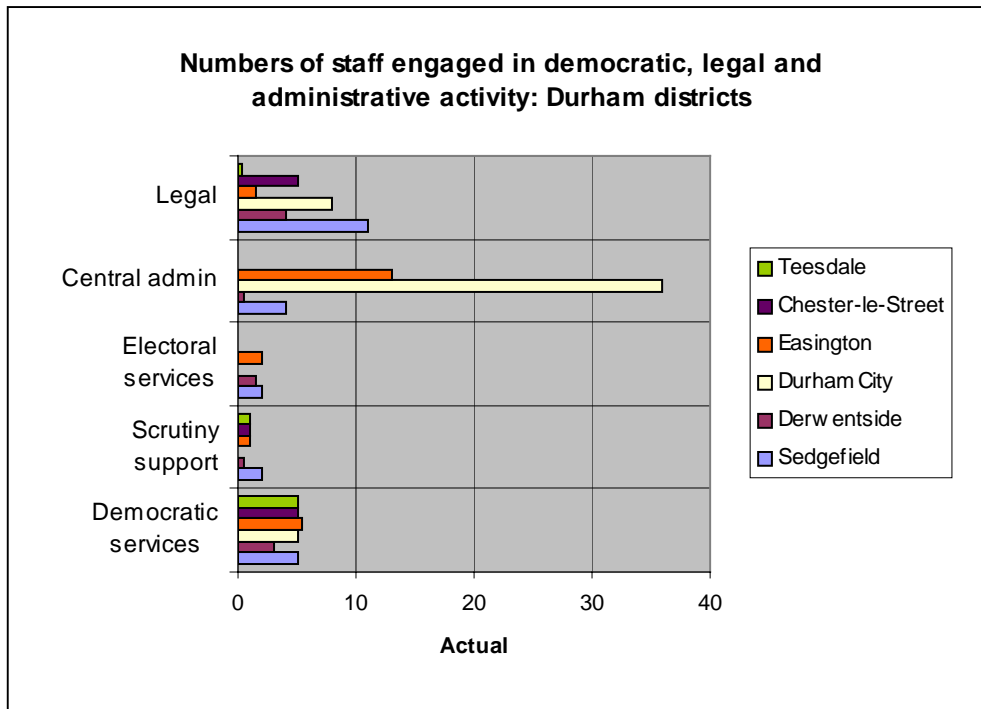
Our starting point in comparing the cost of democratic services and administration was the Audit Commission’s Value for Money Profile Tool. In 2005/6, the cost of Easington’s corporate and democratic core was £14.63 per head of population, relatively low compared to other districts of similar size (this data is based on revenue account line RA 610 which covers “cost of democracy” (including staffing in Democratic Services and other member related costs) but also the cost of corporate management (Management Team costs but not corporate development activities), so it is not entirely reflective of the total costs of our Democratic and Administration service. However it gives a useful indication of relative position:



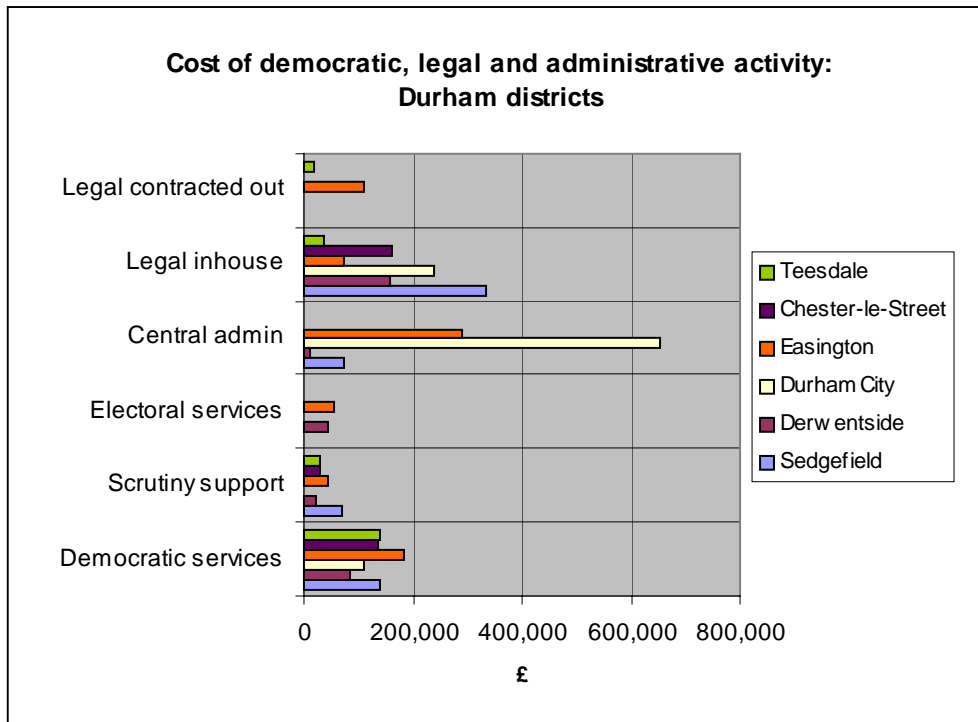
8.1.2 Benchmarking

Because there is relatively little benchmarking data available in relation to democratic and administration services, we carried out a piece of local benchmarking for the review based on Durham districts. Rather than ask Districts to give information about the total cost of democratic and administration teams (which would have masked different activities included in such teams in different councils), we asked for details of the resources assigned to specific activities.

This gives some useful pointers as to relative costs and resources assigned to different activities, although this data must carry some health warnings due to the difficulty of comparing like with exact like (we have been able, through the process mapping undertaken for the review, to be quite specific about the amount of time spent on particular activities in Easington, but this level of information is not universally available¹⁴. This information must therefore be seen as indicative rather than conclusive).



¹⁴ The data presented is actual, not adjusted for population or staff size, because arguably the amount of democratic, legal and administrative activity is not clearly correlated with these factors. However, for purposes of general comparison, Easington with some 94,000 population is most comparable to Sedgfield (87,000), Derwentside (85,000) and Durham City (87,700), 2001 census



Easington’s staffing levels for democratic activity are roughly comparable with other Districts. Legal staffing levels are **low**¹⁵ due to our outsourcing arrangement. Our central admin staffing levels (13) are much higher than Derwentside, (0.5) Sedgefield (4) and Chester-le-Street (0) although Durham City (at 36 central administration workers) is much higher.

Translated into spend, Easington’s costs are relatively low for Legal, average for elections and Scrutiny, slightly above average for Democratic Services and considerably higher than all authorities but Durham for central administration.

8.1.3 The Legal service

District of Easington reviewed its legal service provision using best value principles in 2000 and chose to outsource a significant element of the work to the private sector (Crutes Solicitors). In this review we wanted to test whether the arrangement still represents good value for money.

The legal activity carried out in Easington can be broken down into three categories:

- The Crutes contract (majority of legal work)
- The residual staffing which manages the contract and carries out some quasi legal work
- The Monitoring Officer role which is carried out by a senior partner from Crutes but with an annual salary .

¹⁵ Easington does not have any inhouse legal workers. Costs have been calculated based on a proportion of one officer who spends 18-24% of time on quasi legal activity, plus some management time

As part of the activity profiling exercise, we asked CCP to work with staff to map the amount of legal activity during a sample period (January-August 2006), assessing its type, duration and cost. This work was done for both inhouse (quasi legal) and contracted out activity, based on the Council's own detailed records and data from Crutes invoices. Further work was then carried out to compare the costs under the current arrangement, with notional costs if the Council were to employ its own staff to carry out this work.

The breakdown of outsourced activities is shown below:

Analysis of activity outsourced to Crutes Jan-August 2006				
	Actual instructions	% of total	Cost per instruction (average)	Total cost
RTB instructions	135	82.3%	£99 Negotiated flat fee	£13,365
Other property related instructions	16	9.8%	£405.56	£6,489
General instructions	13	7.9%	£308.63	£4,012
Total	164	100%		£23,866

It can be seen that the large majority of cases handled by Crutes are Right to Buys, for which the Council has negotiated a flat fee of £99 per instruction. Other property related cases form almost 10% of the work, with numbers of other types of cases being relatively low.

If we compare the flat fee the Council has negotiated with the average property related fee, **it would appear that this represents good value for money** compared to the private sector generally (82% of instructions account for c50% of total cost).

Turning to the inhouse (quasi legal) activity, the analysis is as follows:

Analysis of inhouse legal activity Jan-August 2006				
	Actual	% of total	Hours spent	Average hours per enquiry
Orders	11	2.9%	78	7
Contracts, agreements and SLAs	192	50.7%	81	2.4
SLAs	156	41.2%	80	2
Mediation	20	5.3%	11	2
Total	379	100%	250	

Excluding the management of the Crutes contract, this accounts for 18-24% of the time of one officer every month.

Finally, CCP benchmarked the costs incurred through Crutes against theoretical costs associated with FTEs at the Council (a solicitor and conveyancing clerk) An assumption was made for the purpose of comparison that all property related cases could be handled by one or a number of similar skilled staff i.e. 9/10 cases, and that this person could also handle all or most of the quasi-legal cases.

	Number	Hours	Cost	Difference
Total property related instructions external	151	489	£19,854	
Total instructions internal	379	250	£6,102	
Combined	530	739	£25,956	
If all were handled by DOE	530	739	£42,420	+£16,463

This work leads us to the conclusion that the current outsourced arrangement **does represent lower cost compared with an inhouse alternative**. This is dependent upon the current balance of work (ie heavily property related with the majority of work being in right to buys) and the situation needs to be regularly monitored.

8.1.4 The Monitoring Officer role

In terms of the Monitoring Officer role, this is low cost due to the nature of the arrangement through Crutes and the part time presence of the Monitoring Officer post at the Council. However, in terms of quality, Legal services tended to attract lower satisfaction scores in terms of availability and timeliness of service, as well as ability to understand customer needs. **It is recommended that we consider strengthening the on site presence of the Monitoring Officer to increase satisfaction.**

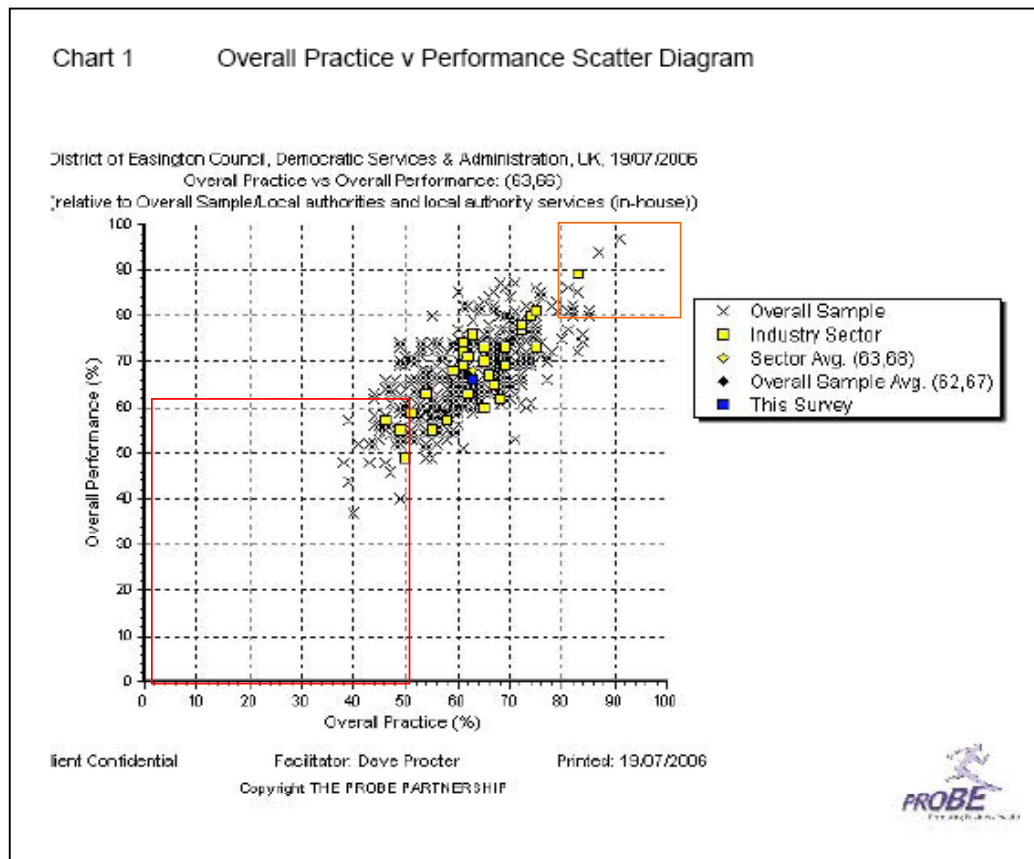
8.2 Quality: the Service PROBE

The Service Probe measures quality in terms of **performance** and **practice**, taking into account a full range of organisational factors and comparing all organisations in the PROBE database, private and public sector.

Organisations scoring less than 60 in these categories (red box) are poor.

Organisations scoring more than 80 are “world class”.

Democratic Services and Administration scored 66 for performance and 63 for practice, almost identical to the public sector average. This places the service in the “contender” category.



