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news update

Welcome to the first edition of the APSE Solutions news update. This issue specifically deals with recent APSE work which has found major savings through using Performance Networks data

New name for APSE services

Following consultation with our members, and a vote by APSE National Council, APSE best value consultancy and APSE interim solutions have been rebranded. APSE Solutions is our new service which offers consultancy and interim management to local authorities.

Transport review saves in excess of 25%

APSE has undertaken a short diagnostic exercise aimed at identifying headline scope for service improvement and efficiency savings in the transport department of the Council. The transport service is configured as what might be termed a garage operation. This means that it is provided as a vehicle repair and maintenance service with the bulk of other fleet management activity sitting within service directorates. There is a long standing desire to reconfigure on a whole fleet management basis in response to recommendations arising from the best value review report of 2007 but progress has been slow.

The first workshop was held with operational management and it followed an approach that APSE has used successfully in a number of previous projects, designed to elicit information quickly but also to test capacity for transformation based on lean principles. In addition to the workshop APSE had sight of a number of documents. The final block of information informing the diagnostic review is the performance data submitted to the APSE Performance Networks benchmarking service.

APSE analysis of the Council's Performance Networks data suggests that there is potential to make savings in excess of 25% of the current expenditure on transport without any loss of service effectiveness. APSE was also able to draw upon the best practice within the Performance Transport network. All shortlisted authorities for the 2010 Performance Awards operate fleet management approaches and most have significant involvement in driver training and enforcement.

Notwithstanding the need for caution in the use of this data and the need for further analysis once more detailed information has been collated, it is possible to identify significant savings potential as follows:

• If the Council is able to reduce its per vehicle expenditure to the average it will save just over £1m per annum.

• If expenditure could be reduced to the lowest quartile level the saving would be over £2m per annum.

Building cleaning review saves 30%

APSE carried out the first phase of this work undertaking high level diagnostics. This focused on identifying areas for where improvements could be made to assist the service in finding efficiency savings. Following a five day review using this method, which included the constructive use of Performance Networks benchmarking data, the approach quickly established a high level but accurate picture of demand and service provision.

Phase two of the project looked to examine in more detail the issues raised in the initial report and culminated in a further report detailing the potential savings the service could make based on a case study approach. This included in-depth analysis of the areas cleaned with usage, finishes, frequency and

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time required to complete the various activities.

The next phase of the project will inform the options for future service delivery in the cleaning area of work for the Authority.

The Service have worked with APSE to complete the Performance Networks data for Building Cleaning. The data has been compared against the family group and whole service comparators. The whole service report provides a benchmark against up to 67 comparators. APSE identified areas where the Authority had above average spend, for example on cleaning equipment, and calculated that by improving the cost comparators savings can be delivered.

Multi service review saves 33.7%

Incorporating building cleaning, catering, stores, education catering, building maintenance, technical services, bereavement services, transport, home / school transport and printing

The Council commissioned APSE to undertake a study of current service delivery arrangements with a view to testing their competitiveness against alternative arrangements. This approach centred on the collection and comparative analysis of key performance and cost data across a full range of direct services.

APSE spent three months exploring the prospects and likely benefits of service redesign in the various service areas. APSE and the Council took this need to make efficiency savings as an opportunity to transform the way in which its services are delivered. Following the review, APSE believes that with a change in culture and workforce buy-in, a redesigned service delivery will achieve the required savings with minimal loss of service. Service redesign is concerned with meeting the overriding necessity of ensuring that services are fit for purpose and meet the delivery requirements of the customer. Efficiency savings will flow from service improvement.

Since autumn 2010, APSE has examined each service through collecting baseline data, (using APSE's Performance Network data where appropriate), and carrying out a high level diagnostic workshop for each service area. Service management teams were fully involved in the work in order to take a degree of ownership of the output, which will be essential to the successful implementation of recommendations.

The workshops were followed up with demand analysis and individual service reports were produced. The reports produced are high level diagnostic reports and seek to identify opportunities for improvement and to make efficiency savings. These opportunities will include a mixture of savings, prospects for income generation and new and innovative methods. APSE is confident that there is scope for savings through improvements to business processes, work systems, shared supervision, management and resources rationalisation.

In undertaking a diagnostic assessment of each service's current

competitiveness, APSE was able to benchmark the services in terms of value for money offered compared to other service providers nationally and regionally. Savings estimates are derived from top performing comparators and will be realised to the extent that the Council is able to move towards optimising its use of resources. For some service areas this will require extensive service redesign.

Below building cleaning has been used to demonstrate the approach APSE took, using Performance Networks data. The main cost indicators analysed for Building Cleaning were:

•Overall cost of service per FTE – lower than average

•Front line staff cost per square meter cleaned – high

•Cost per scheduled input hour - low

•Number of paid staff hours per square meter cleaned – high

The analysis of this data suggests that a frequency driven approach to service delivery and/or a tendency to over-clean is undermining an otherwise cost effective service. The key to reducing cost will therefore be to work closely with service users to firstly gain a better understanding of the true demand for this service and then to re-design the way that it is provided to reduce the level of cleaning required per square meter cleaned. If this is effective it has the potential to deliver a cost saving of 26% on existing building cleaning costs.