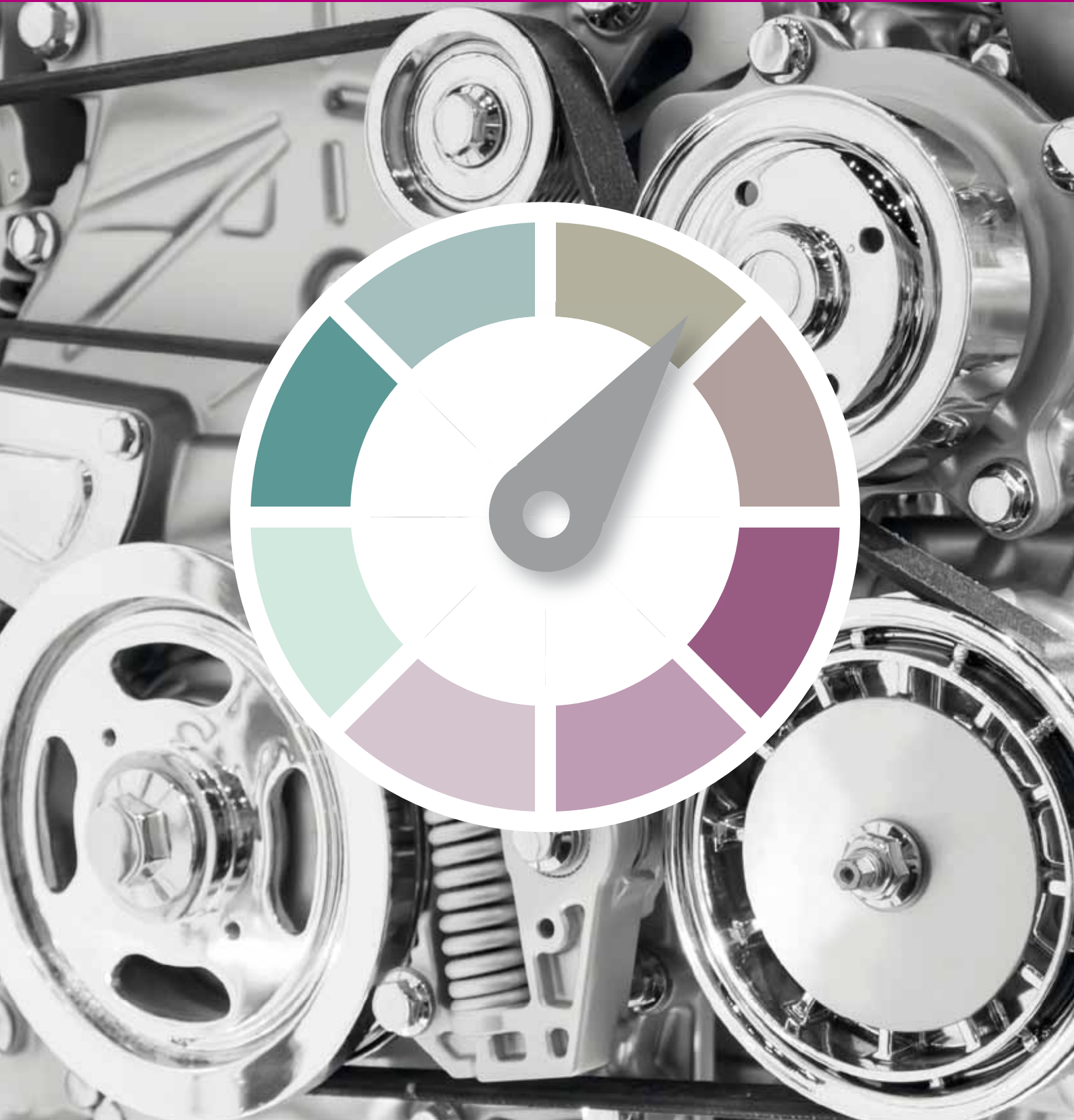# The engine of the council?

Evaluating frontline productivity in local government

apse

The engine of the council?

Evaluating frontline productivity in local government

APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority frontline services, hosting a network for frontline service providers in areas such as waste and refuse collection, roads and highways, renewable energy, parks and environmental services, leisure, school meals, cleaning, as well as housing and building maintenance.

ISO 14001 REGISTERED FIRM
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ISO 9001 REGISTERED FIRM
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ISO 27001 REGISTERED FIRM
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INVESTOR IN PEOPLE

PI Public Intelligence

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Contents

Executive summary

The history of the UK public sector is punctuated by major cycles of reform often driven by the need to optimise the use of scarce resources. If the late 1980s and 1990s were concerned with efficiency and Best Value, then productivity is the economic concern of today's zeitgeist.

Public Intelligence was commissioned by APSE to produce a rigorous and independent exploration of the ways in which frontline services in UK local government have increased productivity in recent years. The objective of the research was to explore how during this time of test and turmoil that local government managers have managed to increase productivity rather than just reduce service provision with the following particular aims:

- To identify drivers of productivity
- To capture learning
- To share lessons with the sector and promote peer to peer challenge and support

APSE have a longstanding commitment to improving productivity in frontline services. Through their Performance Networks they collect and provide intelligence back to their members; an exceptional benchmarking resource that allows councils to see where they stand in relation to their own past performance but also in relation to comparator authorities in their group.

This report builds on the privileged insights provided by the Performance Networks data and combines it with original case study research to explore how frontline services across the UK are facing up to the productivity challenge. The four case studies Eastleigh, Fife, Swansea and Wakefield represent a range of different authority types, drawn from across the UK.

While economists have been analysing and measuring productivity in the general economy for decades, it has become a key concept in public policy much more recently and in May 2015 the UK government produced its own Productivity Plan, Fixing the foundations: Creating a more prosperous nation. Productivity, according to the plan, "is the challenge of our time." The plan argued that productivity was essential to well-being, that it was tightly linked to the differences in wages across countries and that productivity is the single most important determinant of average living standards.

However, while we are not short of high-level government announcements on the need to increase productivity, organisational level approaches to productivity have been sorely missing from the debate so far. In reality, we know very little about public sector productivity growth at a macro level. Most official estimates do not include a measure of service quality, and the availability and reliability of data is variable across different sectors.

At the root of the problem is an undeveloped understanding of productivity at an organisational level, such as across our frontline services, schools and hospitals. Too often, reform programmes have been driven centrally across government departments, without the necessary analysis of how organisations in different contexts, with different managerial approaches, compare with one another. At a local level councils can compare themselves with each other using benchmarking clubs such as APSE's performance networks.

International evidence suggests that there are a number of key drivers of organisational-level productivity growth:

1. Leadership and management
2. Organisational culture
3. Innovation
4. Technical efficiency

5.   Technological progress

6.   Scale

This report combines analysis of APSE's Performance Network data with in-depth case studies. The case studies show local government frontline services deeply engaged with the need to change to increase productivity in the face of the historically unprecedented spending cuts. They show imaginative and committed managers reinventing themselves and their services, overcoming shortcomings of the past. And they show the role and responsibility played by frontline workers in rising to meet that challenge.

What becomes clear from the case studies is that there is no one factor that can improve productivity on its own. As suggested by the evidence outlined in the international literature productivity is multi-factorial. At a national level macro-economic policy is important, but at an organisational level it is about how the service, the organisation, responds to its environment. It is about management and the decisions they take, it is about how people are managed and the culture that is created, it is about the organisation of work, rationalising processes, improving coordination and cooperation.

The report also considers how the future of work is changing and the globalised trends which continue to shape the evolution of the UK's economy. It is clear that social, economic and technology factors will impact significantly on the frontline services.

Considering the rise of artificial intelligence and the development of robotic technology it is possible to see highly disruptive but potentially productivity enhancing impacts on the organisation of frontline work.

We hope that the report contributes to filling this gap concentrating not on fiscal models, micro-economic theory or national policy but by focusing on and exploring organisational level approaches to productivity in frontline local government services.

Introduction

The history of the UK public sector is punctuated by major cycles of reform. While some are structural and others are policy-led, many are driven by the need to optimise the use of scarce resources. If the late 1980s and 1990s were concerned with efficiency, and Best Value the more sophisticated approach to effectiveness that developed a decade later, then productivity is the economic concern of today's zeitgeist.

The interest in productivity is of course driven by the historically exceptional circumstances created by the Great Recession 2008-2013 and the Westminster government's fiscal response to it. Through its policy of 'austerity' the government has radically reduced funding to local government, forcing councils to seek new ways of organising and arranging services to meet the needs of the citizens and communities. This course has been a matter of political choice, other policy options would have been available, and it has been profoundly challenging for public services.

