

## MANAGEMENT BOARD

### Continuous Improvement Implementation – Update

*Paper from the Head of Continuous Improvement*

#### **Purpose**

1. An update on the implementation of Continuous improvement (CI) is required by the Lords Audit Committee (for the 13 October meeting) and the Commons F&S Committee (22 October). As far as possible – and in the spirit of bicameral working – it is proposed to provide the same information to them both and attached is a generic draft which is intended to satisfy their requirements as well as serving as an update for both Management Boards.

#### **Action for the Board**

2. The Management Boards are invited to take note of the paper. The Business Planning group (BPG) in the Lords and the Business Management Group (BMG) in the Commons have seen and had an opportunity to comment on the draft paper.

#### **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**

4. Six months in, we have been concentrating efforts on setting up CI, bringing people on side, identifying practitioners and training them. So it's a little too early to be quoting results although, as an example of what we aim to achieve, the paper summarises the outcomes from the minor process review that has been completed in the Lords Finance office.

### **Financial and Procurement Implications**

5. 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**

6. 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.

### **House of Lords implications**

7. Continuous Improvement is being introduced bicamerally.

### **Martin Trott**

Head of Continuous Improvement across Parliament

September 2014

**DRAFT**  
**Continuous Improvement**

*A paper by the Head of Continuous Improvement in Parliament*

**Purpose**

1. This paper updates the Committee on the progress in introducing a Continuous Improvement (CI) approach across both Houses of Parliament.

**Action for the Committee**

2. The Committee is asked to take note.

**Background**

3. The House of Commons financial remit for the planning round 2015/16 to 2018/19 assumes zero growth in real terms and that the House will absorb day to day upward cost pressures other than inflation. In agreeing the Remit the House of Commons Commission noted that there should be an on-going challenge to deliver efficiencies through a process of CI. The Commission suggested that the Finance and Services Committee should continue to look for opportunities to make further efficiencies and ensure value for money in the delivery of services. The House of Lords has a similar remit (though with a different baseline) and a commitment to seek continuously to improve value for money and identify inefficiencies and waste.
4. The alignment of the two Houses' financial plans provides an opportunity for a bicameral approach. Accordingly, the Management Boards of both Houses agreed to work together to embed CI across parliament and the concept was introduced on 1 April 2014.
5. The approach being adopted is along the lines of that being pursued across the public sector and led by the Cabinet Office. This takes the form of process reviews, engaging staff on the ground by involving them in a continuous redesign of

their work, harnessing their creativity to solve problems. The Management Boards agreed that CI should be embedded in business-as-usual and introduced progressively, without significant cost, so that experience could be built up with the benefit of lessons learned during pilot reviews. This would allow decisions about the approach to emerge organically and the introduction of CI is proceeding accordingly.

### Activity across Parliament

6. A new three person bicameral team has been established, reporting to the Finance Directors of both Houses. The team set out on 1 April to -

- **Monitor major reviews** that are already happening or in the pipeline across Parliament, such as SARP, the Reviews of Printing and Publishing, DCCS/DIS co-location, the new Digital Service, Audio/Video programme, the Parliamentary Archives Accommodation Programme, Lords Catering and Lords People Business Plan, 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 major reviews.
- **Build a network of CI advocates** across Parliament. These individuals, who occupy key senior posts, are in a good position to be able to provide support to the team in cascading messages and in identifying and suggesting processes which the team can help the business to review. So far 17 individuals are signed up across both Houses and PICT.
- **Build a network of in-house practitioners** at middle-manager level providing training in how to conduct minor process reviews so that we have the skills in place to be able to deliver CI. The minor process reviews that they will conduct may not individually produce large efficiency gains but 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. The training has been delivered free of charge from other public sector organisations who have expertise in this area and so far 15 individuals from across both Houses and PICT have undertaken the training. Further training workshops for middle managers are planned for autumn 2014 and again these are being delivered in-house at minimal cost. By the end of October the target is for 50 individuals to have been trained.
- **The team to become accredited as Lean Practitioners.** Training over the next 12 months is being provided free of charge by the HM Revenue and Customs Lean Academy. The target is for the team to be accredited by the end of 2015.
- **Identify pilot reviews and assist the business to carry them out.** Following the test pilot review carried out in the House of Lords Finance Department (see para 8 below) earlier this year, further proposals have been forthcoming from

departments of both Houses. A selection process has been established and those of a manageable size with a likelihood of success are being piloted first. Details of the first tranche are in Annex A.

