

MANAGEMENT BOARD

Continuous Improvement Implementation—Update and Proposals for Strengthening Buy-in from the Business

Paper from the Head of Continuous Improvement

Purpose

1. The purpose of this paper, which goes to both Management Boards is to update the Boards on the progress in introducing a bicameral Continuous Improvement approach and to make proposals for strengthening buy-in from the business. Business Planning Group (BPG) in the Lords discussed the outline proposals at their December meeting and along with Business Management Group (BMG) in the Commons, will see this paper in parallel with the Boards. The Commons Finance and Services Committee is due to discuss CI on 4 February and, subject to agreement by the Boards, the proposals in this paper will be reflected in the paper for discussion by the Committee.

Action for the Board

2. The Management Boards are invited to
 - take note of the progress so far and the issues that we need to tackle (paras 4–7)
 - endorse or otherwise the proposals (at paras 8–9) for strengthening the effectiveness of the approach across the two Houses by nominating potential Advocates and Practitioners to fill gaps
 - endorse or otherwise the proposals (at paras 8–9) for formulating CI Plans at departmental level for 2015–16
 - endorse or otherwise the proposals (at para 10) to raise the profile of CI by an announcement from both Management Boards about the new CI Plans and by holding a CI Day.

Consultation and equality analysis

3. An equality impact assessment will be carried out during individual process reviews where necessary. The impact is likely to be minimal.

Background—Progress so Far

4. The Boards will recall that the alignment of financial remits for the planning round 2015/16 to 2018/19 (assuming zero growth in real terms and that day to day upward cost pressures other than inflation would be absorbed) was seen as an opportunity for the Houses' to work together and the Boards agreed, at a joint meeting, to introduce CI across Parliament beginning on 1 April 2014. The advice from the joint Board meeting was to introduce process reviews progressively, as part of business-as-usual, without significant publicity or cost, utilising existing structures. The Boards suggested that the organisation should build up experience by undertaking pilot reviews, engaging staff on the ground in the redesign of their work and harnessing their creativity to solve problems. This bottom-up approach would ensure that the business, rather than the core team reporting to the Directors of Finance, would decide which processes should be reviewed. And that the low key start, without major publicity, would avoid the perceived risk of initiative overload.
5. This is precisely the approach that has been adopted and there has been a huge push to embed the CI concept across the business. Some aspects of this approach are working well but others are now in need of reconsideration.

Working well—

- Major reviews that are already happening or in the pipeline across Parliament, such as SARP and the Reviews of Printing and Publishing are being monitored, the aim being to establish whether, and if so what, benefits may be possible from the application of a CI approach in the margins of these reviews.
- Rather than set up an oversight board, the Directors of Finance are joint sponsors and the CI team reports to them.
- The existing Business Management Group (BMG) in the Commons and Business Planning Group (BPG) in the Lords have taken on the role of steering groups and have had regular updates and opportunities to influence the process.
- Keeping in mind the remit for CI to be low key, a communications plan has been drawn up covering face to face briefings and regular features in CAPS News and Red Carpet News.
- The CI team has engaged with the financial and business planning processes in both Houses and been present at the annual rounds of challenge meetings.
- The CI Team has discussed our model (core team with practitioners out in the business) with other organisations, such as HMRC, the Environment Agency and Food Standards agency and they are broadly compatible.
- In reaction to the inherent difficulty in identifying tangible benefits from reviews, the team are introducing a new methodology and setting up a SharePoint site to make this as simple as possible.
- The CI team has engaged with PICT to explore ways in which the team can work with Business Analysts with a common purpose.