But it is also the case that this policy context has created an environment in which there is a massive premium on productivity - being able to produce effective outcomes with fewer resources.

Re-invention is part of local government's DNA. For over 140 years local authorities have been innovating in times of growth as well as in times of hardship. And while neither APSE nor the research participants support or welcome the reductions in frontline budgets, it is important to recognise the professionalism, the commitment and the imagination that councils have employed to manage services through these changes by thinking strategically and in the interests of the long-term. While we are not short of high-level government announcements on the need to increase productivity, it is these organisational level approaches to productivity that have been sorely missing from the debate so far (as argued recently for example by the think tank Reform, see Reform 2015). We hope that the report contributes in some way to filling this gap concentrating not on fiscal models, micro-economic theory or national policy but by focusing on and exploring organisational level approaches to productivity in frontline local government services.

APSE have a longstanding and farsighted commitment to improving productivity in frontline services. Through their Performance Networks they collect and provide intelligence back to their members; an exceptional benchmarking resource that allows councils to see where they stand in relation to their own past performance but also in relation to comparator authorities in their group.

This report builds on the privileged insights provided by the Performance Networks data and combines it with original case study research to explore how frontline services across the UK are facing up to the productivity challenge.

About APSE Performance Networks

APSE's comparative data, known as Performance Networks, is a longstanding and well-established performance measurement and benchmarking service for local authority front-line services. It is a unique resource in UK local government holding robust and effective comparative performance information since 1999. Used by over 250 local authorities, APSE performance networks is the largest voluntary public sector benchmarking service across England, Scotland, Wales and Northern Ireland.

Local authority services are subject to ever-increasing scrutiny and challenge and, at a national level, APSE uses the performance information to demonstrate best value in an environment in which finances and resources are being squeezed due to the continued reduction in funding from Government. At a local level councils use performance networks to support and inform council budgeting decisions, to demonstrate the competitiveness of services, to learn from others and to shine a light on their own performance.

APSE performance networks provides a benchmarking service across a range of key front line services. Local authorities can choose to participate in one or all of the following areas:

1.   Building cleaning

2.   Building maintenance

3.   Cemeteries and crematoria

4.   Education catering

5.   Environmental health

6.   Highways and winter maintenance

7.   Land Audit Management System (LAMS)

8.   Other (civic and commercial) catering

9.   Parks, open spaces and horticultural services

10.   Refuse collection

11.   Sports and leisure facility management

12.   Street cleansing

13.   Street lighting

14.   Transport operations and vehicle maintenance

The methodology used to underpin the comparative nature of the Performance Networks is a practitioner-led model which uses a "like-for-like" system to group authorities. Service profiles draw on factors such as local policy; demography and size and type of operation to form a series of Key and Secondary Drivers.

The family groups are formed when participating authorities generate an overall key driver score within the same range.

Approach and methods

Public Intelligence was commissioned by APSE to produce a rigorous and independent exploration of the ways in which frontline services in UK local government have increased productivity in recent years. The objective of the research was to explore how during this time of test and turmoil that local government managers have managed to increase productivity rather than just reduce service provision with the following particular aims:

- To identify drivers of productivity
- To capture learning
- To share lessons with the sector and promote peer to peer challenge and support

The methodology was designed to combine 5 key components:

1. Analysis of APSE's 17 years of comparable benchmarking data. Public Intelligence had access to all published reports but also to some unpublished data with the consent of the participating authorities. Performance Networks consist of a wide range of information submitted by authorities. The analysis used in this report focused on the indicators which related to the production of identifiable and measurable outputs.

2. Primary research was undertaken in 4 case studies: Eastleigh, Fife, Swansea and Wakefield. Each case study submitted a range of documentary evidence relating to service productivity, planning, performance and development. Interviews were carried out with a range of representatives in each of the authorities. In most cases this involved speaking with a cross section of mangers from directors and heads of service to frontline workers. Interviews were carried out face to face, where possible, or by telephone, using a semi-structured template to ensure comparability of data collected. With the consent of the participants the conversations were recorded and then professionally transcribed.

3. A review of the existing evidence. We used a wide range of sources including publications by UK and international governments, parliaments and other official sources; academic publications in peer reviewed journals and books; grey literature - i.e. academic publications also on personal websites with collections of papers, evidence provided, presentations; professional and commercial research companies and think tanks; local government bodies and professional associations; newspapers and journals.

4. In addition to the case studies we also interviewed senior officials in government and a range of local government experts. This enabled us to test our emerging understanding of the evidence with independent experts and provided a valuable external challenge and quality assurance.

5. An interim version of this report was presented at an APSE seminar in December 2015. Discussion at the event provided a number of helpful additional angles which were subsequently incorporated into the analysis. The research and the report have also been informed greatly through a number of conversations with colleagues at APSE, particularly with Debbie Johns, Head of Performance Networks.

The burning platform

Anyone who works with local government will be aware of the extraordinary historically exceptional circumstances created by the Great Recession 2008-2013 and the Westminster government's fiscal response to it. Since 2010 local government in England funding from the Treasury has been reduced by unprecedented levels. By 2020, revenue support grant, at barely a third of its current, already much reduced level will be mainly confined to metropolitan and unitary districts and London boroughs. Shire counties (94% on average) and districts (85%) will be almost entirely reliant on council tax and business rates (APSE, 2016).

This is unprecedented in the UK context. However, at this stage councils are only half way through the budgeted reductions - if the government holds to its existing budgetary plans. In addition, local services are being faced by ever increasing demand due to a growing and changing demography coupled with the social impact of austerity and reductions in services.

Against this backdrop of severe and unprecedented financial pressure frontline service managers feel under heightened scrutiny. Research shows that a large and growing number of chief executives fear that the financial outlook is unsustainable. 93% of chief executives believe that some local authorities will get into serious financial crisis in the next five years. Asked about their own council, whereas 22% of chief executives are confident in the outlook for the next three years, only 10% of chief executives are confident about their ability to deliver over the next five (PWC 2015).

While in-house provision can offer better value for money than externalised provision (Bennett and Orr 2014), a consequence of the financial context is a common perception among frontline service managers that there is a greater risk of outsourcing or contracting out. A number of managers told us that in an attempt to lower cost and relieve pressure on reduced revenue that some councils may look at disinvesting or even withdrawing from some frontline services.

Part of the background to this research therefore is the knowledge that in frontline services - unlike in many other local government services - there is a developed private sector offering what has been called 'predatory competition', ready to pounce if given the opportunity.

And while the level of outsourcing in services shows that this is a realistic possibility, the local government frontline has a number of assets that would arguably lose value in such a scenario. Local government frontline services benefit from the wider organisations of which they are a part. They have open and democratic systems of governance, they are well managed and they have a skilled workforce. They also benefit from a strong public sector ethos which underpins the culture of many frontline services. These are valuable and resilient assets which when put to work can greatly contribute to organisational productivity.
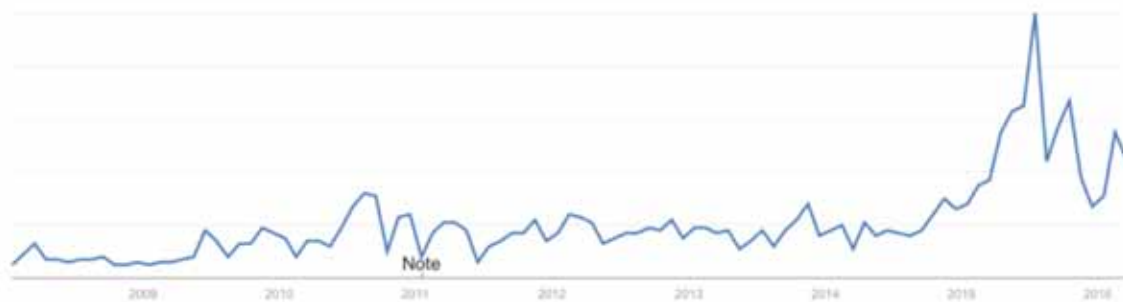
Productivity in government

"Productivity isn't everything, but in the long run it is almost everything."

Paul R. Krugman, The Age of Diminished Expectations (Cambridge: MIT Press, 1994)

While economists have been analysing and measuring productivity in the general economy for decades, it has become a key concept in public policy much more recently.

Analysis of Google trends show that news stories across the UK concerned with productivity grew by a factor of 20 (2000%) from 2008 to the high point in July 2015.

Fig 1: UK news stories about productivity

Note: the way in which some of the data was collected by Google changed on 1 Jan 2011.

July 2015 was when the Chancellor of the Exchequer, George Osborne MP, published the UK Government's Productivity Plan, Fixing the foundations: Creating a more prosperous nation. Productivity, according to the plan, "is the challenge of our time." The plan argued that productivity was essential to well-being, that it was tightly linked to the differences in wages across countries and that productivity is the single most important determinant of average living standards.