### **Embedding CI across Parliament by demonstrating benefits**

7. The team has found good support across the organisation for the concept of CI, acknowledging that they are working with departments that are at different stages of development in terms of their familiarity with CI review tools/techniques and the extent to which a CI culture is already present. The Commons Department of Facilities is one example of an area of the business that is some way along that journey already. The CI team aims to work in a way which is complementary to established good CI practice across Parliament. Experience of other public sector organisations who have introduced it show that embedding CI is likely to be a long process.
8. Given that the strategy for the introduction of CI was to do so by building progressively and learning lessons along the way, the pilot reviews now under way will be key to demonstrating the benefits of this approach. One preliminary pilot, carried out in the Lords Finance on a single day in advance of the launch of CI, has so far been completed. This high level review of the invoice payment process produced ten recommendations, the outcome of each being as follows -
  - three of the recommendations are to be considered as part of other reviews eg ICT upgrades
  - the discontinuation of the practice of issuing cheques was deemed impractical at the present time but another potential avenue of saving was highlighted
  - the progressive move to using email rather than the postal service will make small savings
  - changes to printing practices will save a small amount of paper and storage space
  - moving the sign-off for new suppliers down to the Deputy Head of Finance has placed it at a more appropriate level
  - staffing changes, on a trial basis, are resulting in savings of at least £10,000 in this financial year
  - the opportunity which has arisen with the introduction of the new Late Night Taxi contract to simplify the re-charging process is being pursued. This might result in savings of some £540 annually
  - streamlining the process for identifying the level of bank funds required has resulted in a small saving which might be in the region of £400 annually.

## **PICT**

9. Solutions to process issues are often likely to be ICT based. PICT understands this and sees CI as an opportunity to collaborate with departments of both Houses as they seek efficiencies. PICT has adopted continual service improvement disciplines supported by a culture of performance reporting, reporting on key performance indicators and external benchmarking.

### **Aligning the identification of benefits with budgets**

10. The spread of CI Reviews taking place across departments of both Houses is being tracked and monitored to ensure good coverage. CI will play a key role in exerting downward pressure on expenditure and as part of the regular planning round, Departments of both Houses are being asked to identify areas they think are suited to CI and this is subject to challenge. They are being offered assistance from the core team in realising efficiencies and a process for monitoring progress is being set up. In addition, the lack of CI review activity within a particular business area will be pursued via the appropriate CI Advocate. This is becoming all the more important in the Commons as a number of financial pressures, both in-year and in future years, are emerging. As CI review activity becomes more established and widespread, it is expected that there will be opportunities to review corporate arrangements and processes which would deliver improvements and benefits on a Parliament-wide basis.

### **Next Steps**

11. Training of the in-house practitioners is continuing through the autumn, further candidates for pilot review will be identified and assistance will be given in carrying them out.

**Martin Trott**  
**Head of CI in Parliament**  
**September 2014**

**Continuous Improvement: Pilot Reviews****Annex A**

<b>REVIEW</b>	<b>DESCRIPTION</b>	<b>SITUATION</b>
<b>CI Pilot Reviews – First Tranche</b>		
<b>Bi-cameral</b>		
Centralised Bi-cameral Contacts Directory	A review of the various staff telephone and email directories and the ways in which they are updated, the aim being to simplify the process of updating them and provide more consistent and reliable data.	Preliminary data gathering
Set Up Process for New Employees of the House of Commons Service	A review to improve the effectiveness and efficiency of the IT set up arrangements for new joiners to the House of Commons Service.	Review commenced July 2014
Review of Approach to Identifying IT Problems	PICT are Proactively looking for regular, frequent or widespread problems with IT systems that cause interruptions for end users, calls to PICT and ultimately only temporary fixes. This work is an extension of 'Reactive Problem Management' which is already in operation in PICT and it will improve efficiency and productivity for both end users and PICT staff by resolving the root cause of multiple service interruptions.	New service management system and processes implemented, reporting to assist process to be developed
Review of the Arrangements to Provide Service Support to End Users	PICT are setting up arrangements to enable self-help provision to end users, together with the ability to log and monitor calls on-line in order to improve efficiency and productivity for both end users and PICT staff.	Service live for 1 <sup>st</sup> Sept 2014 for on-Estate users only. Iterative improvements including access for non-Estate users at planning stage