The PROBE identifies key strengths and weaknesses in the service and suggests that the strengths should be protected and the weaknesses systematically addressed. The results for Democratic Services and Administration were:

Strengths and Weaknesses

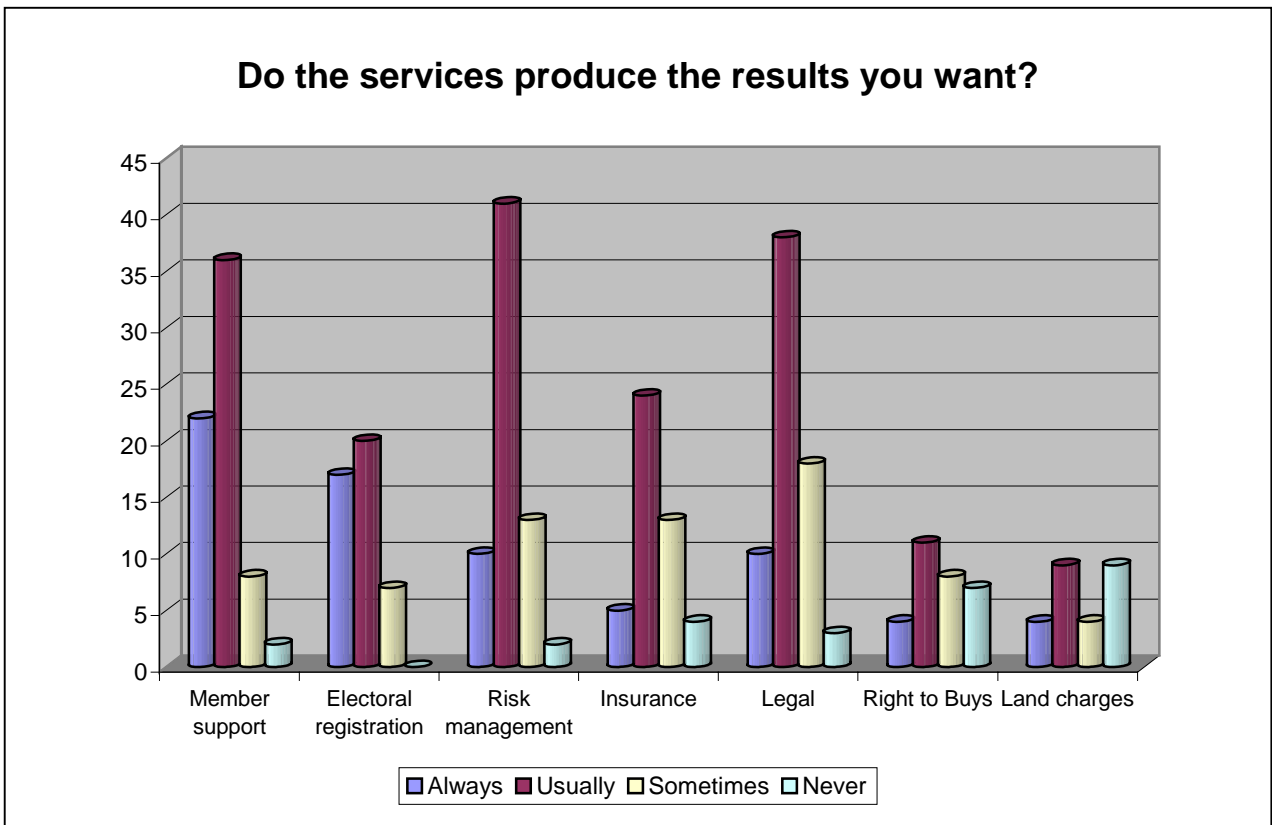
The service’s practice strengths were focused in the Leadership area (as were the practice weaknesses). The performance strengths were focused around service quality.

The team’s practice weaknesses were focused around leadership but the two greatest were linked to performance management.

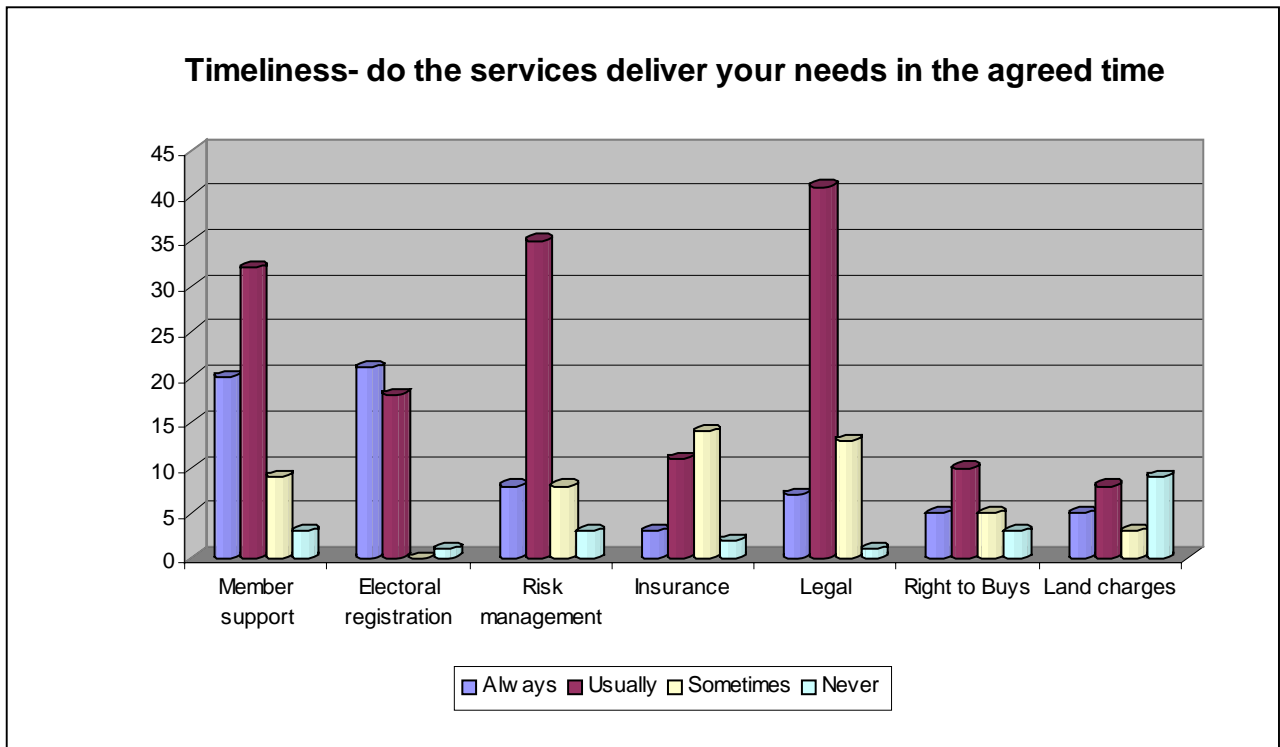
8.3 Quality: satisfaction

The customer satisfaction survey carried out for the Best Value Review measured satisfaction with services across a range of factors including results, timeliness, availability, improvement and attitudinal factors (helpfulness, professionalism and understanding of customer needs). The full results are available in the Appendices; the Results and Helpfulness/Understanding of Needs tables are shown below as a proxy for overall satisfaction.

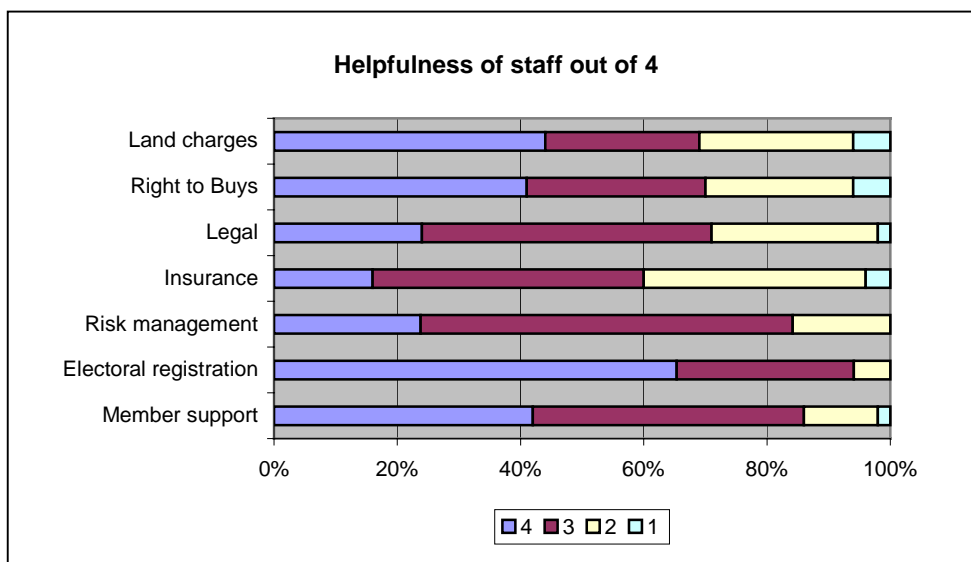
In terms of results, satisfaction is generally high, although several respondents said that they only “sometimes” get what they want from Legal, with a smaller number making similar comment about Insurance and risk.



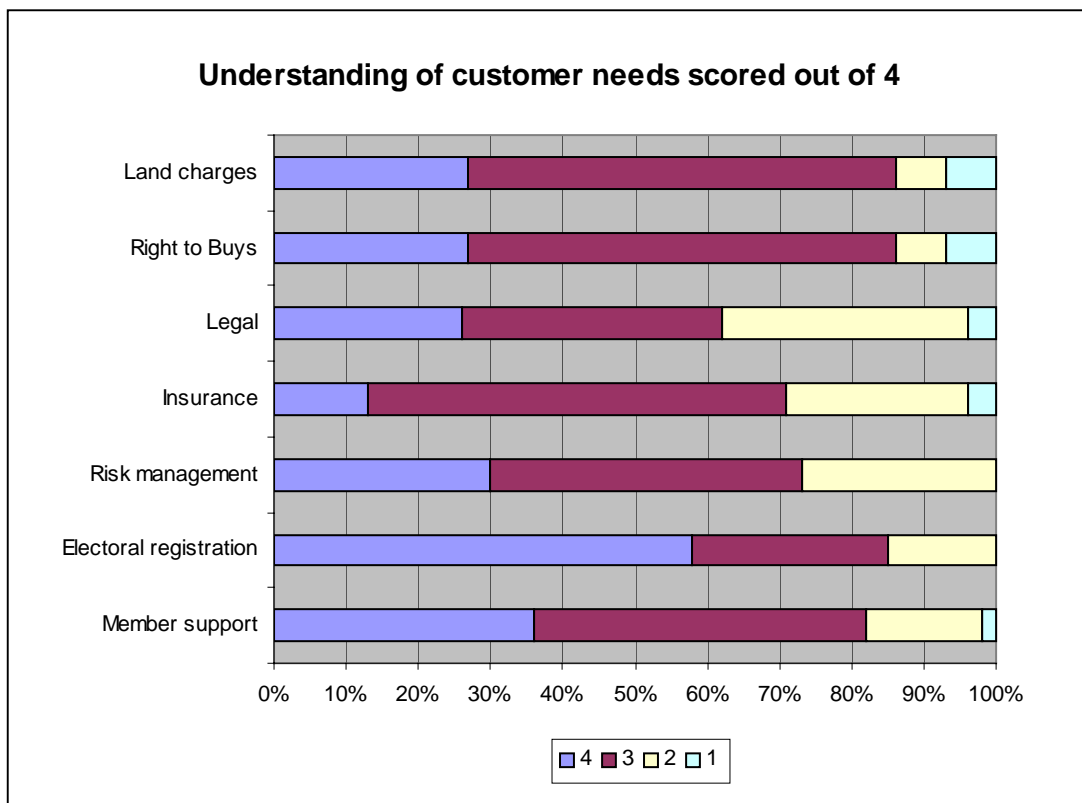
In terms of timeliness, scores are again generally high, although there are a few people who feel Legal and Insurance only “sometimes” deliver on time:



On the attitudinal questions, the team scored above the 80% mark for helpfulness in terms of risk, electoral registration and member support, with the other services scoring below that mark:



On understanding customer needs, only Legal, Insurance and Risk fell below an 80% score:



8.4 Efficiency

8.4.1 Methodology

Because democratic services and administration is a fairly process driven collection of services, process mapping and activity profiling¹⁶ were used as the main tool to explore the level of efficiency in the current service. This was supplemented by some diary analysis. The resulting process maps are detailed and already being used by the team to make efficiencies; they are included in the appendices.

As a starting point, CCP worked with the team to identify key functions of the team (those that take up a significant amount of time and resource). It was decided to focus on the following primary tasks:

- Land charges, registrations and personal searches
- Legal services
- Electoral registration
- Scrutiny, committee support and procedural advice
- Civic and member support
- Right to Buys
- Typing
- General admin and support to other departments¹⁷

¹⁶ Easington District Council Best Value Review process evaluation report, CCP 2006

¹⁷ Whilst the latter two tasks were originally identified as secondary, the amount of time spent on them was felt to merit further attention.