However, it also demonstrated that productivity in the UK was low by international comparison and that there was considerable scope to improve before the UK would meet productivity levels elsewhere in the G7.

The ONS productivity statistics show that on an output per worker basis, UK productivity was found to be 20 percentage points below the average for the rest of its G7 counterparts – the United States, Canada, France, Germany, Italy, and Japan.

For output per worker, the UK was above Japan by 12 percentage points, but below Canada and Germany by 5 and 9 percentage points respectively, and below Italy and France by 14 and 16 percentage points respectively.

Comparing levels to that of the US, the UK trailed by 41 percentage points, the largest differential since the data began in 1991.

The government's productivity plan also argues that productivity was important to improving the public finances and the Office for Budget Responsibility has separately estimated that in a high productivity future scenario public sector net debt would fall to 56.7% by 2019-20, while under a low productivity scenario debt would rise to 86.6%.

The government's productivity plan set out their fifteen-point plan for productivity including elements

such as long-term investment, a skilled workforce, research and development, transport links, digital infrastructure and innovation.

The analysis underlying the approach set out in the government's plan was that improving productivity was key to the twin goals of improving standards of living and doing so in an economical way.

Improving public sector productivity is not, of course, an entirely new ambition for government. As John Grice, Chief Economist at the Office for National Statistics, said rather presciently in 2006 before the economic crash:

> *"The key underlying issue here turns on a simple but powerful piece of political economy. In all of our societies, citizens come to expect ever increasing standards of service from government and from the public services more widely, just as they expect improving services provided by the private sector. But, at the same time, the desire for increasing taxation to pay for these services is not present to the same degree. The only way to square this circle is to ensure that whatever governments can afford to spend produces the highest possible outputs, so meeting our citizens' aspirations. In other words the efficiency or productivity of government spending has to increase over time. It is not unreasonable, of course, to expect that it should do so, just as we regard rising productivity in the rest of the economy to be the norm."*

The idea of productivity

However, while the big picture reasons are clear for wanting the UK and the UK public sector to be more productive, there are some conceptual challenges in defining public sector productivity. Productivity is seen to be the solution to improved living standards and quality of life yet, there is little agreement on what productivity actually is (Australian Productivity Commission, 2015).

> *"To some people productivity growth comes from working harder and longer (unpaid) hours, to others it is the return from investing more in capital (such as infrastructure and education investment). Productivity has also been equated to 'working smarter', but exactly what this implies is rarely defined."*

While productivity is traditionally defined as the ratio of outputs to inputs, this is far from the full story. To economists, productivity is the efficiency with which firms, organisations, industry, and the economy as a whole, convert inputs (labour, capital, and raw materials) into output. Productivity grows when output grows faster than inputs, which makes the existing inputs more productively efficient. However, this view of productivity does not reflect how much we value the outputs — it only measures how efficiently we use our resources to produce them. This traditional understanding, therefore, is based on measuring quantity not quality and is far too simplistic for modern public services (Dunleavy and Carrera 2013). To take an example from health, it is not the number of consultations or operations undertaken which is the true measure of productivity but the effect of these activities on health outcomes on expected longevity or quality of life.

Furthermore, as Henry Mintzberg has argued, a simple numbers-based approach to productivity that does look at the underlying operating model of an organisation can give a very misleading picture:

> *"You are the CEO of a manufacturing company, determined to make it the most productive one around. Here's what to do: fire everybody in the factory and ship customer orders from stock. Sales will continue while working hours go down. Ask any economist: that's productive! It's great for the company too, until, of course, it runs out of stock."*

It can be seen, therefore, that measuring productivity is highly complex. And because there is no satisfactory model for measuring outcomes in a standardised way across public services and organisations over time, national statistics have tended to capture proxies of productivity rather than productivity itself. Some experts suggest that because there is no way of isolating efficiency in the

use of resources and determining whether productivity has changed, some public sector indicators and national statistics simply record the change of input costs and assume that an equivalent change in output (Iorwerth, 2006). Furthermore, in some parts of the public sector - national agencies and central departments - it is difficult to find comparative services against which to benchmark service outcomes where delivery is effectively delivered by a unique provider.

In reality, therefore, we know very little about public sector productivity growth at a macro level. Most official estimates do not include a measure of service quality, and the availability and reliability of data is variable across different sectors.

At the root of the problem is an undeveloped understanding of productivity at an organisational level, such as across our frontline services, schools and hospitals. Too often, reform programmes have been driven centrally across government departments, without the necessary analysis of how organisations in different contexts, with different managerial approaches, compare with one another. At a local level councils can compare themselves with each other using benchmarking clubs such as APSE's performance networks.

Productivity improvement in the public sector is a very broad and complex concept. Much of the evidence points out that productivity improvement is a function of a variety factors, including top investment in physical capital, management support, innovation, motivated and skilled people at all levels (Lee 2000, ONS 2007).

As the think tank Reform has argued:

> "Despite the attention given to this subject, few levers have been identified that could improve productivity in public sector organisations. The Government's Productivity Plan, which focused almost exclusively on productivity of the whole economy, cited service redesign, organisation and workforce, and technology and data as three potential sources of increased productivity in the public sector. What should be done at an organisational level was not identified."

The research undertaken for this report was aimed at filling this gap.

Productivity at the organisational level

It is useful to think of two forms of productivity improvement. One (shown in Figure A below) where the organisation is currently operating below full potential and moves towards that ideal (called in the literature production possibility frontier (PPF)). The second (Figure B) is where through some significant managerial or technological change the ideal productivity potential (PPF) of the organisation actually grows.

Fig 2: Two forms of productivity improvement
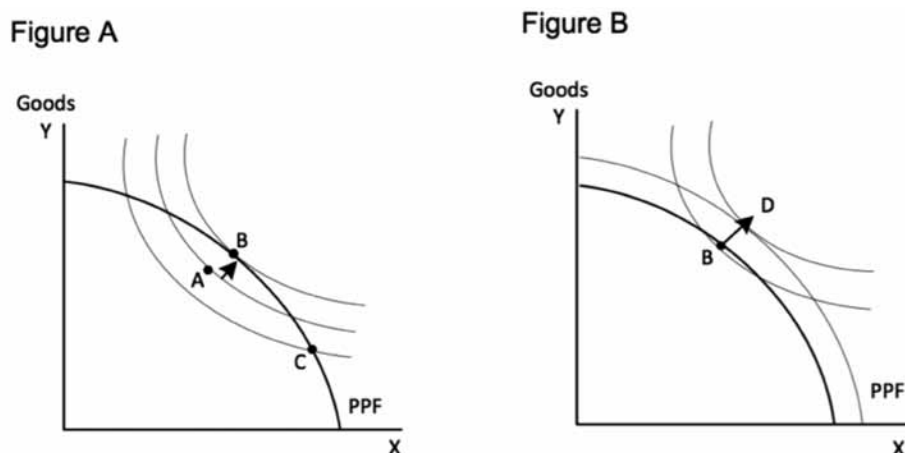
Source: Australian Productivity Commission, 2015

This means that organisations that are close to their productive potential have to rely mainly on on-going evolutionary change based on more efficiently organising ways of working to drive growth in productivity.

However, organisations that are well below their productive potential can experience rapid productivity growth as they catch-up to their potential. This is why we can sometimes see large increases in improvement and productivity in turnaround councils where they have a new leadership and/or management approach.

International evidence suggests that there are a number of key drivers of organisational-level productivity growth:

1. Leadership and management are widely seen to affect organisational performance. Job satisfaction, productivity and organisational commitment are affected by leadership behaviours and management decision making.

2. Organisational culture is conceptualised as shared beliefs and values within the organisation that helps to shape the behaviour patterns of people who work in the organisation (Kotter and Heskett, 1992). Many organisation behaviour researchers (Peters and Waterman, 1982) find strong links between culture and organisational performance. They further argue that culture may lead to higher performance if it fits with changes of environmental factors within the context.

3. The generation and application of technical insight and knowledge (innovation) are key drivers of organisational-level productivity growth. The choice of production technology and how production is organised, which are management decisions, play a crucial role in productivity performance.

4. Improvements in technical efficiency and increases in output can be achieved, at a given level of input, from more efficient use of the existing resources. This is what is sometimes referred to as 'working smarter'.

5. Technological progress and the adoption of new technologies they can expand output by more than any additional inputs that might be required. This is about an upward shift of potential productivity - a change in maximum capability afforded by technological change that enables the organisation to produce more output with fewer inputs.

