



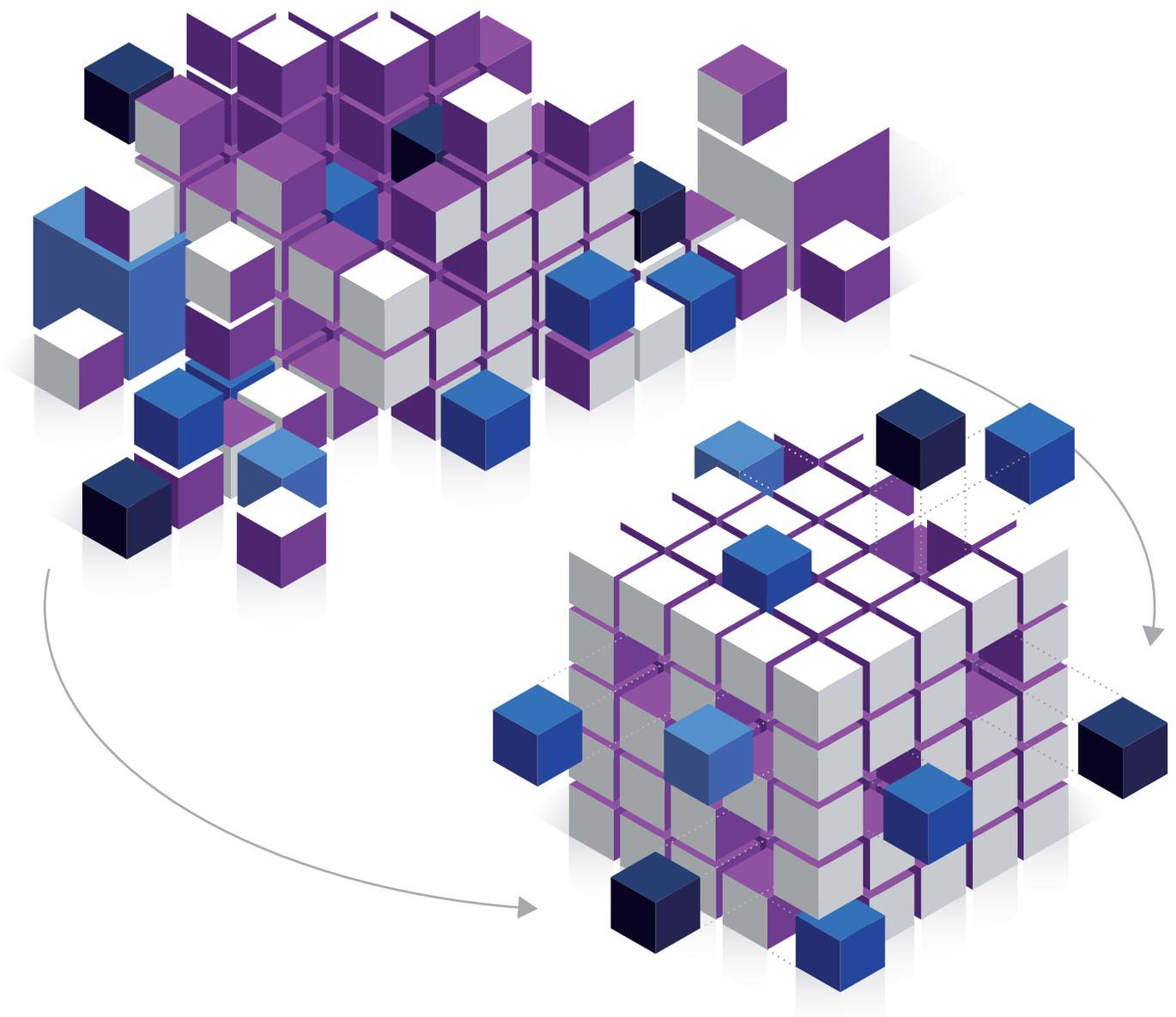
Cabinet Office



PUBLIC CHAIRS'  
FORUM

# EFFICIENCY BY DESIGN

STORIES OF BEST PRACTICE IN PUBLIC BODIES



## Acknowledgements

We would like to extend a special thank you to members of the Public Chairs' Forum (PCF) and the Association of Chief Executives (ACE), who have contributed the case studies for this report and our website (a full list of which can be found at the end of this report); and to the Institute for Government, who have provided invaluable oversight and scrutiny over the course of this work. A special thanks is also extended to Amy Noonan and Lorna Sutton from the Public Chairs' Forum and to the Cabinet Office Public Bodies Reform team who have helped to put this report together.