8.4.2 Right to Buys

A comprehensive process map was produced of this service, which is a cross cutting activity currently managed by Democratic Services but with significant input from East Durham Homes (Housing Strategy carried out part of the process until recently, but they have already been removed). The breakdown of input is shown below:

Total cost of Right to Buys process: 6,500 hours (3.4fte)	
Dem Services 19% 0.63fte	East Durham Homes 81%

A large number of small efficiencies were identified in this process, particularly in relation to repetitive activities and the Ledger system; these will be implemented as a matter of course. However the largest scale potential efficiencies were felt to be achievable through:

- **Migrating ownership of the process to a single part of the organisation to avoid paper movement and delay**
- **Migrating the application process to Customer Services**

8.4.3 Land charges registration

This process is shared between Democratic Services/Administration and the Planning department, broken down as shown below:

Total cost of Land Charges registration process: 1,096 hours (0.57fte)	
Dem Services 77% (0.44fte) <i>83% of this time is spent on the sub process of processing the land search request</i>	Planning 23% (0.13fte)

Whilst Democratic Services and Administration administer the process, the information required to carry it out is supplied by Planning and delays occur as the process passes between two teams. Aside from process changes in how we use the NLIS¹⁸ website which will potentially save 24% of the time spent on this process, the main efficiency could be achieved by:

¹⁸ National Land Information Service

- **Migrating ownership of the process to Planning to avoid paper movement and delay¹⁹**

8.4.4 Post

The process mapping identified two potential areas of efficiency in the Council's handling of post.

In terms of *outgoing* mail, the Council currently sends mail first class by default. Between January and May 2006, c£36,000 was spent on first class mail. **The exercise estimated that by sending mail second class as the default (with specific decisions made to send items first class), a saving of approximately 30% could be made, equating to £26,000 per year.**

However, a subsequent exercise has been carried out by the team following the introduction of Pricing in Proportion by the Post Office. This revises the potential savings downwards to approximately **£11K per annum** based on a £5,240.25 (annual saving plus a monthly saving of £748.61).

The exercise also identified that 1fte is entirely dedicated to post handling. In terms of incoming mail, the process mapping report recommends that a structured set of departmental codes be introduced to speed up sorting and allow pre-sorting by the Royal Mail. It has not been possible to quantify the efficiencies this would generate, but **“the above changes would most definitely reduce the amount of resource required to handle incoming mail each day”**.

It should also be noted that recommendations have been made under the Council's Customer Services Centre project²⁰ to migrate the post handling function to Customer Services in the future. When this goes ahead, a staffing resource will need to accompany the change, reducing the staffing resource required in the corporate administration team.

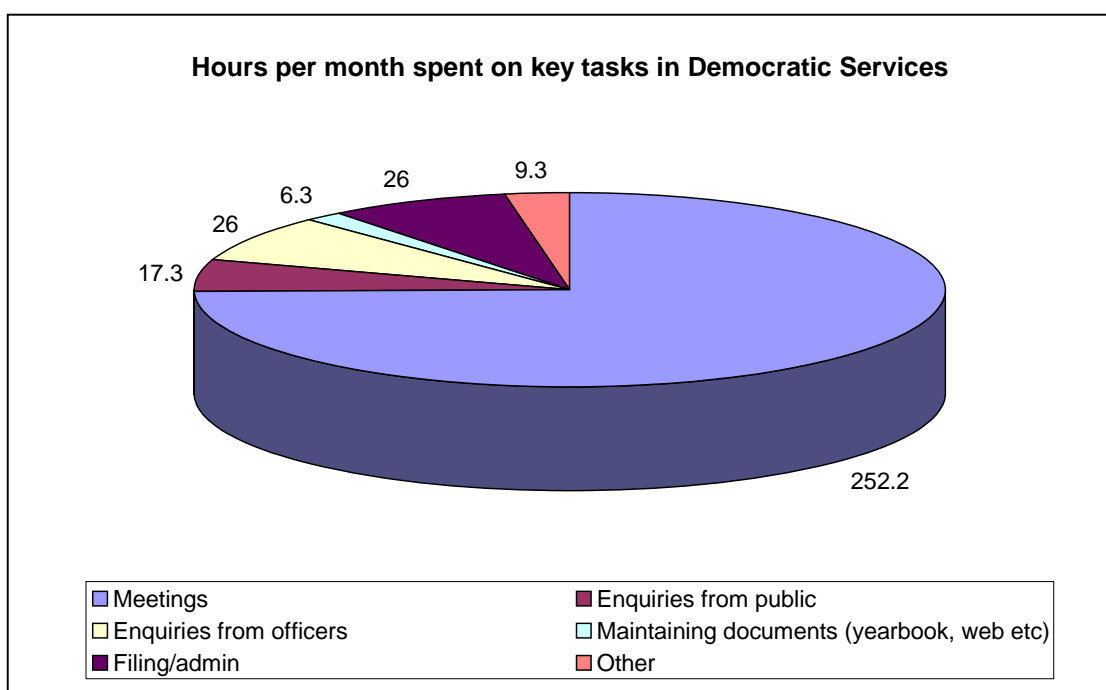
8.4.5 Democratic services officers

The services provided to members and around the democratic process were explored using activity profiling. One principle of activity profiling is that it is normal to be able to account for 70-80% of an individual's/team's time through the tasks they carry out (the remainder of the time being accounted for by breaks, holidays, training, personal administration etc). Less than this can mean either that key tasks have not been built into the assessment, or that there is excess capacity in the team.

¹⁹ NB Planning is currently reviewing its structure and is proposing a technical/administrative team which could possibly absorb this work

²⁰ Find source

In the case of the Democratic Services team, 70% of the team's time (average 25.9 hours per person per week) has been accounted for. This breaks down into:



Whilst the team is working at full capacity, a very significant proportion of its time is spent servicing meetings, the total staffing cost of which is £43,454. It should be noted that none of the time of Democratic Services Officers is currently spent in activity related to promoting democracy, and that time given to community engagement is related purely to running Area Forum meetings.

Analysis showed there are 161 meetings per year, with each meeting on average taking 15 hours of time from agenda preparation to production of minutes. The CCP report suggests that this seems rather high and that efficiencies could be achieved by:

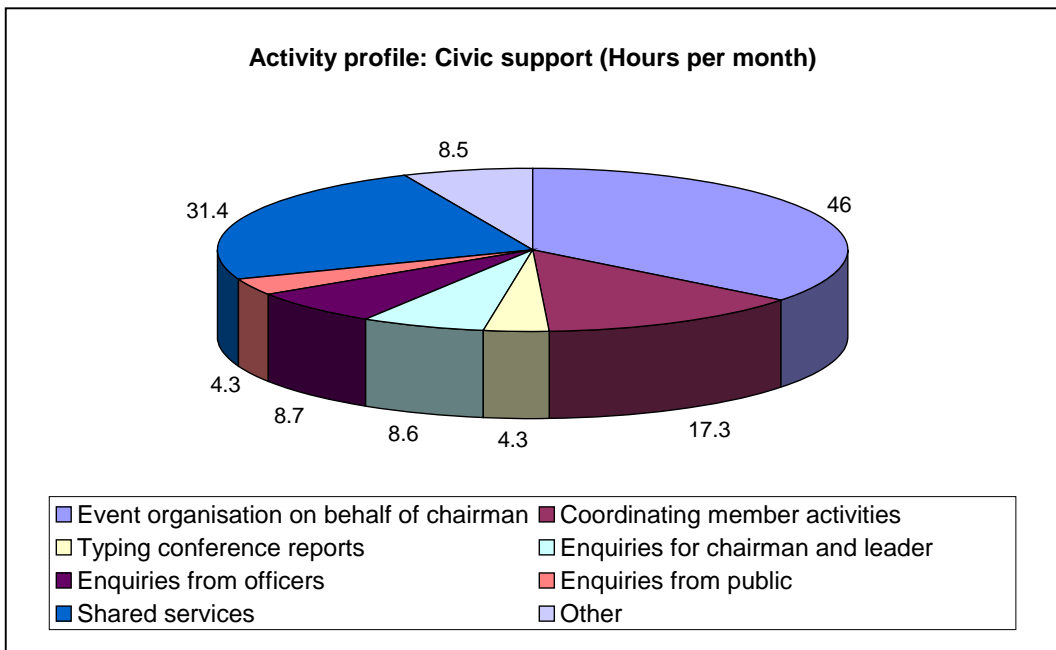
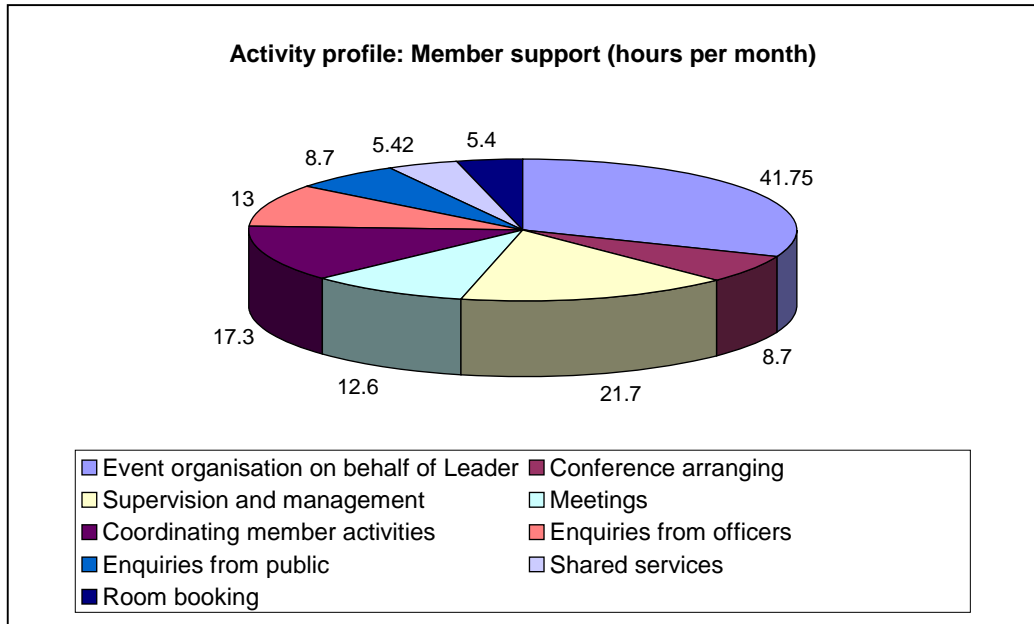
- **Reducing the time input per meeting from 15 to 8 comprising:**
 - 3-4 hours per meeting including any travel
 - 1.5 hours agenda setting and distribution
 - 0.5 hr publishing agenda to website
 - 2-3 hours documentation, amend, approval and circulation of minutes

This would release capacity of 21 hours per week

- **Giving consideration to reducing meetings**
- **Migrating enquiries from the public account (eg “who is my councillor?”) to Customer Services as already planned; this would save up to 3.6% of the teams’ time**

8.4.6 Member and civic support

80% of the time of the two strong member and civic support team was accounted for in the activity profiling exercise. This breaks down as:

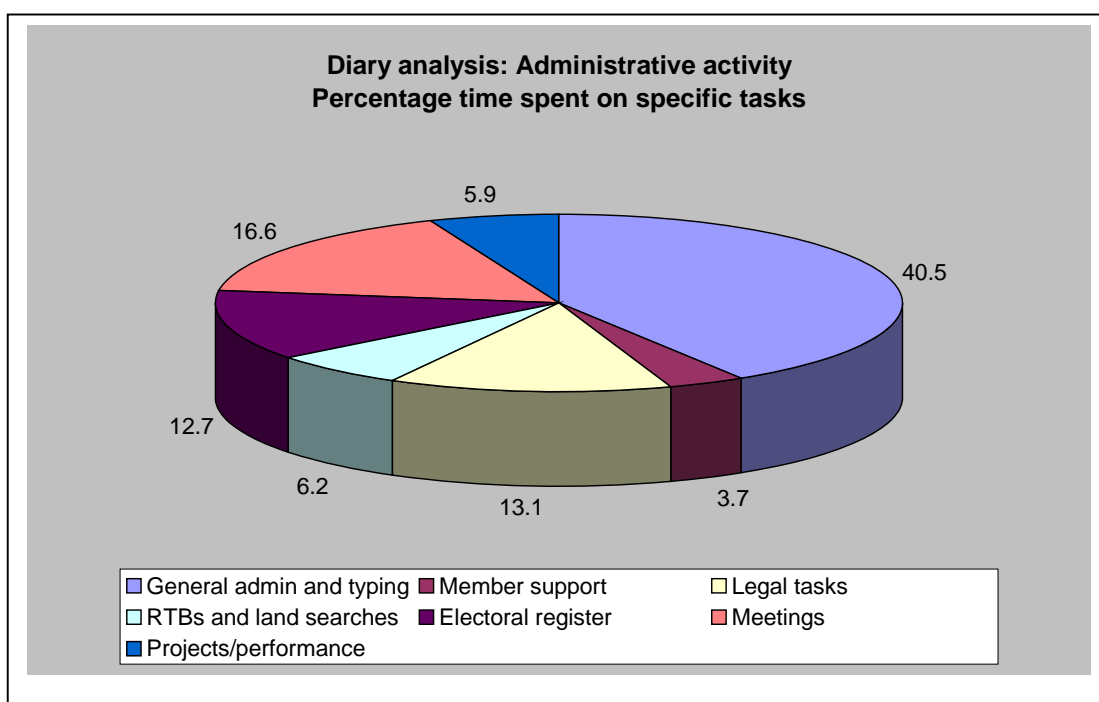


8.4.7 General administrative activity

The administration part of the Democratic Services and Administration team carries out a wide range of general administrative duties. Some of these (such as right to buys and land searches) were accounted for in the process mapping exercise, but that exercise was found not to sufficiently account for all the available time of the administrative part of the team. For example, land searches and right to buys together accounted for just over one full time equivalent's time, whereas there are 12 general administrative posts in the team excluding the Chief Executive's PA (some currently vacant).