6. Increasing returns to scale and reducing unit costs as the size of the organisation expands (Diewert and Fox 2008). This comes about as most technology has a minimum efficient scale and many have falling average costs as volume increases up to some limit. An increase in market size can increase utilisation rates and may also allow a firm to move to a different technology or organisation that has a lower unit cost of production (Sheng et al. 2014).

Productivity in frontline services: What do we know?

Analysis of APSE's Performance Networks provides an extremely interesting and rare opportunity to examine how similar services in multiple organisations delivered across the UK have performed over a considerable length of time. Furthermore when we overlay the Performance Network data onto official figures for revenue expenditure over the last 7 years two trends become apparent.

Table 1 below sets out the percentage change in expenditure in key frontline services across England from 2009-10. Both cash and real terms figures are given. The real terms figures have been calculated using the government's GDP deflator which is used to account for the level of general inflation in the economy. The table shows that in real terms inputs - i.e. service expenditure - have decreased by between 6% in building cleaning and 53% in refuse collection.

Table 1: Service cost input change

Service area	Performance indicator	% change since 2009-10 (cash)	% difference since 2009-10 (real terms)
Building cleaning	Cost per square metre for all areas cleaned (excluding CEC)	3.1	(6.3)
Education catering	Total cost per lunchtime meal (excluding CEC)	1.9	(7.5)
Building maintenance	Total expenditure	(0.7)	(8.7)
Sports and leisure	Net cost per household within catchment area (excluding central/corporate costs)	(7.5)	(19)
Parks	Total expenditure	0.4	(15)
Refuse collection	Total expenditure	(43.3)	(52.7)

Table 2 shows information drawn from the Performance Networks themselves. The table sets out the service area, the performance indicator - chosen as an indicator of productivity - and the percentage improvement since 2009-10. The table shows that performance (and implication productivity) has improved by 8% in building cleaning and education catering and 24% in building maintenance.

Table 2: Service output change

Service area	Performance indicator	% improvement since 2009-10
Building cleaning	Square meters cleaned per FTE employee	8.8
Education catering	Primary meals served per staff hour	7.6
Building maintenance	Average time to complete a routine repair	24
Sports and leisure	Usage per staff hour	2.3
Parks	Hectares maintained per FTE employee	17.9
Refuse collection	Lifts per collection round	2.7

These trends therefore are very suggestive of productivity improvement in frontline services at a national level. In order to dig below the surface of these numbers we undertook four deep dive case studies to explore how at an organisational level frontline services were managing to improve productivity in very challenging financial circumstances.

Case studies

Eastleigh

Context

The borough of Eastleigh is a prosperous area with high levels of economic activity, low unemployment rates and a relatively high level of Gross Value Added (GVA) (Eastleigh 2014). Partly because of its strong underlying economy, Eastleigh experienced a much shorter recession and a faster recovery than has been witnessed and projected for the national economy. Eastleigh is a traditionally high performing authority in street scene services but has made some recent changes to further improve their productivity.

Review of efficiency and service delivery

The Direct Services Unit (DSU) is the Council's organisation for directly delivering Waste and Recycling collections and StreetScene Services to residents of the Borough.

Coming into post in May 2009, the new Head of Direct Services reviewed the DSU's management and service delivery structures. The Review was focused on how the Street Scene Service should be delivered in the future to maximise efficiencies. Conducted by DSU management, the Review included consultation with staff and looked to learn from comparative experience from peers across the country.

The report of the restructuring review set out the objectives which had guided its work. The first theme was *Improved service delivery* with the following criteria:

- Better coordination of tasks leading to a more consistently clean and tidy environment
- Increased resident satisfaction
- Improvement on key performance indicators
- Better staff training, motivation and multi-skilling leading to increased staff retention
- Pride in geographical working area
- Improved ability to deal with peaks in workload

The second theme concerned *Improved efficiency* with the following criteria:

- Improved coordination of services
- Improved use of resources, staff, vehicles and plant
- More appropriate vehicles and plant used for service provision
- Reduction in fuel costs and therefore our carbon footprint
- Increased training and multi-skilling of staff
- More efficient work scheduling / work patterns

The review found that elements of the service were not working in a joined up way and that there was inadequate coordination both geographically between the operational bases and between people with different roles.

In addition, the review found that there was a marked division of roles and responsibilities between different areas and that "there is evidence to demonstrate that this in itself is leading to a reduction in service delivery standards and efficiencies. This division in tasks means that work is disjointed as it leads to different tasks being allocated to different staff, by different managers, at different times."

The review also found improvements were needed in the ways that frontline teams worked together and that the existing structure did not promote a team-working culture. It reported that staff were

often pulled in many directions and were not working to planned schedules. Furthermore, this led to overtime working being required because of the disjointed nature of the service. The lack of scheduling also led to inefficient working arrangements requiring the service to operate a high number of vehicles, which in turn led to higher running and maintenance costs and increases the council's overall carbon footprint.

The report argued that "the current arrangements are having an impact on service standards and efficiency and there is a strong case for introducing team-working which will also provide staff with a more varied role and a geographic area in which they can take pride and full responsibility."

In addition to fostering greater pride and responsibility in the workforce, the review also highlighted that there had been low levels of investment in training. The report argued that "it is important that staff feel confident and competent in their work and therefore the Council needs to invest more time and money in this – in some cases, this will lead to nationally recognised qualifications being gained."

Following the review the Unit re-established its commitment "to providing local services that meet the demands of best value, that are consistent with the Council's corporate strategy and objectives, and which deliver a real improvement in the quality of the environment."

The review reduced the number of geographical areas for operational purposes from 4 to 3 comprising two geographical teams - North and South - and one cross-cutting for cemeteries and open spaces. This led to a reduction in the number of managers from 3 to 2. Within the North and South teams, below the role of Supervisor, the service created a Team Leader structure and each Team leader is responsible for a team of StreetScene Operatives.

While the review led to lower costs, around 35% of those efficiencies were directed towards training and development.

Impact of productivity improvements

Looking back at those changes a senior service manager told us they had been fundamental to turning around perceptions and increasing confidence of the service within the council:

> "Perception of the service has increased considerably, both in terms of quality and finance but in terms of the management the actual delivery of savings or returning, if you like, a contribution to central costs … I think it's fair to say the reputation of the service has grown to such a point over the last five, six years that now the Council have got faith that the service can be delivered. It's about believing that the service can be done."

Confidence has risen to such a level that there is now within the council a strong push to reverse contracting out and to take services in-house creating greater cross-cutting capacity in the council.

One manager told us:

> "There's a real move to bring more in-house. The view of the authority is that they don't want to use contractors wherever they can avoid it, which is a bit of a turnaround from what it used to be."

Previous experience of in-house management in Eastleigh had not been especially positive. We were told that at first when a service was brought in-house

> "the people who were asked to manage the service were the people who were managing the previous contractor. They were in effect client officers and didn't have an awful lot of knowledge of how to deliver the contract, managing the staff and doing it themselves. As a result they pretty much followed what the contractor had been doing so it hadn't really got any better. It was just more of the same, only different badges and different uniforms."

The council then brought in new management with experience of delivery of the services and this was

key to the turnaround in productivity.

The new management immediately brought a different approach to organisation of the service.

One of the first things that changed was the system for dealing with calls from residents. When a member of the public called the service to report uncollected litter, or to request grass cutting the service would produce what they called a Job Ticket. As a manager explained to us,

> *"Whatever the Job Tickets were today was what they used to dish out to people tomorrow morning for them to do. There was no planning, everything was reactive, everything was responsive, so wasn't efficient in any way, shape or form."*

The management abolished the Job Ticket system which it felt at the time was "a bit brave". Telling the staff that they were not to respond to public requests in the same way anymore they sent out the message that jobs were going to be carried out according to a plan.

> *"We scheduled everything, we scheduled teams to do everything and we split people up and that was it. And then we sort of just stuck with it really and that was quite difficult."*

It was a brave move, undoubtedly one which would have been a challenge for people both internally and externally.

Frontline workers we interviewed confirmed that at first it had been unwelcome and that no-one wanted it changed,

> *"But now, over the years, I mean everybody can see that the benefits of it and everybody feels like, it's a good team."*

So the changes were not easy at first but they "steadied the ship" and won people over in the end. Key to the success was that the management team had experience in scheduling and knew how to balance supply with demand. Of course the system has continued to evolve and be refined over time.