## Foreword

### **Chris Banks CBE, Chair of the Public Chairs' Forum**

The Public Chairs' Forum (PCF) is pleased to have worked with Cabinet Office on this report designed to showcase examples of best practice efficiency in public bodies.

Since the reform of public bodies was announced by the Coalition Government in October 2010, leaders of public bodies have been determined to respond positively to the Government's challenge to deliver better public services at lower cost.

Whilst there has been much visibility surrounding the savings made as a result of the reforms, less focus has been given to how these savings have been achieved while keeping to a minimum any negative impact on the delivery of public services and seeking to achieve improvements wherever possible.

This publication seeks to shine light on the creative and imaginative ways in which people working in public bodies have improved the efficiency of their organisations' operations.

By sharing different examples of best practice, we hope to offer real and practical help to others who are looking at ways further to improve the efficiency of their organisations. This is going to continue to be really important over the next few years as requirements to reduce cost and improve services will continue.

If you would like to follow up on any of the contents of the report, please do not hesitate to get in touch with the contributors using the contact details provided at the end of each case study. You can also visit the special page on the [PCF's website](#) for extended versions of the case studies as well as other examples of efficiency that do not feature in the report.

## Foreword

### **Nick Hurd MP, Minister for Civil Society**

Since 2010, we have been carrying out the biggest reform of public bodies for a generation. We are now over half-way through our programme, making the landscape smaller, more efficient, less costly, and offering better value for money to the public. We have released organisations to deliver public services in the most efficient and effective way possible and restored accountability to ministers and other elected representatives for those public services and functions.

Public bodies carry out essential work on behalf of the Government and communities, and we commend them for their commitment to achieving the efficiencies that are essential for success.

The practical examples described in this publication show how it is possible to make significant efficiencies without compromising public service. For example, you will read about re-engineering old processes, re-configuring estates, working in new partnerships and employing innovative digital solutions.

I am very pleased to endorse the excellent work of the Public Chairs' Forum and I am encouraged by the achievements of its members and of the other organisations who have contributed to this publication.

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## Introduction

*“ Public bodies will help us to achieve £2.6 billion of cumulative administrative savings across government and divert public funds to essential frontline services. ”*

**Rt Hon Francis Maude MP**, Minister for Cabinet Office, *March 2011*<sup>1</sup>

The introduction of the Public Bodies Reform Programme in October 2010 has led to widespread reform across the public bodies' landscape, with many organisations experiencing periods of transition. Over 200 have been, or are soon to be abolished; 170 are in the process of being merged; and others are being significantly restructured or moved back into Government departments. For further information about the programme, please [click here](#).

These changes are expected to produce administrative cost reductions of up to £2.6 billion by 2015 and further improve efficiency by reducing waste and cutting out duplication.

Struck by the amount of good work happening to improve efficiency in public bodies, the Public Chairs' Forum (PCF) saw the opportunity to explore these initiatives in more detail and to share examples of best practice with other public bodies. Working in collaboration with the Cabinet Office and with the input of the Association of Chief Executives (ACE), PCF members were encouraged to write up what they had been doing to improve efficiency in their organisations using a set framework of questions.

We were overwhelmed by the response and there were many excellent examples of public bodies saving time and money while maintaining or improving their services. The case studies were selected by a panel of directors at the Institute for

Government on the basis of the light they shone on potential ways to improve efficiency within public bodies; these examples have not been independently validated. The case studies that feature in this publication showcase how different types of public bodies have responded to the challenges that they and many others have faced. They provide useful solutions to common problems and offer practical advice for implementation.