A further diary analysis exercise was therefore carried out to ascertain the range of activities undertaken. Whilst this information needs to be treated with a certain amount of caution because it was carried out over a 6 day period and also inevitably included a small element of double counting due to some of the activity (filing for example) being connected with processes already identified, it nevertheless gives an account of the amount of time being spent on particular types of administrative activity in the Council's corporate core.

The breakdown of activities during the sample period was as follows:



Based on 12 members of staff, this equates to almost 5 full time equivalents' time being spent on typing, filing, photocopying and other general administrative tasks, of which 1 fte is looking after post and 1.5fte is typing. This does also include 0.31fte providing reception cover for Building 10.

It is to be noted that during the sample period, 5.9% of time was spent on performance improvement activities which equates to 0.7fte. This is the only team to dedicate time to specifically improving its own performance.

8.5 Conclusions about Democratic Services and Administration

Cost/efficiency	Quality
Easington has a higher level/cost of admin staff than comparators	Performance is sector average according to Probe
Our democratic services costs are comparatively average	Satisfaction is high across most aspects, with some concerns about timeliness in Legal and
Our legal costs represent good value for money based on the current workload and nature of cases	understanding customer needs/helpfulness/
Process efficiencies have been identified which will lead to savings/non cashable gains	professionalism in some areas

9. Corporate Development

The Corporate Development Unit is the most recently established of the teams in the review. Initially set up in 2003, it has been subject to change in response to changing needs; during the life of this review it became responsible for the Council's enhanced Customer Services function with its own service head. Because the Customer Services function is new and still being developed, it has been excluded from the review. The unit also contains the Graphic and Technical team along with the team undertaking corporate development activities (performance, CPA, support for the LSP, strategy and policy, organisational development and training, emergency planning, environmental sustainability and equality).

The Training functions have been included alongside other People activities in section 5.5.

9.1 Cost

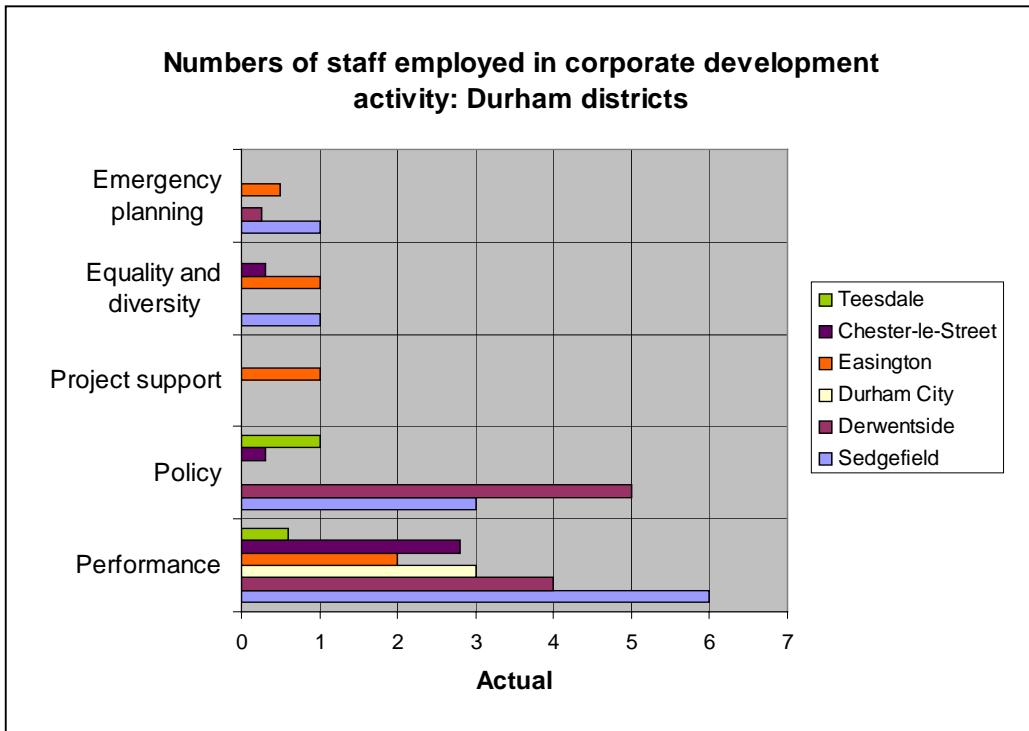
Because there is relatively little benchmarking data available in relation to corporate development activities, we carried out a piece of local benchmarking for the review based on Durham districts. Rather than ask Districts to give information about the total cost of corporate development/management support (which would have masked different activities included in such teams in different councils), we asked for details of the resources assigned to specific activities²¹.

This gives some useful pointers as to relative costs and resources assigned to different activities, although this data must carry some health warnings due to the difficulty of comparing like with exact like (we have been able, through the process mapping undertaken for the review, to be quite specific about the amount of time spent on particular activities in Easington, but this level of information is not universally available²². This information must therefore be seen as indicative rather than conclusive).

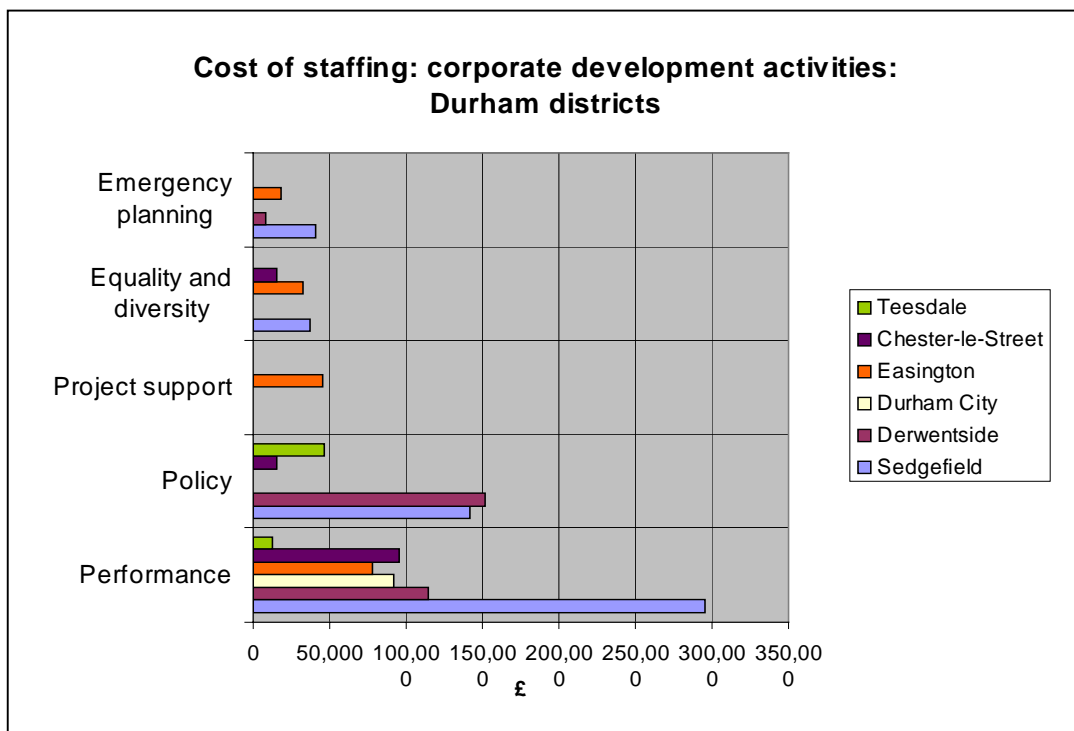
²¹ LSP support is excluded because there is large variation related to size and maturity of LSP and whether it is in a neighbourhood renewal area, subject to formal performance management etc. Easington's two LSP support posts are currently funded by NRF; this pattern also varies according to LSP

²² The data presented is actual, not adjusted for population or staff size, because arguably the amount of corporate activity is not clearly correlated with these factors. However, for purposes of general comparison, Easington with some 94,000 population is most comparable to Sedgfield (87,000), Derwentside (85,000) and Durham City (87,700), 2001 census

Easington's staffing levels for corporate development activity are significantly lower than many comparator councils other than Durham City and Teesdale. This is particularly noticeable in the areas of policy and performance, where Derwentside and Sedgefield employ 9 staff each against Easington's 3 (if we include the Projects post). Easington has no resource dedicated to corporate policy, although it is one of only two Districts in County Durham employing a full time Equality Officer.

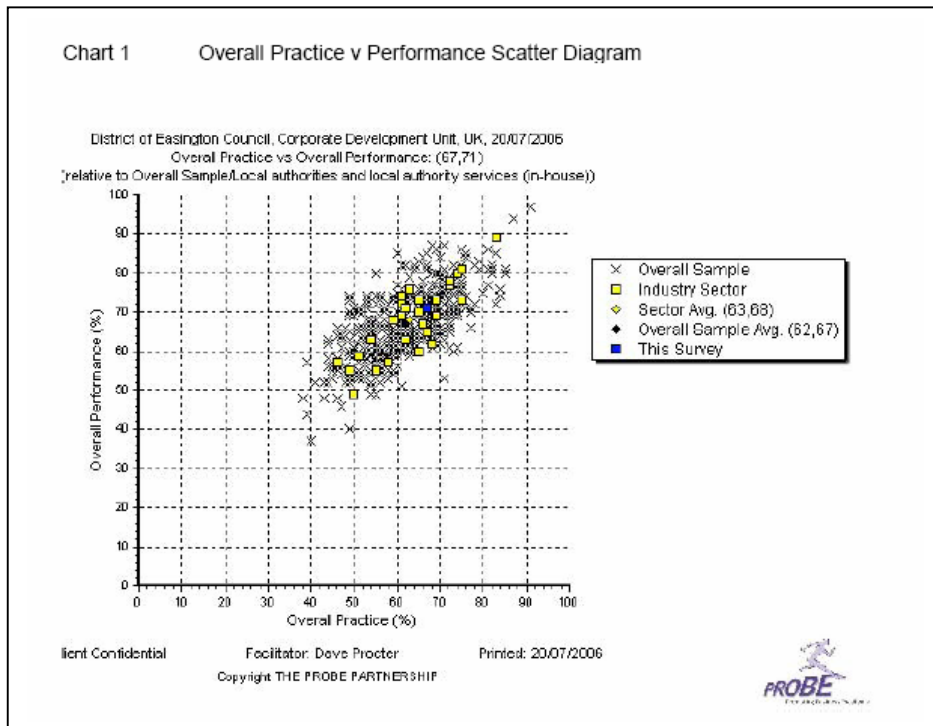


This position is reflected in the staffing costs:



9.2 Quality: the Service PROBE

The Service Probe measures quality in terms of **performance** and **practice**, taking into account a full range of organisational factors and comparing all organisations in the PROBE database, private and public sector. Organisations scoring less than 60 in these categories (red box) are poor. Organisations scoring more than 80 are “world class”. Corporate Development scored 71 for performance and 67 for practice. This places the service in the “contender” category and above the sector average.



The PROBE identifies key strengths and weaknesses in the service and suggests that the strengths should be protected and the weaknesses systematically addressed. The results for Corporate Development were:

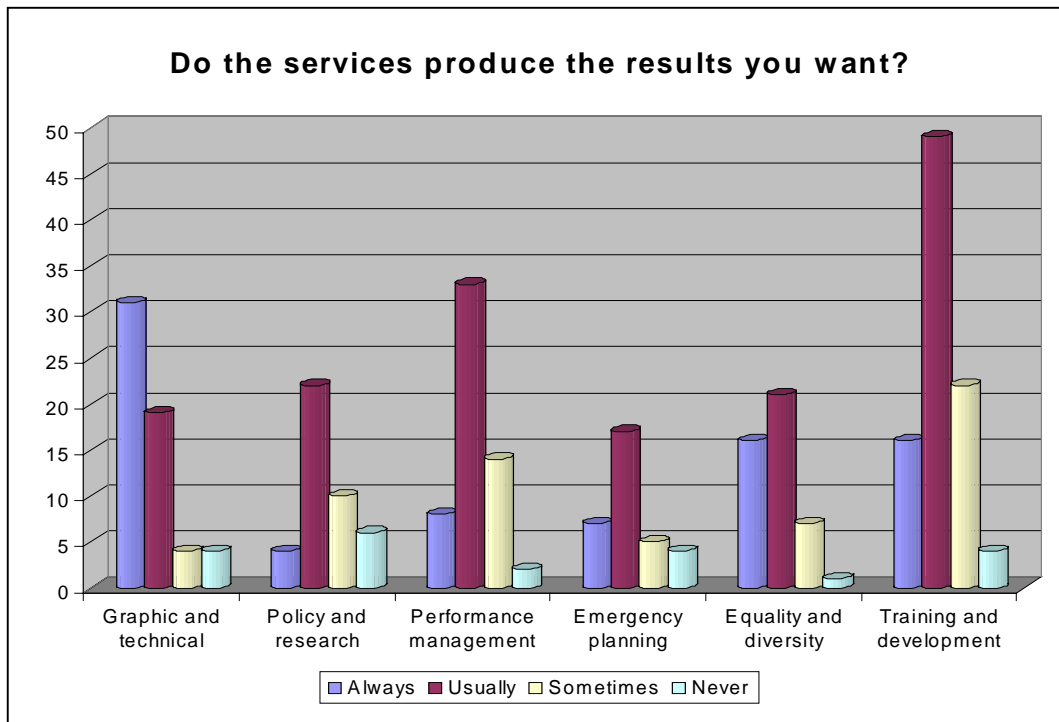
Strengths and Weaknesses

The service’s practice strengths were focused around leadership. The performance strengths were focused around service quality. The team’s practice weaknesses were focused around service processes, while the performance weaknesses were evenly spread.