Implementation of the new team structure has also been successful. A senior manager explained the rationale behind the restructure:

> *"We do not move people out of their areas, that's a given. There's a number of reasons for that. One is it's about familiarity of the area but also that they take a pride in their area. And there's a bit of competition goes on between the areas now, you know, it's 'our grass looks better than their grass,' 'our streets look better than theirs,' you know, all that sort of thing, but it works they actually know what they're doing people talk to residents, they become familiar with the residents, there's a local ownership."*

Another manager interviewed separately put forward a similar philosophy:

> *"I believe in the power of engendering that sense of pride and that sense of achievement and that sense of sharing, and harnessing all of that potential. I would always say the biggest thing we do, or we try to do well, is communicate with our guys and let them know what they're doing and pat them on the head, and kick them in the pants when it's appropriate as well, but we treat them like adults and they tend to behave like adults."*

And the approach seems to be popular on the frontline as well. One member of staff said:

> *"I think people getting their own little area to look after, so like that's your area, you look after it, you keep it up together, you find your hotspots, you find what needs to be done daily, weekly, monthly."*

This approach is working according to a local councillor who told us:

> *"The relationship between residents and direct services has grown and grown and grown because of the ranger service [the front-line worker responsible for the area]. What direct*

services tried to do is put one person on here regularly, so that people see him about and then they can approach him. If there's been fly-tipping or something like that, he'll take a photograph and send it off to direct services, so within twenty four hours, that's dealt with, whereas it could have been weeks beforehand."

This focus on the community was borne out by conversations with other managers and frontline workers. One challenged the idea that because the service was run in-house it may not be customer-focused:

"We don't have a client, which I think is important, as a council we don't … we have a hundred and twenty odd thousand clients out there who are pretty good at letting us know if we've failed at all, and I think what we also do is we engage a tremendous amount with those who use our services and we want their views."

Another told us:

"If we're going to grow we're going to get better and challenge ourselves. We have to know where our failings lie because one thing that we very much do is challenge internally those that provide us with our services to make sure that we're getting value for money and we measure everything; we've got metrics coming out of our ears. Basically everything we do is based on data."

There is also some evidence of mobile technology impacting on the operation of the service with frontline workers able to take photographs and share them among the team or with the operational office. This allows the service to respond in the most efficient way while respecting planned schedules.

As one frontline worker told us:

"It's all about working a bit smarter and, you know, trying to keep the costs down."

Key organisational drivers of productivity in Eastleigh:

- Managerial decision making
- Organisation of work
- Instillation of pride and responsibility
- Investment in skills

Fife

Context

Fife is the third largest region in Scotland by population being home to 364,000 people. It makes a significant contribution to the Scottish economy with an annual business turnover of £10,312m that supports around 9,000 businesses and almost 163,000 jobs. Fife is now predominately a service-based economy, although with almost 15% of jobs and 27% of its turnover in manufacturing, this is still an important sector for Fife. In the last decade, Fife has not been immune from the global financial crisis and its economic trends mirror the UK's and Scotland's. More than 4,000 jobs were lost by 2011. Output fell and unemployment increased. The average annual household income growth has fallen from 2.2% to 0.8% but has held up relatively well against similar areas of Scotland. Fife also has a higher than average proportion of maintained hectares of public space.

Colocation - Bankhead the super depot

A key part of the Council's productivity strategy has been the conversion of an old Amazon warehouse to a modern depot at Bankhead in Glenrothes. In July 2010 Bankhead was purchased as a new

corporate depot, office and operations centre. It was a spend to save initiative and was developed in two phases. The conversion of Bankhead has allowed significant depot rationalisation and has resulted in significant savings due to the increased scale of the operation and the opportunities for integration and sharing of resources. The operational services in scope of the project were Environmental Services, Building & Property Services, Catering & Cleaning Services, Facilities Management, Transportation Service, Fleet Services and Fife Resource Solutions (ALEO), along with the opportunity to provide a Central Stores Service. According to the Scottish Futures Trust,

> *"This 30,000m2 super depot sits on a 30 acre accommodating some 1600 staff from 8 council departments, 2000 vehicles, storage for Police Scotland and NHS, and a salt dome. It shows that where there is a will, vision can be translated into action."*

The design of the building was co-influenced by staff and trade unions and has reduced the depot estate by 6 major facilities across Fife as well as providing a platform for further integration by bringing all operational services together under one roof.

Integration of Parks, Streets and Open Spaces

One of the first operational successes was the integration of Parks and Grounds Maintenance and Street Cleaning functions which merged in 2013 to create an integrated service called Parks, Streets and Open Spaces (PSOS). The move to Bankhead was the catalyst and allowed the integration of 4 depots within this service to come together in one location. The drivers of the integration for PSOS were partly the need to achieve efficiencies of £3.2m, from a total of £15.5m, but also that the bringing the services together seemed "logical." Coming at the same time as the integration of Fife Parks, Streets and Open Spaces, a senior manager said to us that the conversion of Bankhead came at the right time and "allowed me to think differently" about the design of the service.

Looking back on it one senior manager reflects:

> *"Two or three years ago we were certainly separate services, we had the former parks department, grounds maintenance and we had street sweeping. It would be fair to say there's a lot of duplication of duties to be perfectly honest."*

Another manager we spoke to agreed that it was needed and that it had created better working relationships, synergies, economies of scales and breaking down barriers:

> *"There was a lot of duplication of activity and where was that dividing line between the services?"*

Previously it appeared that the two services were working together but in reality, not closely and sometimes, we were told, "it wasn't really joined up working, it was quite fragmented." Communication between the two services could also be unhelpful with neither side taking responsibility "emails would come and go, sometimes with a bit of conflict there saying I'm not doing that, that's your area of responsibility, so we've been able to get rid of all of that since the integration."

Another manager told us that

> *"I think it would be very frustrating to elected members, and to Joe Public to see two vehicles from two services going to the same park, street sweeping, emptying a bin outside a park … it made no sense. Often when you got complaints regarding litter or bins it's theirs, it's ours, elected members hadn't a clue who had the management over what bins, who's responsible for what, so a paper went up to The Executive Committee and it was agreed that both services should be merged."*

Integration has brought a range of productive benefits which have led to considerable efficiencies and greater sharing of responsibilities. Key improvements include better utilisation of and access to a wider range of machinery as well as improved pooling of experience and expertise. This more constructive

and rational approach has, we were told, resulted in "pulling the teams together and gelling the teams and utilising the wealth of knowledge that everybody's got."

Re-organising the PSOS workforce

The relocation to Bankhead allowed a holistic view of activities which operational staff were carrying out on a daily basis, how and where they were doing it and where the synergies could be achieved, it allowed more efficient working practices to be developed and thus avoiding duplication.

Of course integration on this scale was not without its challenges and required careful and purposeful management. Key to the change was a recasting of demarcation embedded in existing job profiles. Between the previous parks, grounds maintenance and street cleaning services there were 26 job profiles being used. This was reduced to 5 job profiles over 6 salary grades.

One of the principal benefits of this change was that it provided a more joined-up approach to work which would make the service 'fit for purpose'. As one manager put it, "it allowed us to get rid of all of the stuff on the periphery, somebody saying 'you want me to do that job? I want an upgrade for it.' No, no, it's encompassed into one job profile now".

Management put forward the case for change, consulting trade unions and staff to take on their views and commenced a number of managing change exercises. A vision was communicated to staff

> "look at the reality of where we are financially, we need to change, let's be forward thinking. If you're not onboard we'll give you as much help as we can, but this is the direction of travel that we need to go in to continue to deliver our services."

Figure 3: Fife Parks, Streets and Open Spaces, Integration Model
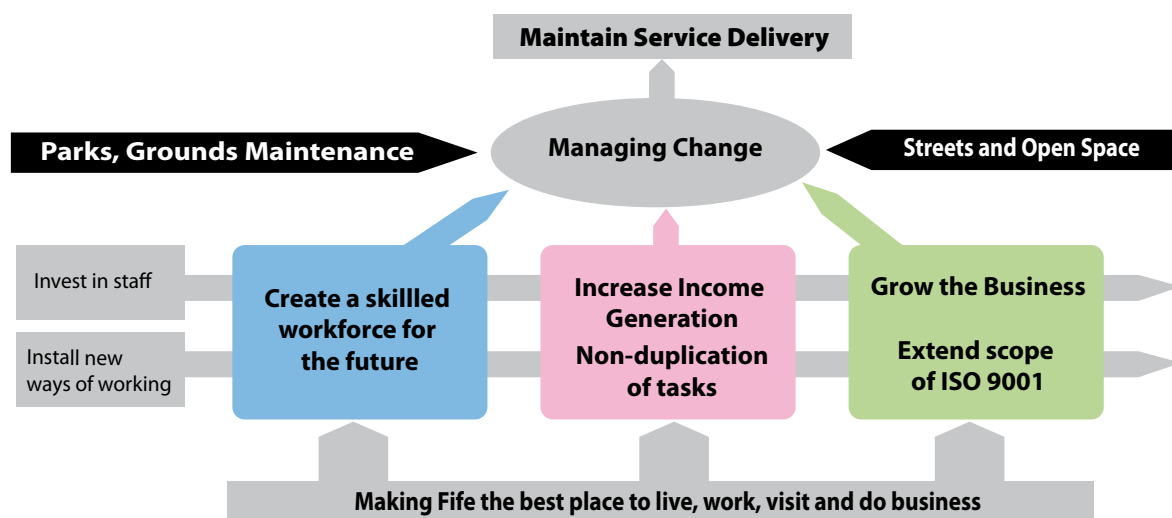
During consultations one of the issues raised by trade unions and the staff was about training and development. With 26 job profiles it had been relatively simple to move between roles. The integration allowed the creation of a training passport which contains all the elements of the higher graded post and a commitment and investment to train staff in those areas in order for them to progress between grades.