From the case studies received, five main themes emerged: working differently, working in partnership, improving procurement, finding ways to work flexibly and going digital by default. The case studies are arranged around these themes and each chapter is designed to provide a useful starting point by outlining the main challenges surrounding these issues as well as the steps public bodies have taken to overcome them. Often these solutions complement each other and tackle a broad range of challenges. Each chapter also features a number of top tips for improving efficiency; a summary of these tips is included in a quick reference guide at the end of the report.

If you would like further information on any of the case studies in this publication, extended versions can be found on the [PCF website](#) and contact details are provided at the end of each example in the report. There are also many more really useful case studies on the [PCF website](#) and we welcome any further examples that public bodies would like to submit.

As the public bodies' landscape is transformed and there continues to be downward pressure on budgets across the public sector, this guide is designed to provide practical advice for overcoming challenges and improving the efficiency and effectiveness of public services.

<sup>1</sup> Rt Hon Francis Maude MP, Minister for Cabinet Office, March 2011.  
<https://www.gov.uk/government/news/government-to-spend-billions-less-through-quangos>

## Working Differently

*“ Innovation within service delivery is vital and government must be sure that it encourages staff to contribute, listens to the people who use its services and measures what it is getting for the investment made. ”*

**Tim Burr**, former head of the National Audit Office, March 2009<sup>2</sup>

In order to increase efficiency, many public bodies are entirely rethinking how they operate. Process re-engineering involves examining the way organisations work and focusing on how service provision can be improved while operational costs are reduced. Streamlining work processes in this way can significantly improve the efficiency and effectiveness of public bodies.

At a time when public bodies' budgets are shrinking, such an approach is especially important. Attempting to operate in the same way with reduced funds can have a negative impact on organisations' work. Through concentrating on the analysis and design of workflows and processes, process re-engineering can help to avoid this.

Companies House, which handles the legal registration of limited companies and provides details of them to the public, is one of several bodies using 'Lean' methodology. 'Lean' focuses on maximising customer value while minimising waste. It means more value for customers with fewer resources, using 'Lean' principles to rethink processes. This encourages organisations to have a clear focus on performance, efficiency, quality and the customer. In the case of Companies House, it enabled one processing team to reduce a process from 47 steps to 25 and halved customer turnaround time from two days to one.

Other organisations, such as the Driving Standards Agency (DSA), have adopted 'Agile' methodology which helps teams respond to unpredictability through incremental, iterative work processes as an alternative to traditional sequential development. Using this technique, the DSA was able to deliver a project which encouraged users to use online services with a small team and limited resources. Since its launch last October, online take up has increased from 74% in 2009-10 to 95% at the end of 2013. A customer survey also showed 88% of respondents are satisfied with the overall experience of using the new service.

The majority of case studies in this publication show forms of process re-engineering. The sections on digital and partnership working demonstrate successful elements of it in action. Ofsted and HM Revenue and Customs are excellent examples of where process re-engineering has significantly impacted the functioning of an entire public body.

### Top tips

- Invest in your leaders – they are critical to enabling sustainable improvements.
- Engage with your staff and help them understand why change is happening.
- Understand your baseline and have a clearly established, agreed methodology for calculating and recording benefits.
- Start every activity with the customer perspective and the potential benefit understood.
- Don't be a slave to the process – be flexible and adaptable.

<sup>2</sup>Tim Burr, former head of the National Audit Office, March 2009. <https://www.nao.org.uk/report/innovation-across-central-government/>

## Case Study: HM Revenue and Customs

HM Revenue and Customs (HMRC) is the UK's tax authority. It is responsible for making sure that the money is available to fund the UK's public services and for helping families and individuals with targeted financial support.

### Initiative

HMRC uses PaceSetter, its approach to continuous improvement based on the 'Lean' approach to focus on process efficiency, evidence based problem solving and performance management in order to improve the experience for its customers. A Profession of 300 accredited 'Lean' practitioners work across HMRC using their expertise to build capability in teams and support process improvement activity.

The PaceSetter principles are:

- Leaders drive business improvements:
  - › Measuring what matters and using this information to make decisions.
  - › Inspiring and engaging their people.
  - › Behaving as role models, discussing performance constructively and making individuals feel valued.
- People solve problems:
  - › Making sure people are in the right place at the right level.
  - › Understanding what their customers need.
  - › Finding the root causes of problems and solving them.
- Teams improve processes:
  - › HMRC constantly monitors their processes to understand the impact each step is having on the customer.
  - › Teams look at how to make their way of working quicker, simpler and error-free.