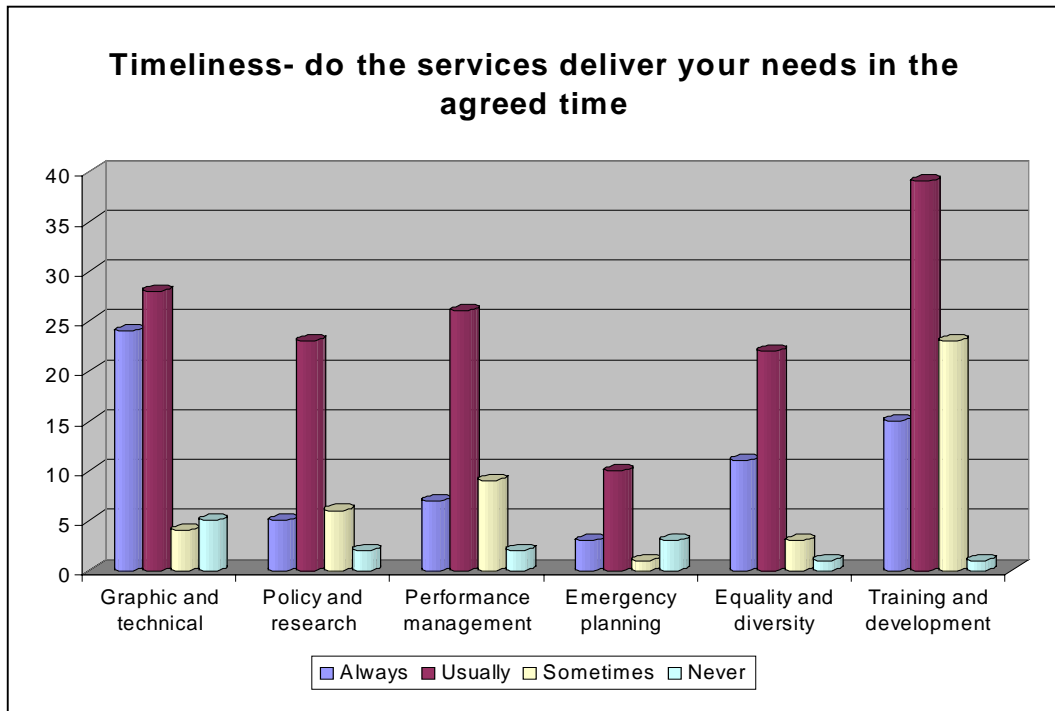
9.3 Quality: Satisfaction

The customer satisfaction survey carried out for the Best Value Review measured satisfaction with services across a range of factors including results, timeliness, availability, improvement and attitudinal factors (helpfulness, professionalism and understanding of customer needs). The full results are available in the Appendices; the Results and Helpfulness/Understanding of Needs tables are shown below as a proxy for overall satisfaction.

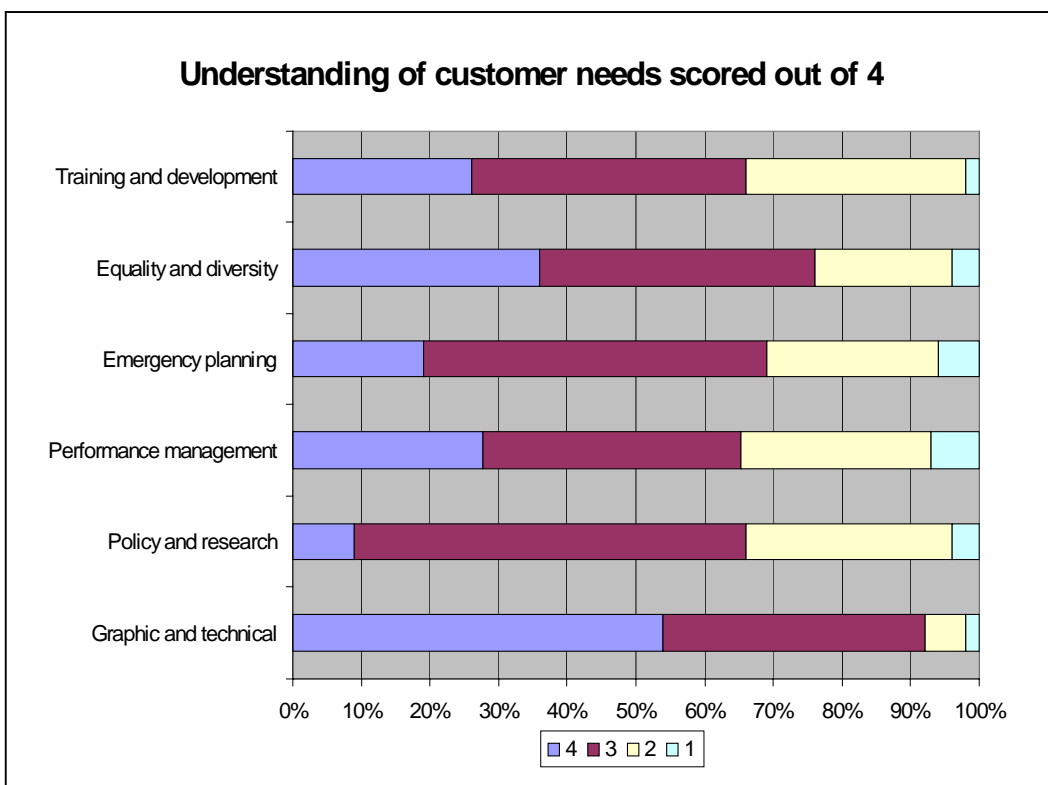
In terms of results, the scores are generally high, but a significant number of respondents felt that they only “sometimes” get the training and development activities they want.



In terms of timeliness, the pattern is similar with several respondents feeling that training and development are only available at the right time “sometimes”. The Graphic and Technical service scores particularly well for timeliness, perhaps reflecting a high level of flexibility.



In terms of the attitudinal questions, the service did not hit the 80% mark for Understanding Customer Needs other than for Graphic and Technical; Policy and Performance had the lowest scores.



9.4 Efficiency

9.4.1 Methodology

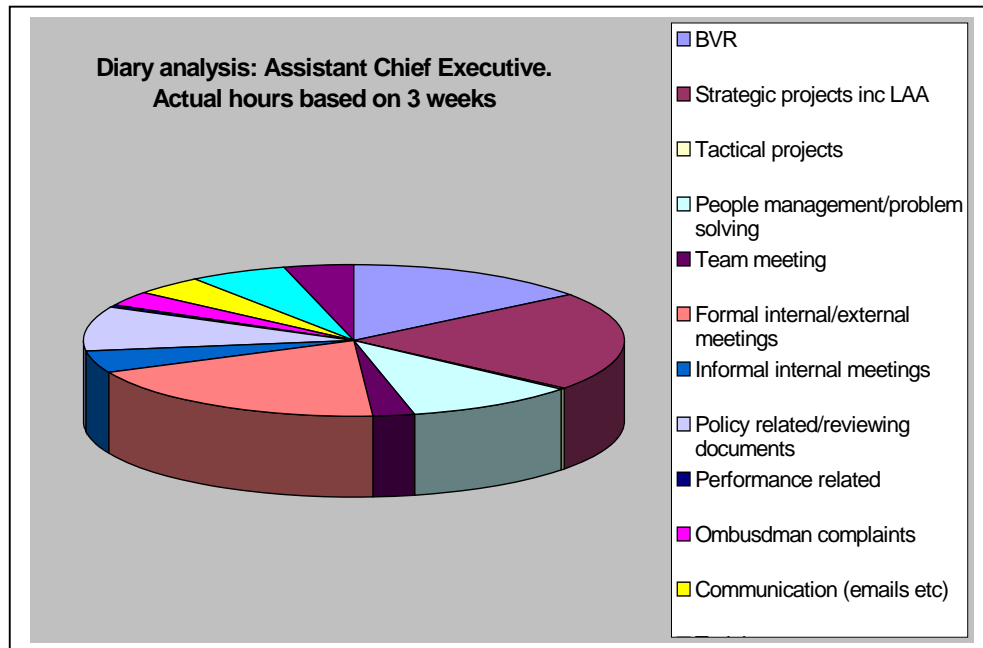
Because the work of the Corporate Development team is not in general heavily process based, activity profiling and diary mapping were used to analyse the work of the team. This activity was carried out by CCP with staff from the team, and included an analysis of the Assistant Chief Executive's time. Most of the activities in the team are only carried out by one staff member and this could be felt to be a risk/weakness.

9.4.2 General

- **Some of the findings of the activity analysis point to imbalances in workload and skills deficits for some of the activities within the team's remit (notably training and development and policy work)**
- **An overall analysis of the team's activities indicates that 20% of the team's collective time is spent in or preparing for meetings. The analysis does not suggest whether or not this is felt to be excessive.**
- **Only 13.4% of the team's time is spent in performance improvement activities (including the Best Value Review). This may be felt to be low given the Council's emphasis on improvement (see comments on Performance below).**

9.4.3 Assistant Chief Executive

As part of the team's activity analysis, CCP carried out a diary mapping exercise to analyse the activities of the Assistant Chief Executive over a three week period. The activity breakdown is shown below; the hours worked over this period accounted for 150% of available time.



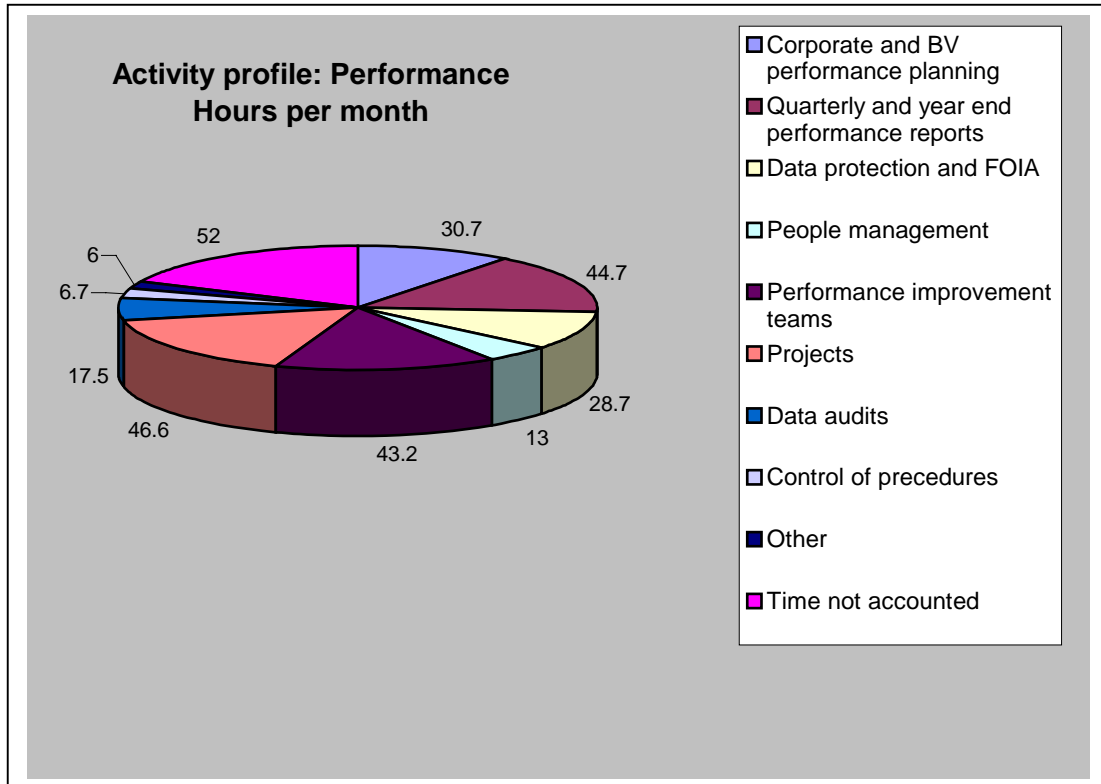
The top three activities were the Best Value review, strategic projects and formal internal/external meetings. Whilst the postholder spent a significant proportion of time on strategic activities, many of the activities could be regarded as more tactical or hands on (BVR, policy work, Ombudsman complaints etc; the latter have since been migrated to the Head of Customer Services), accounting for 43.8% of the time during the 3 week period. This may be felt to be an inefficient use of a post at management team level.