- The CI team has undertaken extensive engagement with groups ranging from senior leaders to teams (although this is patchy and there are areas where they have yet to be invited).
- A group of 20 Advocates (key senior individuals able to provide support to the team in cascading messages, identifying potential practitioners and suggesting processes for review) has been established across both Houses and PICT although there are some gaps (plotted in Annex A which provides indicative data).
- A series of one day in-house training workshops have been held to explain the concept and to give managers the tools to understand how to identify processes for improvement and how to carry out reviews. All the training has been delivered in-house at minimal cost to the organisation, utilising help from other public sector organisations. Further workshops organised for 2015 are already filling up.
- A network of Practitioners who have undertaken the basic training has been established. There are already 83 (plotted in Annex A) exceeding the original target of 50 but not covering all areas. A key part of establishing the network has been to capture hearts and minds and among participants this has been achieved, there being a very good grasp of the concept. Feedback from the Practitioners about the need for the concept and about the training has been extremely positive and there is considerable enthusiasm for its introduction.
- Practitioners are, subject to line management agreement, available to assist others in different parts of the organisation with reviews – their details are on the intranet.
- To reinforce the concept of the CI network, communication with Practitioners has been maintained when they are back in the workplace. They have been offered assistance in explaining the concept to their teams, identifying and carrying out reviews and the first quarterly CI event was held in November 2014. Another is planned for March 2015.
- In accordance with the principle that the lead must come from business areas rather than the core team, Advocates and Practitioners have been tasked identifying processes for review and coverage of those in the pipeline and completed are plotted at Annex A. A list of completed reviews is at Annex B. Although by their nature, these minor reviews may not individually produce large efficiency gains, the plan is for there to be many happening in parallel with the added benefit of involving staff across the organisation and thereby demonstrating what CI can do.

In need of reconsideration (explored in more detail in para 6)—

- Practitioners are concentrated in some parts of the organisation and absent in others—we have so far avoided the concept of quotas from different departments but take up in some areas clearly needs to be driven by senior management.
- Reviews identified and carried out by Advocates and Practitioners are insufficient in number and therefore not producing and tracking sufficient tangible benefits to make a significant difference. In some places there has been no review activity at all.

Issues we need to tackle

6. The concept of a network of trained Practitioners across an organisation, carrying out reviews supported by a small core team is a common one. This disseminates skills and knowledge about CI to a wide range of people spread across the organisation, provides business areas with the capability to review processes and demonstrates success. Training and encouragement from the core team provides necessary support. But this model relies on two things happening—
 - First, on a good spread of Individuals volunteering or business areas nominating representatives to become Practitioners in the first place. This has worked well in some areas, for example in Commons Facilities Finance, where the Advocate has undertaken the training, nominated all his managers to become Practitioners and this has resulted in a number of reviews in prospect. But in general, coverage of Practitioners remains concentrated in a few areas (Annex A).
 - Secondly and most importantly, once the Practitioners are trained, the core team encourages and supports them in going back to their departments and identifying potential improvements. But support from their line management is patchy and this is reflected in the coverage of reviews at Annex A. Although Practitioners are mostly at ‘manager’ or ‘team leader’ level and above, in practice they are not always comfortable or confident in suggesting and pushing through changes without strong support and encouragement from their senior management. Some have encountered line managers who remain unaware of CI and question the Practitioners’ authority to suggest areas for change. So while we are providing the tools for reviews to take place (and there is significant activity in a small number of places), take up across the Houses is insufficient to produce the level of benefits required in order to make a significant difference.
7. Enthusiasm and innovation at Practitioner level, while imperative in embedding the CI concept, is not proving to be enough on its own to deliver noticeable change without stronger support from above. Unless we can reinforce the concept of CI higher up the organisation, we will struggle to make tangible benefits from the approach.

Strengthening the CI Approach with Departmental CI Review Plans

8. We need to decide whether, as a way of ensuring better coverage across the organisation and demonstrating top level support, it would be desirable to introduce annual review plans directly endorsed by departmental management. One way of doing so would be for departments in (either or) both Houses to take the lead, utilising their existing Advocates and Practitioners where possible—and supplementing their number where necessary—to suggest significant processes for review in each of their directorates or offices (perhaps as shown in Annex A or in a configuration that works best for departments) in the next financial year (2015–16). Candidates for review would need to be those with a reasonable chance of success and a rough estimation of the expected benefits would need to be in mind from the start. The kinds of benefits

that might be realised are shown at Annex C. If it was decided to follow this route and have a plan in place for 1 April 2015, Departments would have approx two months to formulate their plans and the kind of information they would need to provide is at Annex D. Departments may choose to do this as part of the process of finalising their business plans—either way, support would be provided by the CI team. An outline of what this would mean in practice is at Annex E. Benefits are plotted as they are realised so during the course of 2015–16 it would be clear to see where the reviews were succeeding and where not.

