

SERVICE DELIVERY MODEL – Considerations when reviewing the model

Councils are constantly under pressure to provide better quality and better value services, and often ask: Are our services fit for purpose? Do they perform at an acceptable level? When did we do the last review? *Services* is a broad term by definition so for the purpose of this document it refers to functional areas within a service, delivery of the service, features of the services or a service team.

Merging councils will be aiming for continuous improvement in the quality and cost effectiveness of service provision and ensuring that services meet the needs and expectations of customers. The current process of reform provides an ideal opportunity to review service provision and identify and embrace alternative methods, systems and processes that can improve the way we do business.

As councils begin to audit and compare their models of delivery and seek to standardise and align where possible, benefits of change will become evident. This includes:

- potential to improve service quality and performance
- potential to leverage economies of scope and scale
- potential for future savings
- potential to explore alternative service provision methodologies
- potential to develop closer more meaningful relationships with stakeholders

Reviewing service delivery in a time poor environment

There are many different ways to review service delivery. Merging councils will need to determine the most appropriate methodology to suit their organisation considering the level of available time and resources to do so.

During the planning stages of the interim service delivery model, you may like to consider the following aspects for review and reform:

(this is a non-exhaustive list and is designed to prompt debate and encourage better practice)

Consultation

Consultation with funding bodies, customers and key stakeholders is important because it tells us how people receive and perceive our services. It is essential that we understand the requirements of funding contracts, expectations of customers and other stakeholders regarding the service or activity under review. Consultation provides invaluable information on how well the service or activity is performing, and where it needs to improve. Outcomes of consultation:

- identifies ideas to improve service delivery
- ensures the service is delivering to all relevant sectors of the community
- provides current data to set and monitor quality and performance targets

Establishing a baseline

A baseline assessment is an essential starting point for any review as it gathers everything about the service at present in to a service specification or profile.

From this self-assessment, it will be possible to establish the key issues that are affecting a service and identify opportunities for improvement. Questions to ask during the baseline assessment review:

- why do we offer this service? Is it statutory, policy or discretionary?
- how does it contribute to our corporate priorities, is it part of our core business?
- what is the impact of not delivering a service?
- who provides the service and is it aligned to our strategic goals?

Benchmarking

Benchmarking - a word often over-used and misunderstood. Benchmarking simply provides comparable data on the current level of performance of a particular service or function. Performance monitoring and practical benchmarking are effective tools to enable a deeper understanding of the service or activity under review and be able to compare its performance (and processes) against previous results and/or against others. Through this process, perceived problems with the service can be identified along with critical processes which are crucial to the successful delivery of the service.

Data

This refers to identifying and documenting key inputs and outputs such as cost, quality, revenue, usage / utilisation rates, outcomes and impact.

Inputs:

- resources used to provide the service for example unit costs, numbers of staff, use of staff time, equipment employed and assets;
- process or throughput – processes or activities undertaken, ratios of inputs to outputs - for example the numbers of enquiries addressed by the Customer Service Centre for each full time employee.

Outputs

- the end result of the service - for example the volume of household waste recycled;
- the impact the service has on the customer, user or the community;

Method of service delivery

The following methods of service delivery are options for consideration and appraisal:

- continue to do the work internally;
- restructure of the service or activity;
- creation of a public-private partnership or social enterprise for all or part of the service;
- hybrid - provide the service or activity through a combination in-house, partnership and contractual arrangements;
- transfer the service to another provider;
- re-negotiation of existing arrangements with providers where possible;
- cessation of the service in either part or whole;
- explore options for sharing the delivery of this service with other councils

In addition to this is the need to consider leasing / licences, property management issues and legal obligations.