CCP report findings related to this part of the team:

- **Disproportionate amount of time spent by managers on policy related work, ie some managers spending zero/minimal time on policy work, others spending high proportion of time, ie Assistant Chief Executive. Should this be the case or should policy work be more equally shared?**

9.4.4 Corporate Performance

This covers the work of two team members, one of whom is also involved in some managerial activity and corporate planning as well as the Council's Freedom of Information/Data Protection roles which are currently accounting for 4 days out of every month. These have already been earmarked for transfer to the Head of Customer Services. Overall 76% of available time was accounted for, although one postholder accounted for 105%. The monthly breakdown of time is shown below:



The CCP report highlights the following issues in this part of the team:

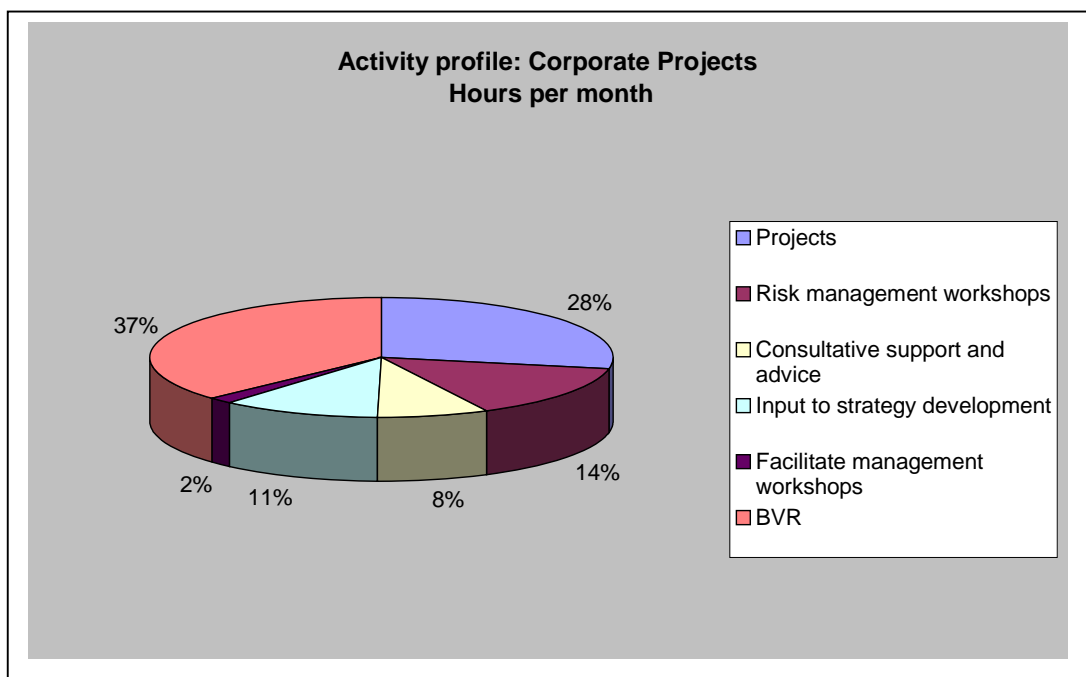
- **Replication of activities between postholders shows duplication of workload (c12.5%) or excessive quality checking of work. It is a recommendation that roles and associated job tasks in the team are reviewed to ensure clear ownership and requisite skills for these activities are identified and re-established**
- **c30% of time is spent on short term projects therefore this time will become available in the near future²³**
- **c30% of time (at the time of the analysis) was spent on the Best Value Performance Plan (a seasonal task)**

²³ The team's work programme indicates that as one project is completed, others are planned which will absorb this time. For example, for 2006/7 as the Best Value Performance Plan is completed, there is work on the Corporate Plan, followed by procurement of a performance management system followed by Direction of Travel work,

- c20% of time is spent in meetings
- 17% of time is spent on activity identified for migration to other parts of the Council (FOIA and Data Protection). By migrating these tasks and reallocating tasks within the team in support of projects, c40% of a Principal Corporate Development Officer's time (105% currently allocated) could be saved

9.4.5 Project support

This covers the time of one Principal Corporate Development Officer whose time tends to be devoted to supporting corporate projects. The activity analysis accounted for 89% of available time; the monthly breakdown of activity is set out below:

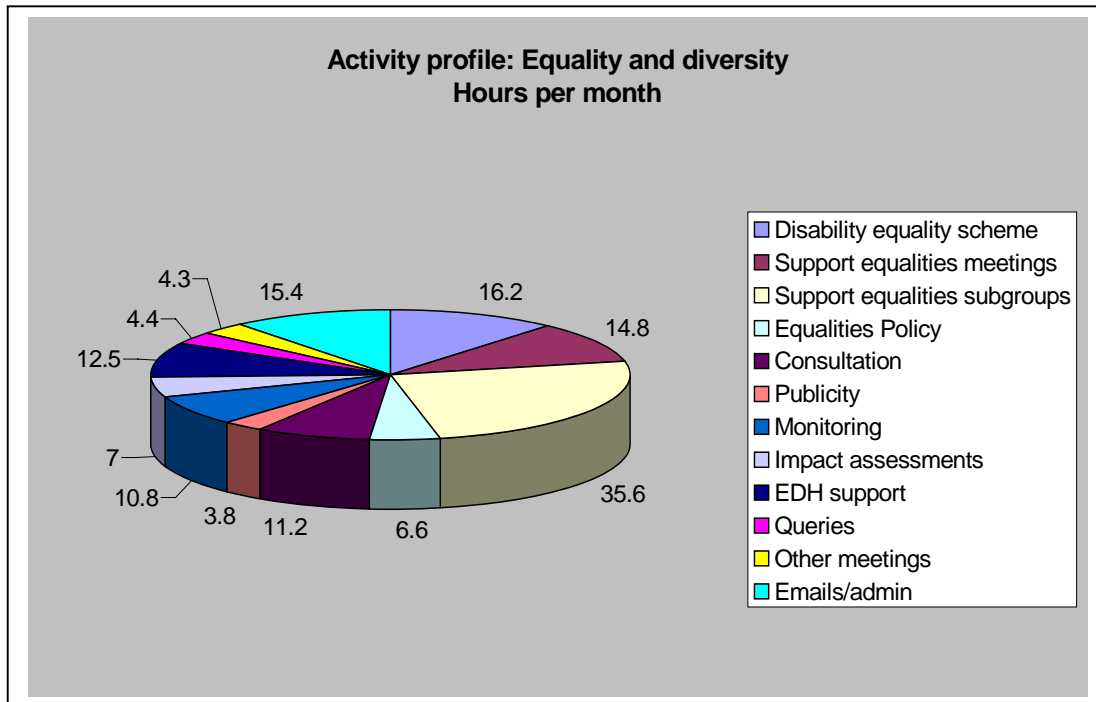


The CCP report highlights the following issues in this part of the team:

- **The postholder runs project and risk workshops not only for internal departments but also for partner and other working groups (c50% of such work). This is a way of demonstrating value locally as partners or working groups without these skills would need to buy them in. This could also be a revenue generating opportunity**

9.4.6 Equality and diversity

This covers the time of one officer whose time is entirely devoted to equality and diversity work. The activity analysis accounted for 89% of available time; the monthly breakdown of activity is set out below:

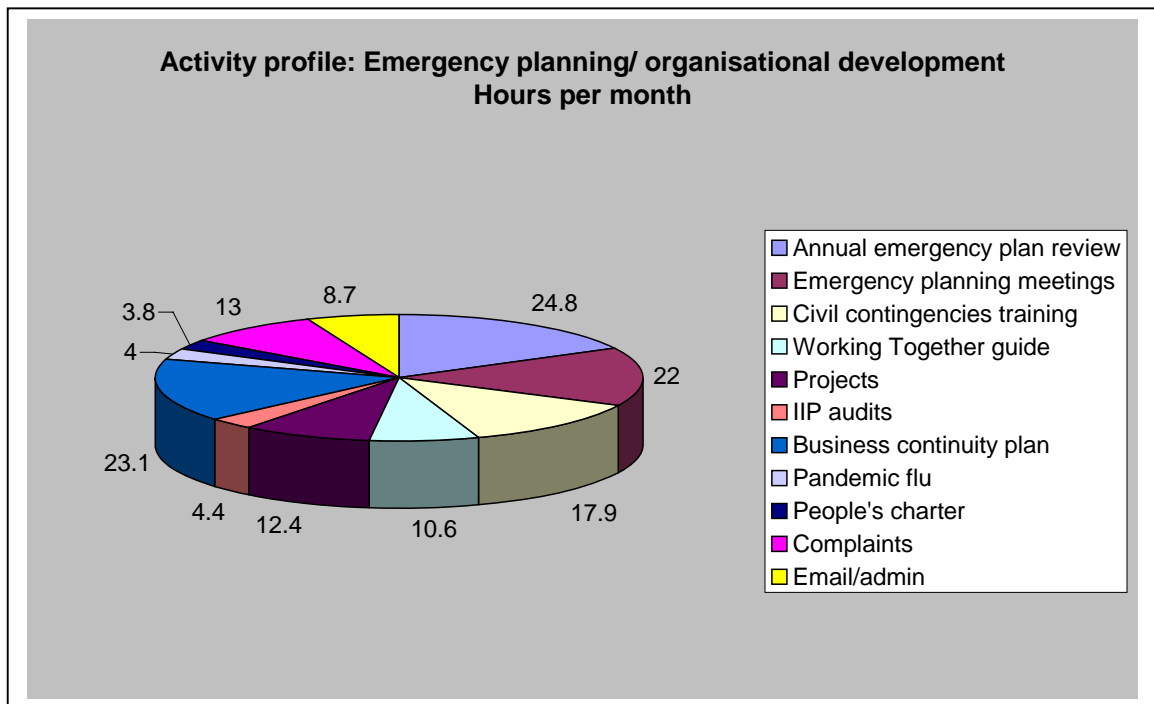


Issues arising in this part of the team include:

- **A significant amount of time (31.4%) is spent in supporting internal equalities meetings/subgroups**
- **Many of the tasks carried out within (this part of) the team appear to be admin and clerical type duties- for example, minute taking at Equalities meetings. This may free up time to increase the effort in carrying out impact assessments (KPI)- a key activity within the function**
- **It is not clear how long EDH will require support in this area**

9.4.7 Emergency planning/development

This covers the time of one officer whose time is split between emergency planning and civil contingencies work, and a number of activities related to organisational development including IIP monitoring/application processes, administering training and maintenance of corporate documents. The activity analysis accounted for 90.3% of available time; the monthly breakdown of activity is set out below:



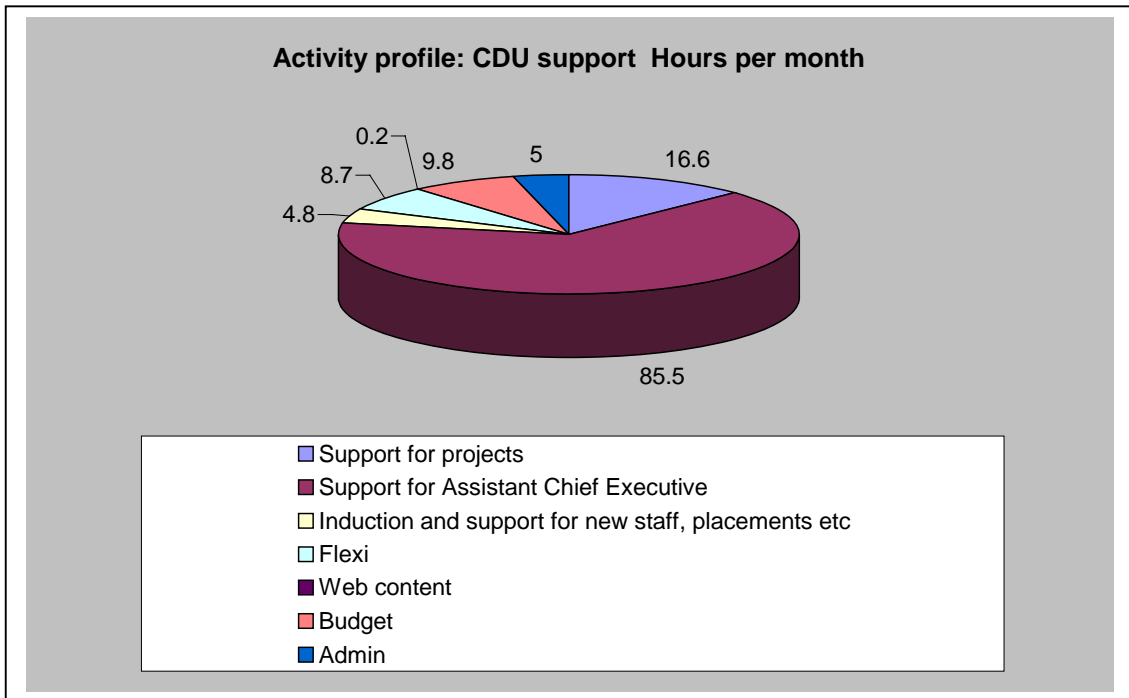
The CCP report highlights the following issues in this part of the team:

- **Activities are mostly monthly or annual occurrences**
- **Pro rata more time is being spent on business continuity planning than originally estimated, having utilised almost all the days allocated to the set up over the two week diary analysis period**
- **Emergency planning accounts for a significant amount of time therefore there is potential for this time to become available**
- **It is not clear why 8% of time is allocated to handling complaints (this role has been migrated to the Head of Customer Services)²⁴**
- **Training activity appears to be reactive rather than proactive and is specific to a given subject (see section 5.5)**

²⁴ This postholder originally had line management responsibility for the small customer services team within CDU. This role ceased when the Head of Customer Services was appointed in 2006, and this has created capacity in this postholder's time which has not yet been formally reallocated pending the outcome of this review.