Most recently HMRC has aimed to ensure that everyone is working using visual management and problem solving, that leaders are using data to drive business improvement and that performance is measured against key performance indicators (KPIs).

### Results

- Increased efficiency in HMRC VAT Registration Teams through use of PaceSetter, resulting in year on year capacity increases of 6%. Sampling and process analysis resulted in a reduction in disputed overpayment intake by 42% from summer 2012 to summer 2013, and in the number of tax credit overpayment forms issued which has reduced by 66% from summer 2012 to summer 2013.
- The personal tax business area plans to reduce permanent staff by at least 8,500 full-time equivalents (a third) over the four years 2010-11 to 2014-15 enabling it to make savings of at least £209m.



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## Case Study: Ofsted

Ofsted is the Office for Standards in Education, Children's Services and Skills. It inspects and regulates services which care for children and young people, and those providing education and skills for learners of all ages. Ofsted's budget for 2012-13 was £172.5m.

### Challenge

Ofsted's budget is reducing over five years from £193m in 2010-11, to £142m in 2014-15. –11, to £142m in 2014–15. In order to protect its front-line inspection and regulatory work it aimed to reduce the cost of its support services by 40% whilst re-organising its inspection workforce into a new regional structure.

### Action

- Completion of a number of comprehensive 'manager led' process and resources reviews across all support services.
- Removed layers of management and introduced a new scheme of delegation empowering staff to act at the appropriate level.
- Increased focus on staff attendance with targeted early intervention.

### Results

- Streamlined processes throughout its corporate areas along with a leaner structure and a reduction in around 240 support posts. Planned savings by 2014/15 are in excess of £30m.
- Increased focus on staff attendance with targeted early intervention, resulting in a reduction of working days lost from 8 to 6.5 p.a.
- Inspection and regulatory targets continued to be met, with more than nine out of ten inspected providers reporting they were satisfied with their inspection during a period of considerable organisational restructuring.



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Please see the PCF website for further details on these case studies and for the following examples of process re-engineering:

Companies House

Consumer Council for Water

Criminal Cases Review Commission

Driving Standards Agency

Environment Agency

Food and Environment Research Agency

Forensic Science in Northern Ireland

Independent Review Service

Intellectual Property Office

Local Government Boundary Commission

Natural England

Parole Board

## Partnership Working

Partnership working is an increasingly significant part of public bodies' operations. Public bodies are working with each other, the third sector and the private sector to deliver more effective outcomes than they could independently. Partnership working remains a priority for the Coalition Government as it can be an effective way to improve efficiency.

Implementing joint solutions to solve joint problems saves time and resources. Working in partnership also encourages the sharing of knowledge and expertise which often results in better service provision.

Many public bodies are experiencing the benefits of this approach. For instance, Natural England has successfully worked with the Forestry Commission, the Environment Agency and other organisations to provide integrated advice, share knowledge and save money. Registers of Scotland is another good example, working closely with the Ordnance Survey to share data. The Local Government Boundary Commission (which determines electoral arrangements for local authorities) has also worked in partnership; by producing joint maps with Ordnance Survey, they aim to reduce costs by up to 30% in two years. The Vehicle and Operator Services Agency (VOSA) has partnered with the private sector, which has enabled them to improve their testing facilities in the most efficient way possible.

As well as partnership working, other public bodies are sharing services to cut costs. For example Ofsted have made use of wider government services within HR such as civil service learning, recruitment and employee policy which allowed their workforce access to better services. Similarly the Student Loans Company have sped up their application process for students and reduced the risk of fraud by sharing identity management systems with other public bodies.

### Top tips

- Aim to provide integrated advice for users.
- Share data, knowledge and expertise.
- Set up joint working groups to ensure continuous communication for a successful partnership.
- Share services and information when possible.

## Case Study: Natural England

Natural England is the government's advisor on the natural environment. It provides practical advice, grounded in science, on how best to safeguard England's natural wealth for the benefit of everyone. The organisation's total gross expenditure for 2011-12 was £199m. At the conclusion of the 2010 Review of Public Bodies, the Government asked Natural England to deliver 'substantial reform' in a number of key areas.