Managers we spoke to were clear about the importance of communications with the workforce when putting in place these changes. One manager explained how the approach had been organised, giving out regular information on what was planned by way of frequent news Bulletins which were agreed by trade unions and delivered to all staff through a variety of mediums. As a result, he said,

> "it stopped all the myths and people running away with misleading stories".

Another senior manager said that communications and involving people was

> *"the crucial part. If you involve them from the start and say this is where we're going, this is our journey, this is what we're trying to achieve and this is what the objectives are going to be, you'll get there."*

He added that they had worked constructively with the trades unions:

> *"These days we find that they understand the changes and the savings that are needed to be made and they're willing to work together."*

Use of scheduling and telemetry in Building Services

Building Services has also seized on the opportunity of relocating the majority of their operational activities to Bankhead and has implemented a new scheduling tool which displays productivity (in terms of jobs completed) in a very visual way to managers. Information includes showing when team members are on a job, when they're travelling and so on. The interpretation of the data needs to be sophisticated enough, as a higher number of jobs does not equate to better productivity. It depends on the kinds of jobs different operatives work on. But it also means that if people are on jobs longer than expected they can be contacted to check that there are no problems. This has brought with it health and safety benefits that has been welcomed by trade unions. At the end of the week the supervisors can see collimated performance information. According to a senior manager

> *"the real benefit for us is how clear it is, about how productive people are and people know that the unions have backed us on it right from the start".*

The scheduling system also links into the Central Stores function by an automatic ordering system. This not only benefits staff and customers, it is also more cost effective, and allows bulk and cyclical procurement with all stock being held in one location. This couldn't have been possible if services were still operating from remote depots. The opportunity to rationalize the stores at the same time as the implementation of the scheduling and telemetry tools were two successful outcomes already achieved by the relocation to Bankhead.

Next Steps and further opportunities, exploring the Super DLO concept

Now that all operational services have relocated the majority of their operational functions to Bankhead, along with their technical and managerial support staff, it now gives the authority the catalyst again to explore further opportunities to look at alternative delivery models on a much wider scale. For example located at Bankhead there are technicians, lead officers, planners, schedulers, project managers, development officers and resource staff all working for individual services.

Many of these roles have activities which could be classed as generic as they use the same corporate systems, processes and procedures and, following the example of PSOS, these functions could be combined and stream-lined to provide a service which is customer focused and will help them deliver an enhanced delivery model to the people of Fife. This approach will lessen the impact of the continued fiscal budget reductions.

The same applies to skilled and non-skilled operational staff, e.g. Trades workers, Facilities Management, Mechanics, etc. These roles will also contain generic activities which have transferrable skills which can be utilized across other services. An example being LGV driving mechanical sweepers for PSOS not required during periods of inclement weather, they can be utilized by Transportation Services to drive gritters or snow ploughs. The development of generic job profiles helps to create flexibility and job enrichment for employees, the key being that they don't work for PSOS or Transportation, they work for Fife Council with a 'One Council' vision with the customer at heart.

These would be further future deliverables which are real examples of a local authority pulling all its resource together to deliver front line services in a different way. A facility like Bankhead provides the visionary platform to achieve this, by the creation of a Super DLO.

Since writing this report all Services operating out of Bankhead have been pulled into a new combined Service (Assets, Transportation and Environment) to continue to drive integration, efficiency and good quality joined-up public services.

Key organisational drivers of productivity in Fife:
- Managerial decision making
- Organisation of work
- Scale
- Communications and participation
- Technical innovation

Swansea

Context

Swansea is the major administrative, commercial and leisure centre in South West Wales. The third largest city in Wales with a population of 231,300. The average annual rate of growth is above the Welsh average. Swansea's post-industrial economy is a mix of service (89% of employment), manufacturing and knowledge-based industries. The travel to work area includes over 270,000 people and 1.5 million people live within an hour's drive of the city centre. Gross Value Added (GVA) per capita (output per head) is £15,820, which is 23% below the UK average.

Corporate Building & Property Services

In 2011 Swansea City Council created Corporate Building & Property Services by merging building, property and asset management services. The service which undertakes maintenance and new build in the city employs 650 people of which around 400 are craft trade operatives. There are typically 35 apprentices at any one time plus a range of technical services, commissioning and back office staff.

The journey & managing change

The service had previously suffered perceptions of poor/expensive service delivery and a lack of employee engagement and poor communication. The service management saw that they needed to improve appreciation of value and external perception of the service, as well morale and motivation internally.

The journey of change had several key components including rationalisation of their service organisation, which involved the closure of a number of depots, service integration, workforce development and culture change.

The council set out on its journey with the aim to improve productivity by fundamentally changing the culture within the service through high level emphasis on staff/stakeholder and engagement with employees at all levels.

Their strategy involved a high level of engagement through the use of Focus Groups, Working Groups, Trade Union Engagement as well as other formal and informal briefing sessions there was also extensive consultation to improve other working relationships elsewhere in the council.

The management also focused on putting the right processes and systems in place. This included a

robust business planning model, backed up by high level - simple - project management methodology and service reviews based on systems thinking.

Improvements to service provision & organisational development

Together with a series of other customer initiatives the service achieved significantly increased satisfaction (to over 90%) and much higher performance against relevant performance indicators.

In particular, the service developed an integrated Housing Repairs Call Centre and Inspection service to ensure end to end delivery. This is seen to be a success and has delivered a range of measurable benefits. The service has also implemented an improved gas servicing regime enabling a significant improvement in access, increasing from under 90% to 100%. Importantly, the service has improved the working environment and has reduced sickness absence from 7% to 3.5%.

These improvement have taken place against a backdrop of a significant reduction in overall management costs, approaching £1.25m over the past six years, without the need for any compulsory redundancies. Taken together these improvements have led to significant improvement in reputation with the council's senior management and with elected members.

According to our research, the investment in the culture change, and investment in the skills of frontline workers has been central to this accomplishment and implementation of the service's Workforce Development Strategy has been key to achieving these improvements and the overall productivity increase.

Workforce Development Strategy

The aims of the Workforce Development Strategy is to recognise "the value of all employees and the part they play in delivering the service's business priorities." It is designed to ensure that "good performance is recognised and that poor performance is challenged and managed effectively."

The strategy scopes out the changing environment:

> "Our workforce needs to be equipped to operate flexibly, more efficiently and have the ability to initiate new ways of working. In assessing our workforce development needs we will take account of both internal and external influences including regional working, budget pressures, new types of work and the ability to deal with more frequent change."

And articulates a strong rationale for change as well as providing a clear way forward:

> "With the inevitable drive to reduce the number of senior managers we will look to develop all tiers so that decisions can be made as near the front line as is possible. We will encourage our line managers via the six monthly management workshops and specific ad hoc focus groups in shaping the detail of what is required, and delivering this plan."

Furthermore:

> "The strategy will also assist in targeting the embedded cultural changes through cross cutting focus on staff development and lifelong enhancement of skills base."

The strategy has a number of important elements all of which have contributed to productivity improvement:

- Recruitment and Retention
- Succession planning and Talent Management
- Learning and Development
- Management & Leadership Development
- Coaching & Mentoring

- Apprenticeships, internships and work placements/experience
- Performance Management (robust processes and focused on outcomes)
- Equality and Diversity
- Flexible working
- Staff engagement
- Efficient structures
- Culture change

Impact of apprentices

In common with a number of our case studies Swansea CPBS has a well-developed apprentice scheme. Apprentices are now a central component of the service's development strategy but initially there was a little good fortune that the scheme came into being in the first place. A manager explained to us that in 2005 the apprentice scheme was created in response to a failed recruitment drive,

> "we couldn't get anybody who wanted to come and work for the council, we were losing people, we had relatively high turnover rate, the construction industry was buoyant at the time and people were leaving for better money elsewhere".

The service had also received some negative feedback from employees about how the organisation was being run, *"people didn't feel valued or consulted."* The service found itself in a situation where they had serious recruitment and retention problems so they decided they needed to make some changes to their strategy and ways of working.