9.4.8 CDU support activity

This covers the post of one corporate development officer who is responsible for providing general support to the team. The activity analysis accounted for 80.7% of available time; the activity breakdown is set out below:



The CCP report made the following observations about this part of the team:

- **A significant amount of time is utilised in supporting the Assistant Chief Executive. However, assisting the ACE in BVR work is a project and this time will reduce/become available as the BVR exercise comes to a close, reducing staff time utilised to c59%**

9.5 Summary of findings about Corporate Development

Cost/efficiency	Quality
<p>The unit is low cost compared to other Durham districts, particularly in relation to policy and performance work</p> <p>There are some efficiencies to be found in work allocation; there are also some areas where sufficient emphasis is not being given such as training and development and policy work</p> <p>EDH's SLA review found the CDU to be delivering fair value for money</p>	<p>"Contender" quality according to the Service Probe, above sector average</p> <p>Satisfaction is generally high although the scores on helpfulness, responsiveness to customer needs and professionalism could be higher</p> <p>A significant number of people did not know whether the services were improving or not, and comments reflect some lack of awareness of the team's role</p>

10 Summary of findings

1. Across the piece, Easington's support services are generally comparatively low cost (with a few exceptions such as specific areas of IT performance, corporate administration and Health and Safety), and in some cases (Finance, HR, training, policy) very low cost.
2. Services are also high quality (all in the Contender category according to PROBE, with the slight exception of IT processes) and satisfaction is high in most areas although there is room for improvement.
3. Potential efficiencies have been identified particularly in Democratic Services and Administration and CDU, where process mapping and activity profiling have been focused.
4. Several of the findings indicate that whilst services are doing what they set out to do well, there are some areas where either the Council is not investing enough resource, or not providing enough focus in terms of emerging agendas. Examples of possible under-focus²⁵ are:
 - Finance (strategic as opposed to statutory)
 - Legal and insurance related work
 - Strategic HR as opposed to operational activity
 - Training and development
 - Policy work
 - Performance improvement activities
 - Support for community engagement and promotion of democracy
5. It would be possible to convert some of the efficiencies identified in the review into additional capacity to address the areas of under-focus, without needing to increase overall spending on support services (in fact spending would be likely to reduce slightly against an already low base, with investment in some specific areas).
6. The PROBE identifies strengths and weaknesses of specific teams and these are generally quite particular to the team. However there are some general messages:
 - Strength of employee commitment/attitude and flexibility are evident in many teams although staff satisfaction levels vary between teams
 - Understanding the customer base and needs is not generally a strength although there are pockets of good practice; specific service standards and quality values are not in place in many areas, and this perhaps links back to feelings expressed at the outset of the review that customers do not know what to expect and cannot easily specify levels of service²⁶
 - Developing people in support services, particularly in relation to use of quality techniques but also generally, is not an area of strength

²⁵ Source: Scoping event, comparative work and final customer consultation session September with "front facing" service heads, September 2006

²⁶ as above

Section C The marketplace and options for improvement

11. What we have learned about the marketplace

11.1 Methodology

As part of the review we applied the “compete” element of best value by carrying out two activities to help us learn about the marketplace for support services and the potential delivery options that might be available to us:

- A soft market testing exercise to explore the private and public sector markets in terms of strategic partnering and shared services opportunities
- A series of visits to/conversations with authorities which had chosen different delivery options for support services

Our **soft market testing exercise**, conducted with advice from the North East Centre for Excellence, invited expressions of interest in delivering our support services from 15 known private sector providers in the support services market, along with all local authorities in the North East. A booklet was sent to all potential participants setting out information about Easington; our review objectives; the services within scope and current resources devoted to them; the criteria we would expect any partner to meet; and a series of questions interested parties were expected to answer:

- Please comment on the range of service included in this exercise
- Can you carry out all or part of the services in scope?
- How would you package the work?
- Can you suggest any ways the proposition could be enhanced?
- How would you work with the Council to achieve its strategic aims including continuous improvement?
- What do you feel are the risks associated with the proposal?
- What are the most important aspects for a successful outcome?
- Please comment on your ability to attract investment
- Please outline the delivery model you would use to deliver the proposal
- What contract period would you suggest for the proposal?
- How would you manage staffing issues relating to the proposal?
- How would you allow for the impact of any potential local government changes on the proposal?

To explore the varying **experiences** of councils around alternative delivery options, we approached Redcar and Cleveland, Stockton, Middlesbrough and Pendle councils using a structured interview based around the following questions:

- Can you briefly describe the work you have done in terms of transforming corporate/support services
- What was the business case for doing this work?
- What were the critical success factors you wished to achieve?
- What was the methodology you used and why?
- How did you factor in cost and quality?
- Did you consider a wide range of options?
- Which option/s did you choose and why?
- How did you test the market?
- What barriers did you hit and how did you overcome them?
- What specific benefits have been realised by the Council including cashable and non cashable efficiencies?
- What has been the specific impact on service performance?
- What have you learned from the experience; what would you do differently and what advice would you give to us?

11.2 The private sector response

11.2.1 Who responded?

We received a limited number of responses from the private sector:

- Pearson's – interested in recruitment activities
- NB Media – interested in graphic design & website management
- Siemens Business Service – scope differs from profile opportunities (not interested)
- Vertex – interested in all services in-scope through a variety of Service Delivery Models. Gave some useful feedback

Non returners were followed up through a telephone call and email from the Corporate Procurement Manager, as we felt that learning about reasons for lack of interest was as important as learning about levels of interest.

11.2.2 Summary of learning

- Little interest may be due to the size of the council and the scope of what we included (Vertex indicated that it is usual to include wider services eg Revenues and Benefits, Asset and Property Management); this was borne out by best practice visits.
- However there is every likelihood that if we put together a bigger package of services, either on our own or in collaboration, strategic partnering as an option could be viable
- Typically the private sector would generate savings from BPR opportunities (Business Process Re-engineering)
- We should be clear what we want from a private sector partner. For example, what is our priority in terms of lower transactional costs vs. localised delivery, improvement of service vs. external trading?
- Private sector partners will be interested in whether the council's business case is sufficiently robust to meet the council's objectives while providing a reasonable potential return for them.

When asked to comment on the range of services included, Vertex commented:

“The exclusion of benefits administration/exchequer services is unusual. HR admin and payroll are usual. Strategic HR is usually retained by the council. Business support/administration is often a minefield usually tackled in house through business process improvement work. Specialist services like CDU may offer limited scope for efficiency savings and added value. The addition of property services/facilities management may offer value although it is recognised that Easington is not asset rich”

11.3 The public sector response

11.3.1 Who responded?

We received a limited number of responses from other Councils interested in shared services arrangements:

- Northumberland County Council – interested in benchmarking opportunities only
- Derwentside District Council – Interested in graphics, IT, printing, IT training, processing and analysing survey results
- Durham County Council- interested in all services
- Castle Morpeth BC – Interested in IT & central services but gave no detail
- Chester-Le-Street DC – interested in collaboration generally (no specific proposals)

11.3.2 Summary of learning

- Appetite limited at present but beginning to emerge? General interest but few specific proposals
- Most authorities were more interested in the outcomes of the review and benchmarking opportunities
- Limited capacity & infrastructure for sharing at present, would need to be created
- Varying approaches to the concept of shared services, from “We would like to deliver these services for you/you to buy them from us”- ie a more contractual/outsourcing approach, to “We could combine local expertise with our efficient pools of expertise” and “mutually beneficial skills transfer”.

11.4 Learning from other councils’ experiences

11.4.1 Participants

We interviewed several councils which had taken different approaches to delivering support services:

- **Pendle** District Council (entered into a strategic partnership with Liberata in 2006)
- **Stockton and Darlington** (establishing a shared services arrangement for some corporate services at the moment)
- **Middlesborough** (strategic partnership with Hider from 1999/2000. They intend to take a more selective approach in future)
- **Redcar and Cleveland** (strategic partnership with Liberata; all services brought back inhouse from September 2006)

11.4.2 Summary of learning

Drivers

Each of the councils interviewed had a clear driver/business case for its decision about alternative delivery options:

- Budgetary issues were the strongest driver in most cases, with two councils citing financial crisis/experiences with compulsory redundancies as the most important factor, along with issues such as high council tax. These brought both operational and political pressures to bear. All councils expected to make budgetary savings through the process.
- Investment opportunities provided a second driver for several councils; some were seeking investment in ICT infrastructure and others were looking to bring additional jobs to the area by attracting a large service sector employer

- A third driver cited by some was the ability to improve services by accessing cutting edge industry best practice. This was linked to poor service quality in some cases, although several councils warned against transferring services because they are not performing, as the performance issues may transfer with them remain poor
- The Stockton/Darlington shared services project is also driven by similarity of agenda, style and aspirations of the two partners
- Private sector drivers need to be taken into account; Pendle through its full tendering process attracted only one serious potential partner, driven to a significant degree by a wish to establish a footprint in the area. The right partner will have similar aspirations

What services were included?

The councils engaged in strategic partnerships had put together large packages of services to be transferred:

- Redcar and Cleveland included Finance, ICT, Revenues and & Benefits, Business Support, Technical Administration, Public Access, Procurement, HR/Payroll, Property, Performance and Democratic Services; this involved the TUPE transfer of 1100 staff. Little strategic capacity was retained in the council.
- Middlesbrough included HR, ICT, accountancy, Democratic Services, Revenues and Benefits. They retained a corporate core of 10 staff covering a Strategic Partnership Unit, policy & performance, legal, strategic finance and strategic procurement. 1,000 staff were TUPE transferred.
- Pendle included HR & Payroll, IT, Property services/ Estates, Quantity Surveyors and Technical Services
- Stockton and Darlington²⁷ are initially including Strand A: Transactional Finance, Transactional HR and Payroll, Design and Print, ICT. Strand B: Finance Advisory, HR Advisory, Procurement

Benefits and issues

Each Council had different experiences and the Pendle and Stockton/Darlington approaches are relatively new. Some key strands of learning:

- Taking an approach such as strategic partnering can help a Council make difficult decisions
- The size of package will influence the level of interest

²⁷ * Source: Darlington and Stockton Partnership Project Initiation Document, available online

- Most Councils report that financially, their strategic partnership did realise the savings/investment required. For example, Middlesbrough achieved investment of £25M, regeneration activity worth £10M, £2M savings, new jobs for the area, reduction in core work staff, staff migration to new work with protection and the ability to sell services to other authorities. Pendle have attracted a 50,000 square foot Business Centre, 300 additional jobs and cost savings £447 K in 2005/06
- The relationship with a strategic partner is crucial. Although partnership criteria can be enshrined in an initial contract, both private companies and councils are subject to change and the group of people you started having a relationship with can be completely different to the ones who emerge over time. Companies can change hands and develop different cultures and drivers, leading to cultural mismatches. Some councils felt their strategic partner did not really understand how local authorities operate.
- Once you have developed a contract you are tied into it. This means significant effort at the outset in relation to legal matters and establishing the rewards/benefits to both parties, performance criteria etc. Contracts can be inflexible and several years down the line it can be difficult to quantify the true cost of services as opposed to the contract rate
- Managers need to be trained in partnering (a different skill set to traditional managerial activity)
- Retain the corporate core you need and retain what you do best
- There is a great need for positive involvement of staff and Trade Unions throughout the process.

11.5 Summary in relation to our own position

Experience through the soft market testing and visit exercises suggests that a range of future delivery options is available to us, **from strategic partnering through shared services to improvement on the current mixed economy of provision**. The key learning from the marketplace exercise which we will need to apply is:

- The need for a clear view of our own drivers (“what is your priority in terms of lower transactional costs vs. localised delivery, improvement of service vs. external trading?”), based upon what we have learned from the review and the wider issues facing the Council
- The need, if pursuing strategic partnering, to put together a package large enough to attract interest
- The small but potentially growing appetite for shared services work, and the need to define what our approach to such work might be.

12. Improvement drivers

12.1 Background

In carrying out the review and exploring options for improvement,²⁸ we have given consideration to some of the principles in the ODPM/Strategic Partnering Taskforce document *Rethinking Service delivery*²⁹. This sets out a process for deciding if and how to make key service changes, based on the following steps:

- **Develop a vision for improvement**
 - **Develop a strategic outline case** (Business review) including gathering data, defining the vision, high level options analysis
 - **Develop an outline business case** (including baseline assessment, risk assessment, soft market testing, any multi authority working)
- Decide whether or not to proceed**

The work we have done in this review can be seen to correspond with the development of the strategic outline case, the key elements of which are defined as:

Strategic context- links to overall strategy of council. Need and drivers of change- what is wrong with the status quo? Constraints

Service need/options. Options appraisal. What service issues are we trying to address?

Customer case. What is the view of people who will be affected?

Financial case (affordability) Need to define the ceiling. How much resource do we want to commit?