### Challenge

- To respond to the Government's request that Natural England work more closely with other arm's length bodies to eliminate any work duplication.

### Action

- Developed and implemented new approaches to joint working with the Environment Agency and Forestry Commission as well as other public bodies. These included:
  - › New structures for engagement at Board and Executive levels.
  - › A refreshed Memorandum of Understanding.
  - › A national programme of joint working initiatives.
  - › A suite of 25 local case studies to showcase best practice in joint working.

### Results

Natural England is now better joined up with the Forestry Commission and the Environment Agency, including:

- a common 'DataShare' service with the Environment Agency.
- more joined up services to customers such as a single point of advice to farmers and joint 'felling licences' for owners of protected forest sites.
- co-hosting the publication of datasets will save (in terms of costs avoided approximately £0.5 million)

There is better joint working with other bodies too, including:

- with local authorities to provide integrated environmental advice.
- with Local Enterprise Partnerships so they have the tools to incorporate environmental considerations into decision-making.
- In addition, through joint working on marine monitoring, Natural England have helped reduce their marine monitoring costs by £350,000 in 2011-12, agreed shared access to hydrographic datasets, worth over £1m, and provided integrated advice to marine authorities.

Natural England's 'Substantial Reform' report can be found [here](#).

For more information on this case study please contact:



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## Case Study: Registers of Scotland

Registers of Scotland (RoS) is responsible for compiling and maintaining registers relating to property ownership and other legal documents. Its main purpose is to record and safeguard rights whilst providing open and efficient access to important information. RoS's total expenditure for 2012-13 was £53m.

### Challenge

To work with Ordnance Survey on real world data exchange to identify where efficiencies could be made and where added value could be obtained from the data.

### Results

- Reduced complexity of the data sharing process.
- Re-allocation of responsibilities between organisations with consequent savings for both parties.
- Reduced end-to-end process time from 7- 10 days to 1-2 days by moving from a paper to an electronic system.
- Cost savings of £100,000 per year in staffing costs.
- Shared added value data, for example, RoS supplies Ordnance Survey with definitive change intelligence (what has been built and when) reducing process time for both organisations.

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## Case Study: Vehicle and Operator Services Agency (VOSA)

VOSA improves road safety by ensuring drivers, vehicle operators and MOT garages understand and comply with roadworthiness standards. It also provides a range of vehicle licensing, testing and enforcement services. VOSA is an executive agency of the Department for Transport and will merge with the Driving Standards Agency to become a single agency this year. Its annual budget is £175 million.

### Challenge

- VOSA delivered around 600,000 annual tests for trucks and buses every year. As part of its Next Generation Testing programme, it needed to do these more efficiently and effectively, providing greater customer choice and reducing overall vehicle 'downtime'.
- However, many of VOSA's testing sites were old and not fit for purpose. Refurbishment had begun, with 16 sites complete at a cost of £60m.
- The remaining refurbishment was estimated at £80-100m, which was no longer considered financially viable.

### Action

- VOSA assessed the alternative options and a joint public and private sector venture was found to be most suitable.
- It focused on providing more Authorised Testing Facilities – to open up the service to a range of providers and taking testing closer to customers, whilst maintaining impartiality.

- Alongside this, a number of inadequate facilities were closed and office accommodation was rationalised, avoiding capital expenditure of £77m.

### Results

- The first Authorised Testing Facility (ATF) opened in January 2010 and there are now 395.
- 96% of people who used ATFs and VOSA stations rated the overall quality of service as either 'good' or 'very good'.
- 75% of truck and bus tests are carried out at non-VOSA sites, expected to increase to 81% sites the end of the financial year 2013-14.
- Testing has ceased at 20 VOSA sites with 14 part-time sites, avoiding maintenance, running costs, replacement and refurbishment of test lane equipment and infrastructure.
- VOSA has relocated some staff to smaller, efficient offices, avoiding running and maintenance costs.
- The projected financial benefits to VOSA over ten years from 2011 are £70m.
- Customers paying for tests have benefited as without the partnership, some of the cost of refurbishment would have been passed onto them.