Impact of method of service delivery

- how will this option contribute towards achievement of the Council's Community Strategic Plan objectives and the services' objectives and performance targets?
- how will it lead to an improvement in the performance of the service compared to current performance and to others?
- review the alignment and relevance against strategic or policy objectives.
- how will we manage and review performance in the future?
- what are the implications in terms of finance (capital and revenue), human resources, organisational structure, systems and technology?
- what are the implications for risk management, sustainability, customer service?
- how will the views of stakeholders, community, partners and users feed into the development of the service and review of performance?

Criteria for assessment

If changes are deemed valid on face value, assessment criteria will be required to drill down into the feasibility of the reform. Consider criteria such as:

- achievability - can the option actually be achieved, and if so, how easy or difficult would it be to change;
- acceptability - is the option legally, socially and politically acceptable;
- adequacy - does the option provide a reasonable solution for example, will it meet the identified need;
- responsiveness - is the option flexible enough for example will it always be accessible and responsive to the needs of service users, the Council and its partners;
- sustainability - would the option meet the current need, without compromising the future needs, or placing added burdens on the Council;
- cost-effectiveness - does the option represent value for money;
- appropriateness - is the option a proper and ethical activity for Council to do;
- equalities - would the option provide equal opportunity for all our customers to access the service;
- risk - what are the risks associated with the option both doing it or not doing it.

Other providers and suppliers

You may have already considered and gathered useful information as part of the benchmarking exercise however here are some other considerations:

- what is widely considered best practice for the service?
- how are other Councils doing it?
- what has happened to other authorities when they have done this? (In terms of effect on the customer, quality and cost of service);
- what are the indirect benefits/costs of the option?
- is there a benefit to delivering the service in cooperation with other bodies?
- how many suppliers are active in the market?
- who are the leading suppliers?
- how long will the desired objective take to achieve and is this acceptable?
- compared to the expected benefits, are the costs of a particular option worthwhile?
- could others provide all or part of the service more efficiently and effectively?
- what are the procurement implications for each option?

Process improvement

Another area to consider which is often overlooked and undervalued is process re-engineering or process improvement planning. Process is the sequence of activities that lead to outcomes for customers.

There are several common labels for this iterative process – six sigma, lean systems etc. however adopting a simple and effective process that will complement the review work will result in numerous benefits to the new entity and inevitably produce cost, labour and time saving outcomes.

Infrastructure and Assets

Local government has care, control and responsibility of a diverse and extensive portfolio of infrastructure assets which are used to deliver services to the community. These assets need to be maintained and renewed in line with service demand. Service delivery modelling must take into consideration infrastructure and other asset requirements (i.e. fleet, technology) to ensure community expectation, service levels, compliance and Council objectives are achieved.

Staff accommodation requirements also need to be identified and managed.

Technology

Clearly, technology significantly affects the way processes and systems are designed and how services are delivered and monitored. Leveraging technology to improve service provision through software, hardware or mobile devices can deliver many benefits to both service provider and the user. Scalable and effective business systems are fundamental to service delivery and should be reviewed simultaneously with process and reporting requirements.

Business Case

You can't escape the need to develop a feasibility report / business case. This will need to be processed within the overall framework of the reform process and escalated through the appropriate channels. An action plan should also accompany the business case as a key supporting document in addition to a comprehensive risk assessment outlining the risk profile in relation to strategic, operational and project risks. This will become the working document for implementation and should consider all actions required to achieve the specific objectives and outcome over a given period.

Initiating the change

The challenge that merging partners can face is the real possibility of implementing reform and this can be the most difficult aspect of a service delivery review.

Common barriers to change

- it is a statutory duty (just because councils have to provide a particular service does not mean they have to provide it in a specific way)
- councils may have just gone out to tender
- councillors refuse to cut the service
- councils may not have any complaints
- customers may not understand what councils do
- it is how councils have always done it

Some suggestions to help change

- use external views to give objectivity, from other departments, authorities or organisations
- always look at the service from the customer's perspective
- consider a customer's journey across the council or function rather than service based. This can provide a new insight, identify links, and provide a better understanding of the customer's view.