<b>REVIEW</b>	<b>DESCRIPTION</b>	<b>SITUATION</b>
Core Service Reviews	PICT are introducing a new discipline that will formalise its approach to the creation of Service Improvement Plans through 'Core Service Reviews'. These reviews will look at all stages of service lifecycle, will establish the level of maturity and will manage improvement. The first service to be reviewed using this approach will be Hardware Provisioning.	Planning stage
Review of Process for Delivery of IT Applications	PICT are introducing a new, light process in PICT to enable the rapid delivery of 'Apps'.	Process now live and applications are available. Examples at: <a href="http://www.digiminster.com/">http://www.digiminster.com/</a>
Review of Contract and Supplier Management Capability	A review of contract and supplier management capability will be undertaken within PICT in order to drive improvements both during and post project delivery.	Initiative in progress
<b>House of Commons</b>		
DCCS Web & Publication Unit Websites	A review of current processes for maintaining and updating the websites overseen by the Web & Publication Unit.	Report stage
Employee Change Process	A review of how employee changes are loaded on to the system within HR and by whom, how they are checked and, in some cases, double checked, how the tasks are allocated, who signs them off and how they are communicated to payroll.	Review commenced July 2014
Inter-Bank Cash Transfer System	A review of the system of banking cash from catering outlets and the transferring of cash from one bank account to another.	Scheduled for October 2014
Administrative & IT Processes within the Staff Payroll Team	Staff within the Payroll Team have identified a number of administrative processes that have potential for streamlining.	Preliminary data gathering



<b>REVIEW</b>	<b>DESCRIPTION</b>	<b>SITUATION</b>
Booking System for Refreshments for Official Business Functions in the Commons	A review to consider opportunities for improving the efficiency of the booking system for refreshments for official business.	Preliminary data gathering
Organisation of the Scrutiny Unit	A review of the current organisation of the Scrutiny Unit to map what it does and help the unit to decide whether it is necessary to clarify its role and the service it provides.	Report stage
Maintenance and Projects Management Structure	A preliminary review of the organisation of the Parliamentary Estates Directorate looking at other models to consider whether the various interfaces between functions can be improved and what further reviews may be desirable,	Preliminary Review in August 2014, consideration being given to further reviews
Rostering of Doorkeepers	A review of the rostering of doorkeepers to provide optimum efficiency	Scheduled for October 2014
Filming income processes	A review of the level of charges and the process for capturing income	Preliminary data gathering
<b>House of Lords</b>		
Finance Department bill payment process	A review of the bill payment process resulting in a number of minor recommendations. Benefits include a small (trial) staff reduction, minor savings in printing (paper and time) and some small simplification of processes eg approvals. Detail in para 8 of covering paper	Completed – follow up review completed July 2014
Catering & Retail Service Ordering Process	A possible review of processes within Lords CRS. A key aim being to ensure Chefs spend as much of their time at the stove as possible, with less time needed for undertaking administrative tasks.	Awaiting instruction from business area.

<b>REVIEW</b>	<b>DESCRIPTION</b>	<b>SITUATION</b>
<b>CI Pilot Reviews – potential</b>		
<b>Bi-cameral</b>		
Potential for Various CI Reviews within Parliamentary Archives	Following a Parliamentary archives team workshop, a more detailed look at the emerging ideas.	Potential autumn 2014
<b>House of Commons</b>		
DCCS/DIS Co-location	Following the co-location of Commons DCCS and DIS teams, a review to look at potential efficiency improvements emerging from the new arrangements	Potential 2015
Management of Portering services	Following the introduction of the new portering contract	Potential
Allocation and recording of maintenance items	Following the introduction of hand-held devices	Potential
DIS Structural change follow up	Following a series of structural changes and to assure	Potential