For more information on this case study please contact:



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Please see the PCF website for further details on these case studies and for the following examples of partnership working:

Consumer Council for Water

Local Government Boundary Commission

Ofsted

Student Loans Company

UK Atomic Energy Authority (improving the efficiency of contracts)

## Improving Procurement

The procurement of goods from third party suppliers is an integral part of public bodies' work. The Government has emphasised the importance of good procurement for deficit reduction and encouraging economic growth. This means the challenge for public bodies is to achieve their targets in a cost-effective way, ensuring they buy the right goods at the right price and that quality is not compromised.

Through obtaining goods which are excellent value for money, procurement can improve the efficiency and effectiveness of an organisation. With shrinking budgets, improving procurement is another way in which public bodies are striving to make taxpayers' money go further while maintaining service provision.

Initiatives such as improving data, aggregating demand across departments, and renegotiating contracts with suppliers have helped to improve Government procurement. The National Archives is a good example of a public body adopting similar practices. By improving their commercial capability and relationships with their suppliers, The National Archives have secured savings of £400,000 per year out of a budget of £42.2m.

### Top tips

- Ensure clear and effective leadership and direction from senior management.
- Embed expertise and commercial capability within the procurement function.
- Set realistic but robust savings targets to reduce supplier costs.
- Ensure all staff are commercially aware when they procure and are made accountable for their own savings.
- Support a culture where innovative thinking is actively encouraged.
- Improve relationships with suppliers.
- Seek to maintain and build positive relationship with your suppliers.

## Case Study: The National Archives

The National Archives is a non-ministerial department and an executive agency of the Ministry of Justice. As the official archive of the UK government and for England and Wales, it safeguards and makes available to the public a vast collection of historical records dating back over 1,000 years. Its budget for 2012-13 was £42.2m.

### Challenge

- The National Archives Treasury settlement has been reduced by 31% over a four year period from 2010-11. This challenged them to maintain levels of service delivery at a greatly reduced budget.

### Action

- The executive team set clear savings targets underpinned by robust governance arrangements and reporting standards, and focused on enabling staff to be more commercially aware in dealing with suppliers.
- Reducing the number of full time staff in the procurement function, but ensuring those that remain have the relevant competencies and commercial skills, making the function more lean, responsive and effective.
- Taking a strategic approach to managing the National Archives' supplier base, with a clear understanding of the supply chain and associated risks; rationalisation of contracts; and insistence on greater visibility and granularity of suppliers' costs.
- Implementing a new Contract Management System, including close monitoring of supplier performance, allowing directorates to actively drive continuous improvement in performance and efficiency.
- Using market intelligence to strengthen the commercial leverage of The National Archives.
- Improving sourcing strategies, in particular, using Government Procurement Service (GPS)

frameworks and, for ICT-related products, procuring through G-Cloud (Government's online programme to make procurement easier) to engage with small and medium-sized businesses.

- Integrating sourcing and supplier management into the core governance process within The National Archives, and aligning the procurement strategy to the needs of internal stakeholders and the financial budgetary cycle.
- Continuous learning: implementing best procurement practice, and sharing best practice with the wider procurement community.
- Building strong relationships with suppliers who provide high quality services for The National Archives; making it clear that poor performance will not be tolerated.

### Results

- The National Archives made savings of £400,000 per annum, whilst ensuring service delivery and quality was maintained with customer satisfaction levels remaining above 90% with on-site users and above 70% with online and legislation.gov.uk users from 2011-12 to 2012-13.
- The value of association with The National Archives has increased, meaning that suppliers are committed to allowing The National Archives to innovate and transform its services.
- Through intelligent procurement and exploiting their commercial leverage, The National Archives has achieved a further 1.3% saving on its overall budget, in addition to spending cuts.