9. Departmental plans could, if the respective Boards disagreed, be introduced in one House but not the other. Departments could suggest processes either entirely within their area or those crossing boundaries (which the Joint Board was keen that CI should cover). In the case of the latter, help would be available from the CI team in undertaking ensuing process reviews. It is envisaged that the present bottom-up approach, whereby Practitioners are trained and encouraged to come up with innovative ideas back in their teams, would continue alongside the departmental action plans. They are not incompatible with each other and bridge the gap between the major Parliamentary reviews and the minor local reviews. All are important and the message remains that Parliament will continuously review its processes at all levels.

Proposals for Raising the Profile

10. The low key start with no announcement about CI from Management Boards has been a significant obstacle which the CI team have only been partially successful in overcoming. While the quiet start has avoided staff complaints of initiative overload, parts of the organisation remain unaware of CI and this has undoubtedly been a factor in the difficulty in galvanising support among those who the team has been unable to reach by word of mouth and newsletter. One option would be for the Management Boards to announce the new CI review plans early in the new financial year in April/May setting out some of the more important changes that are expected in 2015–16. Another suggestion for increasing the profile of the approach would be to hold a bicameral CI Day in 2015 to publicise it and celebrate the successes so far.

Financial and Procurement Implications

11. While not a substitute for a savings programme, in assisting the organisation to understand ways in which it can become more effective and efficient, the CI approach is expected to exert a downward pressure on expenditure to help to offset the financial bids which currently exceed available funds in the Commons. No procurement implications are envisaged at this stage.

Risk management

12. The CI approach is available to Departments of the House as a tool to assist them in mitigating the risk of exceeding available funding and in mitigating other risks. A risk based approach has been adopted by the CI team in setting up governance.

Bicameral implications

13. Continuous Improvement is being introduced bicamerally.

Conclusion

14. The introduction of CI has been broadly welcomed and we have come a long way in the first nine months in equipping the organisation with the tools to review its processes but the low key and bottom up approach needs to be reconsidered. Without a shot in the arm from senior management showing clear support and tangible direction, delivery of benefits is likely to be extremely limited.

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January 2015

See separate document

House of Commons CI Reviews Completed

DCCS

Committee Office

- Web and Publications Unit – a review to streamline the production of news stories for the Parliamentary website.

Scrutiny Unit

- Organisation of the scrutiny Unit – a review analysing alternative.

Serjeant at arms

- Rostering of doorkeepers – a review looking at the production of weekly rosters for doorkeeper staff.

Facilities

Accommodation and logistics

- Central Lobby Staffing – cooperation between Facilities staff and Doorkeepers.

Parliamentary Estates Directorate

- Maintenance & projects management structure review.

Office of the Chief Executive

- Emergency Air wave radios.

House of Lords CI Reviews Completed

Finance

- House of Lords Finance Function

CI Review Benefits – Examples

- Reduction in End to End Processing Time [Total hours saved/per month]
- Actual Cost Savings (inc potential reductions in posts) [£]
- Cost Avoidance [£]
- Reduction in Errors [%]
- Improved Compliance [%]
- Reduction in Complaints [%]
- Increase in Customer Satisfaction Scores [%]
- Other (e.g. Paper/printing reductions, lower equipment requirements, space requirement reductions)

CI Review Plan

Department:

Directorate & Section	Process to be Reviewed	Reason for Review?	Expected Benefits	Expected Start Date	Lead Contact