As one of the managers told us,

> "initially the apprentices were just about recruitment, not about anything else. But after a while we started to see that those apprentices who joined brought something new because first of all they were new entrances both into the industry and into the council, we had a very top heavy age profile of people who'd joined the council when they were a boy and it was all men, they were no females. All the managers had come through the council route, all the senior managers in the service had come through the council route. So there was no turnover and no hopes for promotion. … So when we started bringing in people from outside but also, you know, sixteen, seventeen, eighteen, nineteen year olds who were approaching work with a different perception. Jobs were hard to come by, apprenticeships were impossible to come by, we regularly have six, seven, eight hundred applicants for ten, twelve apprenticeships."

The apprenticeship scheme has brought wider benefits than just plugging resourcing gaps. According to the managers and frontline staff we spoke to, it has had a big impact on the culture and the team spirit of the service.

We were told that it has transformed the success of subsequent recruitment drives. The service now has a positive reputation:

> "People are saying we want to come and work for you because we know you're an organisation who develops the staff, gives career progression, gives opportunities to young people, values them coming in."

While the service now has a much higher retention rate, the apprentice scheme is also having a wider impact on the local economy with former apprentices going on to set up their own businesses or in some cases to become engineers or health and safety professionals elsewhere in the authority.

As one senior manager reflected,

> "It's brought that different dynamic in and I think the other thing that it's had is not just the effect on the apprentices but the effect on the trade operatives who have now become mentors

who were able to work with these people and this feeling of satisfaction of passing on their skills to somebody else." This was an unexpected but transformative impact of the apprentice scheme, which was never something you would have thought that would have added value to the organisation until it happens and you listen to people talking about how good it makes them feel that they can mentor somebody else coming through the organisation."

Culture change

The management in Swansea were particularly clear that while productivity required improvements to systems and process, without culture change the gains would be ephemeral and unsustainable. But culture change takes time and is highly challenging for managers to influence. In Swansea a key enabler of this change was the restructure and change of managerial leadership within the service. We were told that the previous approach had relied more on a "command and control approach" which did not support the "delegation of responsibility."

As one senior manager told us:

"What I find is that the culture needs to support the change but that culture can take two or three, four, five years to embed. With a lot of the things that we've looked at what I have found is how long and how much work it takes to change the attitudes and behaviours of people."

Yet one of the challenges is, as another told us

"if you haven't got the culture and it just won't ever work."

The solution to this paradox in Swansea has been to tailor the managerial approach to different people. One senior manager told us that he applied an analysis based on Maslow's hierarchy needs to his staff to understand what their motivations were. Some were motivated by money, some were motivated by competition or the ambition to achieve excellence, others *"just wanted to turn up and do a good job and go home to their families."*

Increasing productivity therefore is based on instilling a positive culture but underpinned by adaptive management that recognises different personalities and motivations and treats people as individuals.

Key organisational drivers of productivity in Swansea:
- Managerial decision making
- Organisation of work
- Scale
- Communications and participation
- Culture change

Wakefield

Context

The size of the resident population of Wakefield District is estimated to be in the region of 332,000, making the District the 18th largest local authority in England and Wales. As is typical nationally, the Wakefield age profile shows the effect of baby-boom years of the 1950s and 1960s and greater numbers of women in older age than men. Overall numbers are projected to keep on increasing, albeit more slowly than elsewhere in the region, with improved life expectancy resulting in a greater proportion of the population being made up of people in older age groups. When compared with many other metropolitan districts Wakefield's age profile has smaller than average proportions of people in the late teen, early 20's age bands. This reflects the absence of any sizeable university presence within

Wakefield District.

The economy of Wakefield declined in the last quarter of the 20th century as the coal mines and traditional manufacturing industries closed, contributing to high rates of unemployment. In terms of deprivation, Wakefield, as a whole, is ranked 54th out of 354 Local Authority Districts. While employment grew between 1998 and 2003 Wakefield was hit badly by the recession in 2008. Manufacturing remains an important employment sector although the decline is projected to continue whilst distribution and the service industries are now among the main employers.

Business start-ups in Wakefield are significantly lower than in most parts of Leeds City Region as well as for Great Britain and self-employment rates are low overall. Relatively few businesses are engaged in professional, scientific and technical activities. Wakefield experiences a 'low skills equilibrium' whereby workforce skills reflect an industrial structure that has typically only required modest skills levels.

Waste disposal and collection

In 2013 Wakefield signed a 25-year contract with Shanks Waste Management that is designed to "revolutionise" the way that waste is managed in the district. The contract is mainly financed though the Waste Infrastructure Credit scheme including a grant for £33 million from DEFRA.

The contract provides state-of-the-art waste recycling and treatment facilities and improved household waste recycling centres (HWRCs) across the district.

This allows the Council to fulfil the requirements of the approved Municipal Waste Management Strategy, make efficiency savings, increase recycling across the district and reduce the amount of waste sent to landfill. Furthermore, a new integrated waste facility at South Kirkby will recycle more waste and generate green energy, alongside a range of supporting infrastructure including two waste transfer stations and four Household Waste Recycling Centres. Furthermore, for processing residual waste, the South Kirkby site will combine mechanical treatment (including the extraction of recyclates), autoclave and anaerobic digestion technologies. The energy generated will be used both to power the plant and for export to the grid. The company estimated that it will generate sufficient energy to power approximately 3000 homes. The solid element from the anaerobic digestion process will be used as a nutrient-rich soil conditioner for land remediation projects.

Garden waste delivered to the facility will be processed in an enclosed air controlled composting facility.

The final compost material will be produced to an agricultural standard and a proportion will be produced to meet a national quality standard and this will be made available for use by the Wakefield district's residents.

A Materials Recycling Facility processes recyclates that have been collected from households and local businesses in the district.

In terms of service improvements the customer experience at HWRCs has improved with the construction of state of the art new facilities; opening hours have been increased to offer an improved seven day-a-week service with one HWRC open one evening a week during the summer, staffing levels have increased and new signage has been installed at the facilities to make them easier to navigate and use.

Economic investment

In addition to investment from the Council and DEFRA private finance has been provided by the UK Green Investment Bank (GIB) and a group of leading international banks; Barclays, BayernLB from Germany and Sumitomo Mitsui Banking Corporation from Japan.

The GIB has provided up to £30.4 million of senior debt to the project on commercial terms alongside

a banking syndicate of leading international banks which together are providing a total of £121.7 million.

The contract has seen approximately 250 people recruited to work on construction of the new facilities and a further 60 permanent positions created, with over 150 people employed across the project, making a significant contribution to the local economy.

Productivity improvements

The new waste treatment facilities will be completed in 2016 to recycle a minimum of 52 per cent of household waste from the district and divert at least 95 per cent of waste from landfill.

The council will continue to manage the collection of household waste and recycling and manage bulky waste collections, medical waste and trade waste services.

According to a senior manager at the authority, the project *"allows us to make a huge impact in terms of the targets we've got to achieve but it has also allowed us to make significant efficiencies."* Some of the efficiencies have come from a reduction in workforce, but significant indirect savings from fleet maintenance owing to the new rationalised collection strategy have also been realised. Alongside these improvements, the implementation of a new IT route optimisation model has played a key role. And while many other councils are increasing the number of collections,

> *"Wakefield has just been able to reduce its containers to a three bin system, making it a very easy and convenient way to collect waste with fortnightly collections and a new four day week."*

People and processes

While much of the Wakefield story is focused on investment-led development, senior managers were clear about the most important aspects of their services. As one senior manager put it:

> *"I'm not being clichéd, but people are our number one focus, , because we are reliant upon them, we will not achieve what we need to or succeed without them." The right team and good people management goes hand in hand with getting the inter-related systems and processes right. "I think the key for us is that we've always been focused on getting the business processes in place first and that's really important. The teams are clear about what they need and want to achieve and this is evidenced in service business plans. The teams use their business plans, we review our business plans together every six weeks as a management team, but we're also very keen about underpinning the principles with our people. We do lots and lots with our people, the activities are documented in our Best People Plan."*

The Best People Plan in Wakefield is one of a suite of high level strategic documents. The council has developed its Best People Plan, which sets out the approach they are taking "to make sure we get the best out of our most important asset: our employees. The Best People Plan sets out how the Council continues to invest in, develop and value its employees. It also recognises that new demands, new technologies and ways of working require the Council to continue to re-examine its skills base, and how it develops people at all levels and across all disciplines."