For more information on this case study please contact:



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## Less property, smarter working

*“ We’re reforming the way government works – it’s becoming faster, smaller and doing more online. Civil servants need modern workplaces, better IT and the flexibility to work from different locations in order to be more efficient and make greater savings. ”*

**Rt Hon Francis Maude MP**, Minister for the Cabinet Office, *February 2013*<sup>3</sup>

Everyone wants to work in a safe, secure, accessible and modern working environment; the physical space that we spend our time in during working hours affects our health and wellbeing. And if we are efficient in our use of that space and work more flexibly, we can also make significant savings. One of the biggest costs any organisation has to budget for is the price of its accommodation, so many are finding ways to rationalise their estate and introduce smarter working. Using a review of the organisation’s physical office accommodation can be a catalyst or driver for change in working practices that deliver significant financial savings, as the Electoral Commission has found.

By helping organisations rethink the way they work, smarter working can lead to more efficient and effective processes. Work should be what we do and not a place where we do it. Of course we need to be in the office sometimes. It is about the appropriate place - sometimes that may be for peace and quiet and sometimes to meet people face to face. People should be managed by their outputs, not by how late they stay in the office. The challenge is not really about being for or against flexible working. It’s about extending the horizons of what might be possible.

Genuine flexible working is simple; it means people being thoughtful about what they want to achieve on a particular day and choosing the right location to do it. Smarter working is about being more effective because of your location.

It also has to be managed. There is no saving of space if we all work Monday to Thursday in the office and somewhere else on Friday. Managers need to ensure that days out of the office are spread across the week, but that is not easily done.

So the Government has launched The Way We Work (TW3) as the cross-department programme designed to realise the Civil Service Reform aim of ‘Creating a decent working environment for all staff, with modern workplaces enabling flexible working, substantially improving IT tools and streamlining security requirements to be less burdensome for staff’. [see, [The Way We Work - A Guide to Smart Working in Government](#), which is due to be published soon]

The Government’s vision is to create an efficient, fit-for-purpose and sustainable estate that delivers value for money and facilitates smarter working. [see: [Governments Estate Strategy](#)]

To better coordinate efficiency savings on property and to improve the management and performance of the government estate, the Government Property Unit (GPU) was established in 2010. GPU will be working across the public sector in the future and it is already in partnership with local authorities to identify vacant or under-used public properties and encourage co-location.

<sup>3</sup> Rt Hon Francis Maude MP, Minister for Cabinet Office, February 2013.

<https://www.gov.uk/government/news/property-experts-reveal-3-5bn-growth-stimulus-for-london-from-government-vacating-property>

## Less property, smarter working

### Top tips

- Be honest and realistic about what work can be done flexibly.
- Ensure that the organisation has a positive culture towards flexible work.
- Invest in and make use of technology to facilitate working away from the office.
- Provide adequate training for managers and team leaders.
- Manage work by the quality of the outputs and not simply by inputs.
- If you are changing the way that staff work, take a holistic approach.
- Consider changing accommodation, IT and other support facilities and arrangements to provide opportunities to increase overall flexibility.

## Case Study: The Electoral Commission

The Electoral Commission is an independent body, set up by the UK Parliament, which regulates party and election finance and sets standards for well-run elections. Its resource budget is c.£20m per annum.

### Key Achievements

The Commission made a review of its physical office accommodation into a driver for change in working practices and delivered significant financial savings.

Between 2010 and summer 2013, the Commission has been implementing its full accommodation review which has achieved:

- Nearly 40% reduction in accommodation costs (a recurring annual saving of approximately £600,000).
- Closure of three offices, with staff retained to provide a service across England based from home. Service levels maintained at lower cost.

- In the four offices retained (Belfast, Cardiff, Edinburgh and London), a move to less expensive locations with more efficient use of space as a result of team-based desk sharing and no cellular offices for staff at any level of seniority.
- In the Commission's largest office a variety of "alternative work spaces" were provided with project areas, quiet rooms, touch down space and team sharing spaces as well as meeting rooms, helping to increase flexible use of space. This has helped improve communication between teams and allows staff to utilise the space most suited to their current work.

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Please see the PCF website for further details on these case studies and for the following examples of estate rationalisation and flexible working:

Coal Authority

Environment Agency (as well as improving the workplace for the benefit of the environment)

HM Revenue and Customs

Intellectual Property Office

Office for Rail Regulation

Ofsted

Vehicle and Operator Services Agency

## Digital by Default

*“ The shift towards online services also has the power to transform the relationship between Government and individuals... Not only are services more convenient and cheaper, but they can be better and more personalised. ”*

**Rt Hon Francis Maude MP**, Minister for the Cabinet Office, *November 2010*<sup>4</sup>

More and more people now want and expect to access public services in the same way they access all services: at the touch of a screen. The drive to create more convenient, personalised services is already having a major impact on the relationship between people and the public sector. But it can also make services cheaper too – for everyone.