Commercial case. Appraisal of type of approach desired and, if private sector, a broad assessment of the attractiveness of the proposal to the market (soft market testing)

Project management/timescales and deliverability. Resources needed, risks

Recommended course of action (eg abandon, redefine, pilot or continue with original idea)

12.2 The review objectives and the future

Our review set out “to ensure that the Council has efficient and effective support services which are fit for the purpose of delivering modern local government, and able to support the delivery of improved and new services to benefit Easington people”, and in doing this to:

²⁸ Aside from those small process improvements identified through PROBE and business process mapping, which will be implemented as a matter of course through service plans

²⁹ *Rethinking service delivery vol 2: from vision to outline business case*. ODPM/Strategic Partnering Taskforce 2003)

- maximise the effectiveness and efficiency of the Council's support services in terms of cost, performance and quality
- ensure that we have the right support services to respond to the Council's priorities and the current and future needs of customers
- improve support service processes and ensure consistent quality explore all available delivery options with a view to finding the best fit for Easington
- realise efficiency savings (cashable or non cashable) which can be ploughed into frontline service delivery

The review has in general terms demonstrated value for money (low cost, high quality, "lean and fit"), identified efficiencies and also areas of growth which can be delivered as a result of the efficiencies. Implementing improvements springing from the review findings will meet the service and customer needs as identified through scoping, and ensure that our support services are even more efficient, effective and fit for purpose.

Whilst the Council has actively embraced and encouraged collaboration and outsourcing in the past where benefit has been demonstrated, our review findings do not in themselves make a strong outline case for wholesale shared services or strategic partnering. However, in looking at the financial case in particular, it is necessary to consider the review outcomes alongside the national and local picture which has come into sharper focus during the life of the review.

Future financial settlements, and the arguments around economies of scale fleshed out in the Local Government White Paper, mean that we need to go beyond the duty and imperative to demonstrate best value in the Council, to a cross authority drive for major economies of scale. The review needs to be seen as part of the context for this wider agenda.

13. Options for improvement

13.1 Analysis of options

The table overleaf sets out a range of improvement options springing from the work of the review. These should not be seen as mutually exclusive although it is unlikely we would wish to consider wholesale strategic partnering and wholesale shared services at the same time.

Best Value Review of Support Services: Options for Improvement

Option	Potential benefits	Issues
<p>1. Enhanced mixed economy This option would involve building on the current mixed economy of provision, taking into account the specific learning from the review including some fundamental shifts in approach</p>	<p>Ability to make desired improvements to the Council quickly, providing better support for front facing services and impact on service delivery</p> <p>Service growth achieved with no additional cost; efficiencies made over and above costs of growth</p> <p>Builds on known low cost and high quality; enhances both</p> <p>Retains control of whole corporate core, flexibility and cultural benefits</p> <p>Less distraction – keep focus on improvement</p>	<p>Least likely to make significant savings which will be required in future years</p> <p>Changes in emphasis will mean that different skills will be required in the future and the change process would need to be well managed</p>
<p>2. Large scale strategic partnering This option would lead to our developing a large scale strategic partnership with a private sector provider (either alone or in collaboration)</p>	<p>This option could provide a significant opportunity to generate savings or investment based on experience of those who have done it</p> <p>Council focus could be on service delivery (Pendle)</p> <p>Jobs can be created/retained in a specific geographical location</p> <p>More potential to specify (but unlikely to be on an annual basis)</p> <p><i>Could</i> provide access to better working practices</p>	<p>Full market testing and tendering would need to be carried out over a period of 1 to 2 years</p> <p>A larger range of services would need to be included than those in the scope of our soft market testing exercise. This could involve collaboration.</p> <p>'Hollowing out' corporate core is a risk. Would need to decide which services to retain.</p> <p>Issues of control and continued flexibility to respond to new agendas and 'crises'</p> <p>Potential threat to identity and strong Easington culture</p> <p>Distraction/focus on project rather than improvement.</p> <p>Eats capacity</p> <p>Job displacement could occur</p>

Option	Potential benefits	Issues
<p>3. Large scale shared services arrangement This option would involve brokering a shared services arrangement for a range of support services with another public sector partner or partners, in all likelihood another Council or Councils³⁰</p>	<p>Significant savings for both/all parties through economies of scale</p> <p>Skill sharing, specialisation</p> <p>Large scale approach less likely to create a patchwork of piecemeal/ad hoc arrangements</p>	<p>Stated aspiration of both County Council and District Council led proposals under Local Government White Paper</p> <p>Appetite was limited at the time of our soft market testing exercise, but growing in response to White Paper. We would need to take a leading role in driving the change</p> <p>Significant potential for loss of some jobs/skills in Easington.</p> <p>Need to maintain a strong corporate core</p> <p>Distraction (medium term). Eats capacity</p> <p>Cultural and quality differences between potential partners</p> <p>Need to arrive at a common concept with partners of what we want Shared Services to mean- developing together vs a more contractual/buying in approach</p>

³⁰ In considering this option it may be useful to consider how Stockton and Darlington categorized services in terms of how they might be shared:

- Capacity sharing services, where the opportunity for joint service delivery primarily emerges from the joint use of infrastructure. Design & Print is an example of a capacity sharing service
- Transactional services, where the opportunity for joint service delivery is maximised through co-location of staff and the adoption of common organisational structures, processes and technology. Payroll is an example of a transactional service
- Advisory services, where the opportunity for joint service delivery primarily arises from access to additional skills and capacity. Internal Audit is an example of an advisory service.

13.2 Conclusion and recommendations

In the light of this analysis, and particularly given where we are with broader agendas, it is recommended that the Council takes a two pronged approach to implementing improvement as a result of this review:

1. Immediately pursue improvements to the current mixed economy based on the review findings, including making use of some of the review efficiencies to fund growth in selected areas. This will meet the review objectives particularly in relation to ensuring we have the right support services to meet Easington's future needs
2. Set aside additional review efficiencies to help pump prime work across the County to develop shared services arrangements for support and other services over a two year period. Significant input of time is also likely along the lines of what we have committed under the Local Area Agreement.

The draft Improvement Plan in Section 14 is based on this approach.

14. Improvement Plan

This Improvement Plan is based on a robust analysis of current service efficiency and effectiveness based on an application of the best value principles of challenge, comparison, consultation and exposure to the marketplace. It is a high level improvement plan given the wide range of services covered in the Best Value Review. Detailed improvement actions are contained within the relevant teams' Service Plans.

Given that the review has shown that services overall are of relatively high quality and low (sometimes very low) cost, a key feature of this improvement plan is around increasing capacity to do things we are not doing enough of, by reducing capacity for things we don't need, need less of or can do more efficiently. The Plan also incorporates the need to consider the review outcomes alongside the national and local picture which has come into sharper focus during the life of the review, particularly in relation to future financial settlements and the efficiency agenda.

The improvements are categorised as:

RS (Right Services)

SS (Shared Services)

EE (Economy and Efficiency)

District of Easington Best Value Review of Support Services

Improvement Plan 2007-9

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies and/or costs
RS1	<p>The right support services to respond to the Council's priorities and the current and future needs of customers</p> <p><i>NB any growth is to be achieved through savings identified in the review and must not increase the Council's overall spending on support services</i></p>	<p>Realign Democratic, Administration and Corporate Development services to create more capacity to respond to key future needs as identified through the review:</p> <ul style="list-style-type: none"> • Policy • Training and Development • Community engagement and democratic advocacy including electoral improvement³¹ • Support for proactive work in risk, insurance, legal, performance and vfm improvement 	<p>Carry out a Management of Change review to create more capacity to respond to future needs, including:</p> <ul style="list-style-type: none"> • a separation of the Democratic Services and Administration functions to create a clear focus for each • the refocusing of some posts in CDU • The transfer of specific functions (and process improvements) identified through process engineering to sit most efficiently with other services • the creation of posts responsible for corporate policy and training and development • strengthen the Monitoring Officer capacity within the organisation 	June 2007	BG, JB, TB	See below

³¹ In line with the Electoral Admin Act 2006 which requires us to improve "access, engagement and confidence in the electoral process'.

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies and/or costs
RS2	<p>The right support services to respond to the Council's priorities and the current and future needs of customers</p> <p><i>NB any growth is to be achieved through savings identified in the review and must not increase the Council's overall spending on support services</i></p>	<p>Realign Democratic, Administration and Corporate Development services to create more capacity to respond to key future needs as identified through the review:</p> <ul style="list-style-type: none"> Community engagement and democratic advocacy 	<ul style="list-style-type: none"> Through the Management of Change review, implement process mapping recommendations to reduce time input to servicing meetings, this time to be used to provide more support to Members in their democratic advocacy and community leadership roles Provide options for Council to consider changes to meetings cycle 	June 2007	BG	
RS3		Rationalise posts in Finance to create capacity for customer focus and strategic finance work	Carry out review of roles and responsibilities to allow more generic work	November 2006 (achieved)	DT	No cashable efficiencies but additional work carried out within existing budget

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies and/or costs
RS4	<p>The right support services to respond to the Council's priorities and the current and future needs of customers</p> <p><i>NB any growth is to be achieved through savings identified in the review and must not increase the Council's overall spending on support services</i></p>	Following business process mapping, ensure the IS Unit's structure is the best fit for improved processes	<ul style="list-style-type: none"> Following the completion of business process mapping in IT (see action ***), examine the IS Unit structure to assess if the new processes indicate a need to restructure 		BN	

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies and/or costs
SS1	New delivery options where these support greater efficiency and effectiveness for Easington	Actively develop and promote wholesale Shared Services arrangements for support services, as part of proposals in response to the Local Government White paper	<ul style="list-style-type: none"> Use a significant elements of the efficiencies from this review to create a time limited funding stream to pump prime Shared Services development across the County 	From April 2007		Cost: to be determined
SS2		Establish shared services arrangements for specific services where benefit has been identified	<ul style="list-style-type: none"> Establish agreement with Chester le Street to provide them with Website Support and Development (chargeable) In conjunction with Durham City and Chester le Street develop common working process and practices using ITIL best practice with a view to sharing services Build on leading role in County Durham E Government Partnership to jointly procure and manage key shared service projects including CRM and relevant back office systems and Local Government Connects 	December 2007	IS Unit (BN)	£10,000 pa (reduced website administration costs) ???

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies and/or costs
SS2	New delivery options where these support greater efficiency and effectiveness for Easington	Establish shared services arrangements for specific services where benefit has been identified	<ul style="list-style-type: none"> Pilot fee based provision of Personnel and Health and Safety services to the Town and Parish Councils Explore shared services and best practice opportunities through participation in regional Payroll providers group 	March 2007	RG	?? income
			Initiate charging to external organisations for the services of Corporate Development staff (unless this is agreed by Management Team to be on a quid pro quo basis)	April 2007	JB	Will generate a small amount of additional income but pressure on staff will need to be balanced against this ?? income

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies
EE1	Improved effectiveness and efficiency in support services (cost, performance, quality)	Involve customers in service design and management	<ul style="list-style-type: none"> Develop a user group for IT services Produce in consultation with users a Service Catalogue <p>Others- Barry G?</p>	March 2007	BN, RM, DB	Likely to result in efficiencies for service teams as they make more effective use of IT
EE2		Reduce the cost of PC acquisition by £90 per PC	<ul style="list-style-type: none"> Refer to Profit Focus recommendations Seek competitive quotes from suppliers (existing and new) and investigate NEPO and OGC costs 	June 2007	BN, DB	£90K x no of PCs- estimate £7500 per year
EE3		Re-engineer recruitment processes and reduce corporate spend on advertising vacant posts	<p>Develop e-recruitment and streamline processes in light of new software.</p> <p>Examine use and costs of advertising media/web-sites and processes to optimise efficiency.</p>	July 2007	RG	???
EE4		Reduce cost of postage	Initiate second class as default	Immediate	SW	£11K per annum approx

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies
EE5	Improved effectiveness and efficiency in support services (cost, performance, quality)	Improve performance management in support services	IS Unit: <ul style="list-style-type: none"> Using SOCITM KPIs and BVR performance as a baseline, routinely measure and manage IT performance Implement Performance Management Systems, using ITIL best practice 	March 2007	BN, RM, AH	Aim to reduce costs in cost based PIs to top quartile for districts (amounts?) ??
EE6			All teams: <ul style="list-style-type: none"> Define service response times and standards in consultation with users and enshrine in SLA Develop exit surveys for services to assess quality at time of completion Include among PIs reported to Scrutiny 	March 2007	HOS, DP (Customer Services)	
EE7			<ul style="list-style-type: none"> Repeat/refine BV satisfaction surveys for all support services and ensure results are included in performance management 	June 2007 and annually	AC (CDU)	

Ref. No.	Outcome sought	Objective	Key actions	Timescale	By whom	Potential efficiencies
EE8	Improved effectiveness and efficiency in support services (cost, performance, quality)	Implement detailed service process improvements as identified through PROBE and business process mapping	Identify process improvements in Service Plans ensuring they are SMART (IS Unit: Map and define existing business processes Design and implement new business process to meet the needs of the users (SLA) and to the recommendations of ITIL best practice; Finance: carry out business process mapping first)	March 2007	HOS	?? estimates?
EE9		Increase the skills of staff in support services	<ul style="list-style-type: none"> • Provide training in the use of quality improvement tools • Implement ITIL standards in IS Unit and provide training to staff as needed to achieve this 	September 2007 December 2007	CDU BN, JW	
EE10		Rationalise training budgets across the Council to create economies of scale and support the more corporate approach	<ul style="list-style-type: none"> • Review service specific training budgets required in service teams, taking into account recent spend levels, and rationalise budgets accordingly 	March 2007	JB	£60,000 cashable