Senior management at Wakefield emphasize that

> *"getting the right mix of people and then making sure that we're listening to them and we get the right skills is vital. I'd like to think we're a listening organisation."*

Senior managers meet all service managers on a regular basis, from "*six thirty in the morning*" and *"try and meet every single person across all the depots and services".*

The challenges facing the services and organization are explained and put in perspective, by one manager who pointed out that

"what we're finding in modern government is we've got some extremely tough challenges and our people are having to flex and change, away from the traditional ways of doing things into a new way of working. But I have to say our teams have really risen to the challenge and in my opinion are moving as close as we can currently to a private sector way of working in terms of knowledge, experience, understanding of finances, our costs base, profit and loss, having a much more commercial approach. Reviewing systems undertaking lean system reviews, service reviews, everything that would be done in the private sector, we're essentially doing here."

Key organisational drivers of productivity in Wakefield:

- Managerial decision making
- Technical innovation
- Scale
- Organisation of work
- Culture change

Case study conclusions

The case studies show local government frontline services deeply engaged with the need to change to increase productivity in the face of the historically unprecedented spending cuts. They show imaginative and committed managers reinventing themselves and their services, overcoming shortcomings of the past. And they show the role and responsibility played by frontline workers in rising to meet that challenge.

What becomes clear from the case studies is that there is no one factor that can improve productivity on its own. As suggested by the evidence outlined in the international literature productivity is multi-factorial. At a national level macro-economic policy is important, but at an organisational level it is about how the service, the organisation responds to its environment. It is about management and the decisions they take, it is about how people are managed and the culture that is created, it is about the organisation of work, rationalising processes, improving coordination and cooperation.

Future of productivity in frontline services

The future of work is changing and there are globalised trends which continue to shape the evolution of the UK's economy. These trends will also impact on the public sector and frontline service organisations. A recent report estimated that half of today's jobs will be redundant by 2025. According to findings from consulting firm CBRE and China-based property developer Genesis, up to 50 per cent of occupations today, including process work, customer work and middle management roles, will be eliminated. One does not need to take these forecasts literally but what does seem clear is that social, economic and technology factors will impact significantly on the future of work.

Work is becoming more collaborative. In 2013, 67 per cent of employees worldwide were working in more actively collaborative ways, while 57 per cent reported an increase in their number of co- workers who work from different geographical locations. Jobs and organisations are becoming increasingly flexible in response to the shift towards a 24 hour society. 50 per cent of businesses say that flexible working (including flexible hours and offsite working) is now standard practice.

In the wider economy, ICT and technological innovation become more and more pervasive. A UK government report forecasts that the development of ICT continues to be characterised by performance increases, miniaturisation and nanotechnology. The amount of data generated by the digital economy is growing rapidly. By 2017, it is projected that the annual amount of data traversing global networks will exceed total accumulated data from 1984 to 2012.
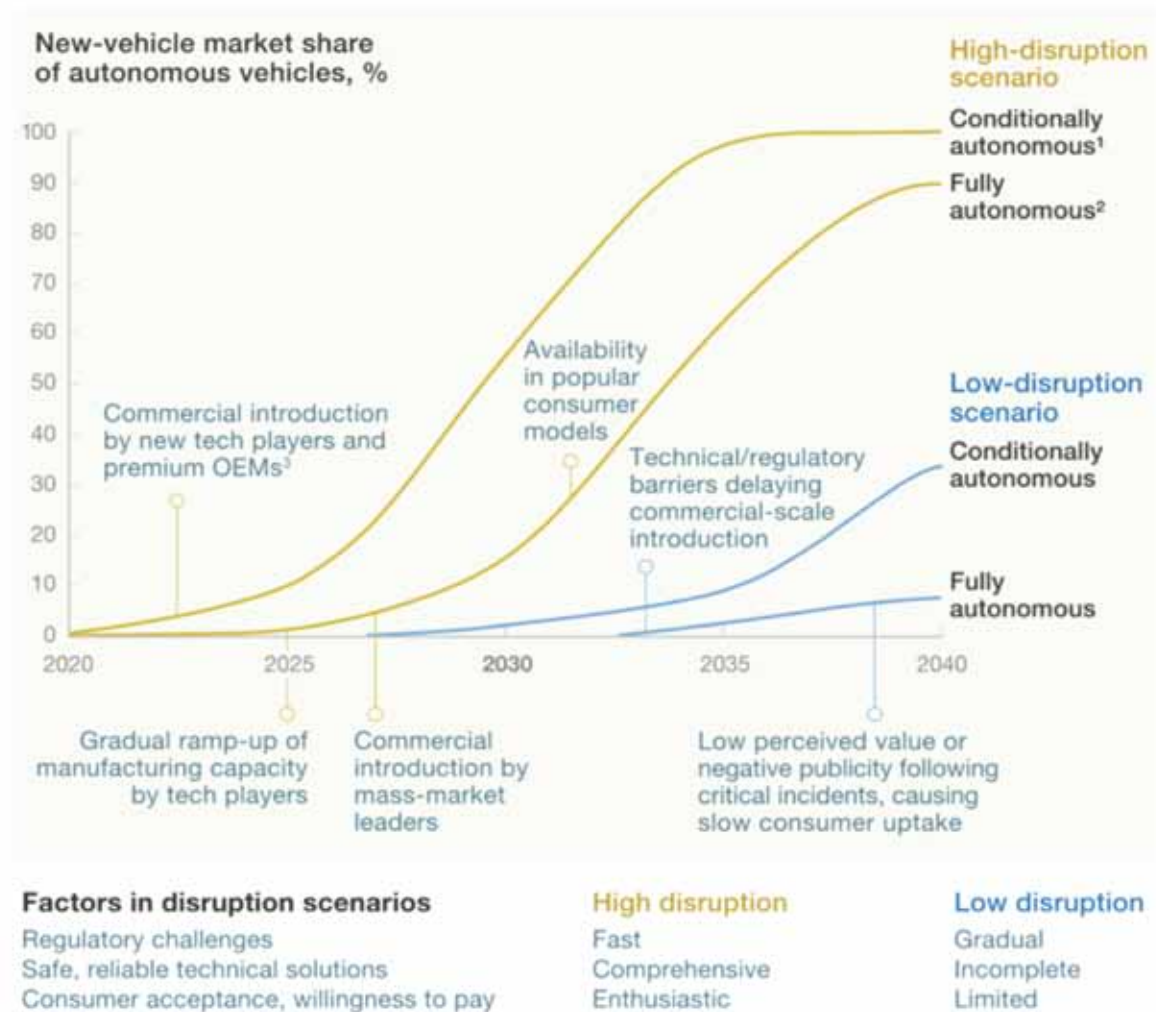
However, while in the rest of the economy productivity surged due to the introduction of smart telecommunications from 1996-2004, this impact has barely been felt in frontline local government services. This means that technology-driven productivity gains are not yet priced in and we can still expect to see this impact in the near future.

In a recent report McKinsey analyse disruptive technological trends including fully autonomous vehicles advanced driver-assistance systems (ADAS). It considered a number of scenarios showing different growth trends depending on a range of variables such as the regulatory environment. (Fig 4. opposite)

However, while the speed of adoption is far from clear. It seems likely this will impact on the environment of frontline work in the not too distant future.

Taken together with developments in artificial intelligence and the development of robotic technology capable of loading, unloading and placement of goods, then it is possible to see highly disruptive but potentially productivity enhancing impacts on the organisation of frontline work.

Fig 4: How many new cars may be fully autonimous by 2030?

New-vehicle market share of autonomous vehicles, %

High-disruption scenario
- Conditionally autonomous[1]
- Fully autonomous[2]

Low-disruption scenario
- Conditionally autonomous
- Fully autonomous

Commercial introduction by new tech players and premium OEMs[3]

Availability in popular consumer models

Technical/regulatory barriers delaying commercial-scale introduction

Gradual ramp-up of manufacturing capacity by tech players

Commercial introduction by mass-market leaders

Low perceived value or negative publicity following critical incidents, causing slow consumer uptake

Factors in disruption scenarios	High disruption	Low disruption
Regulatory challenges	Fast	Gradual
Safe, reliable technical solutions	Comprehensive	Incomplete
Consumer acceptance, willingness to pay	Enthusiastic	Limited

[1]Conditionally autonomous car: the driver may take occasional control.
[2]Fully autonomous car: the vehicle is in full control.
[3]Original-equipment manufacturers.

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Conclusion

It is clear that frontline services have been powering productivity improvements, achieving higher quality outcomes in many cases with far fewer resources. This review has sought to address the dearth of research into productivity drivers at the organisational level. It is hoped that this research will support APSE in its influencing activity at national levels but also that it may inform learning and development opportunities for APSE members.

There is no magic solution that leads to greater productivity. It requires careful and purposeful management, an openness to learning and innovation and commitment to work with staff at all level to create a positive culture. All this must be supported by high levels of technical expertise and team spirit.

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