

BUSINESS PROCESS IMPROVEMENT

– The Hambleton Story

SUMMARY

The journey through Business Process Improvement has been of immense value to the Council. Not only has it taken us through a complete overhaul of our existing processes, leading to innovative changes, it has also brought new skills into the Council to be used in future reviews of services.

Implementation of all the improvements highlighted will produce savings of 13% in the cost of the service. It has been agreed that 10% will be cashable savings and the remainder reinvested to deliver a Development Management approach to the service.

PROJECT BACKGROUND

Hambleton were invited to join this project by CLG, following our interest in an earlier e-planning project. Also invited to form the second phase of the National Process Improvement Project (NPIP) were Leeds City Council and the East Riding of Yorkshire Council. A fourth partner was the London Borough of Lewisham who, having already been a part of the Phase 1 Pathfinder in Business Process Improvement, carried out a parallel exercise using existing in-house expertise. This project sought to help identify where authorities could do more of the things that customers want, not by spending more, but by spending less on things that do not matter. It is a means of identifying if there is waste in existing systems and processes and then seeking to eliminate it.

OBJECTIVES

The aim of CLG was to expand the NPIP project into Development Control. This would achieve their objectives of:

- *Service and process improvement*
- *Analysis and re-engineering of whole planning application process*
- *Internal knowledge gained of BPI process*
- *Capacity to roll-out across the organisation*

Our objectives were somewhat different, though complementary:

- *Enhance e-working*
- *Maintain top quartile performance*
- *Develop use of Document Management system*
- *Implement front office/back office split*
- *Identify means of reducing budgets*
- *Assist in change to Development Management approach*
- *Improved customer satisfaction*

WHAT WAS DONE

With the aid of funding from CLG, consultants, ValueAdding.com, were employed to lead the process. The company already had experience in the planning field which got us off to a good start. All three authorities used the same consultants which in itself gave benefits to the project as we progressed as it allowed benchmarking of all the activities within the planning application process to take place.

Workshops were held with all the staff to establish and map the 'as-is' processes which were held without managers present in order to establish what really happens. People are much more open without a manager in the room and happy to explain how activities take place and why, as opposed to how we think they may or should happen. One clear issue arose in respect of validation and registration where the process identified clear bottlenecks in the system which was having a negative effect on the whole process.

The next step was training on activity based costing. This was a new concept for planners to get to grips with. Staff are used to time recording as an activity but to link time recording to the actual cost of each activity taking place is novel.

The end-to-end planning process was split into twelve separate, identifiable activities. All staff then entered the time they spent on each activity into the model. By a simple calculation of salary, national insurance and pension costs per officer it was then possible to put a cost to each activity undertaken. It enabled a cost to be put to the activity, for example, of checking of files at decision stage by several layers of management, which then leads to the questioning of the current system.

At this stage, through analysis of the 'as-is' process maps we analysed all processes and categorised them into three areas; those that 'added value' to the process, those that were 'sustaining but non-value adding' (things we do because we have to) and 'non-value adding' (things we do but don't need to). This exercise produced a graph showing each of the twelve

activities plotted against value adding, sustaining but non-value adding and non-value adding activity. The trick is to seek to eliminate the non-value adding activity and reduce sustaining non-value adding activity wherever possible.

The next step for staff was a full day session on visioning for the future, ranging from 'blue sky thinking' to practical detailed options for improvement based on value adding and non-value adding principles. The staff were fully and positively engaged in this and from this workshop came sixty six different ideas for improvement. Staff valued being asked their opinion and responded accordingly.

The final elements involved mapping the 'to-be' processes, analysing customer requirements through use of BV111 data and preparing an Implementation Plan. This then allowed us to analyse our projected costs once the 'to-be' processes had been implemented and identify where cost and time savings could be gained. We are now looking where those time savings can be reinvested, in particular to help implement our move towards Development Management. Specifically, we are looking to invest more time in pre-application discussions and compliance monitoring. Financially, we can identify where we can make our CSR07 efficiency savings as part of our overall 10% cashable savings.

The Implementation Plan is prepared in two parts. The first section, which can be implemented within relatively short timescales and existing resources, and a longer term plan which will involve development work on existing technology, investment in IT and training. One specific

issue is to implement workflow throughout the process on our existing document management system, which is currently used simply as an electronic filing cabinet.

We aim to validate our improvements with a workshop for our customers, which may entail amending our final plan.

COLLABORATION

An unforeseen benefit from this project came in the collaboration with our partners in the project, Leeds and East Riding. Whilst originally unplanned, the three parties have had joint workshops at each stage of the process. This has helped identify for each authority areas of high cost and inefficiencies in the current processes. It has also provided a significant learning opportunity which has been of great value. We all have areas of good practice and we all have seen where others do it better. As a result, each authority hosted a learning day to disseminate areas of existing good practice. We are also sharing our implementation plans to ensure that we have all picked up on the bright ideas that have come out of the process in all three authorities.

BENEFITS ACHIEVED

Going through this process has realised a number of significant benefits. It has given us a structured approach, for the first time, into analysing all the activities we undertake in the end-to-end planning process. It has provided detailed financial information we have never previously had. It has given us detailed and valuable benchmarking information which we can use, not only with

the current authorities in the project, but also with other authorities in the future who may go down this route. It has allowed us to refresh all our current processes and made us re-evaluate what we do and why we do it. We are on target to achieve all the objectives we set out with and therefore has been immensely valuable in moving the service forward, helped introduce modern business practices and identify both cashable and non-cashable savings.

IMPLEMENTATION PLAN

The final implementation plan is in two parts, an immediate plan for actions over the next year and a slightly longer term plan that relies principally on technological improvements. Implementation is being project managed to ensure the necessary outcomes are achieved. Six work-streams have been set up, comprising not only the planning staff but also staff from ICT, Customer Services and Business Support. These work-streams are working to implement a varied package of improvements and reporting regularly to a monitoring board to ensure that timescales are met.

The plan however is seen very much as a living document to which we will return at regular intervals. Having gained the skills of Business Process Improvement from this project we will repeat the exercise in due course to refresh again our procedures.

CRITICAL SUCCESS FACTORS/LESSONS LEARNED

Corporate support for engagement with the project was important. It involved a lot of resource from existing staff at all levels. It is also essential that all staff involved in the project are fully briefed about the objectives at the start and throughout the project. It is not a cost-cutting or job threatening exercise. On the contrary, as an example, one outcome of the project is to try and remove activities that can be automated. This releases staff to engage in more fulfilling work.

Two key lessons learned are as follows. On embarking on the project set realistic timescales to go through all the necessary steps – it takes longer than you think. Secondly, agree dates at the earliest opportunity for all those involved. Getting the right people in the right place when you need them can be a logistical nightmare. Get organised with the diary.

A final point relates to the value of collaboration. To be able to assess ourselves against two other authorities throughout the process was immensely valuable. The fact that we are a small district and were comparing ourselves with a city authority and the largest unitary authority in the country did not matter. We all use the same legislation and have the same processes. The similarities were surprising. The benchmarking opportunity added value throughout the process.

TRANSFERABILITY

One of the initial objectives of CLG was to see capacity and knowledge created within the authority in order to cascade the principles of Business Process Improvement throughout the organisation. To do this the work has been shadowed by a member of the corporate improvement team. A BPI exercise is to be carried out within Operational Services led by this officer with some support from the consultants. At the end of which we fully expect the principles and working knowledge of Business Process Improvement to be fully embedded within the organisation. A further roll-out of this work is planned across the Council.

It is hoped that the work of the project will be of value to other local authorities seeking to analyse their own processes and identifying efficiency savings

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