The standard for Government is to redesign service delivery so that digital services are so good that all who can use them, prefer to use them. [See the [Government's Digital Strategy](#)] This is about 'thinking digital,' to deliver the services that users want in a way that is most convenient to everyone. As well as being more efficient, digital delivery offers huge opportunity to deliver at scale and to grow. It also means that staff time can be freed up to spend offering added value to services.

Public bodies are seizing this opportunity. Many are already improving their digital services by working with the Government Digital Service (GDS), the team within the Cabinet Office tasked with transforming government digital services. There are currently over 100 public bodies live on GOV.UK, the Government's new centralised website.

The majority of other public bodies will follow before the end of 2014. GOV.UK aims to make digital services simpler, clearer and faster and improve the efficiency and effectiveness of the services public bodies provide.

Digital delivery offers huge opportunities, not least in the sharing of data across public bodies. The Student Loans Company is a great example; their collaboration with HMRC has resulted in significant efficiency savings and a vastly improved customer experience.

### Top tips

- Engage your customers – know what they want and where the pinch-points are.
- Engage staff – they also know the problems in the system and can often pinpoint solutions.
- Exploit data sharing wherever you can – work with your colleagues in other public bodies.
- Trial the new methods.
- Refer to the Government's Service Design Manual [link: [Digital by Default](#)] for information and guidance on how to achieve effective digital service transformation.
- Focus above all on user needs; test and seek feedback on how they use the service.
- Continually iterate and develop your service, based on user data and feedback.

<sup>4</sup>Rt Hon Francis Maude MP, Minister for Cabinet Office, November 2010.  
<https://www.gov.uk/government/news/digital-by-default-proposed-for-government-services>

## Case Study: The Coal Authority

The Coal Authority is an ALB of DECC which uses its expertise to protect the public and the environment in mining areas. Total gross expenditure for 2011-12 was £39m.

As the authoritative national provider of coal mining reports, the Authority has introduced dramatic improvements through the introduction of self service to the conveyancing market. As well as providing reductions in the price of the report, staff resource was cut by 75%, and turnaround times have been improved from up to 3 days to a couple of minutes. In addition, making more of its coal mining information available online with the launch of a free interactive map viewer on its website further enhances customer service.

### Achievements:

- Delivered over 99% of its coal mining reports digitally to the conveyancing market last year, of which 74% are now totally self-serviced.
- Is working in partnership with HM Land Registry to develop one public sector interface to the conveyancing market.
- Allowed customers to manage directly the input of property search boundaries and request details, this has enabled a near instantaneous return of reports.
- Is investing in a new corporate wide ICT geographic information system so it can manage all the Authority's data from one data platform, improve internal efficiency and enable data trading.
- Launched an interactive map viewer on its website ([www.coal.decc.gov.uk](http://www.coal.decc.gov.uk)), enabling users to zoom into a particular geographical location to identify whether any coal mining features exist, freeing staff time to deal with more complex queries.

- Has created a series of web mapping services designed so that users will be able to view mining information directly on their own Geographic Information Systems. The [Interactive Map Viewer](#) and the [Web Mapping Services](#) are provided free of charge under the terms and conditions of the [Open Government Licence](#) and subject to a condition.
- Has successfully in-sourced its IT service support, saving £0.8m per annum.

For more information on this case study please contact:



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## Case Study: The Student Loans Company

The Student Loans Company is a non-profit making Government-owned organisation providing loans and grants to students in universities and colleges in the UK. It has 1.3 million student customers and 2.8 million customers no longer in higher education, from whom repayments are collected. SLC's expenditure for 2011-12 was £125.6m.

SLC has transformed delivery of student finance by simplifying user experience to make online the channel of choice. This has led to quicker assessments made at lower cost and improved customer service.

The redesign has saved SLC £13.8m cumulatively since the first solution was launched in the financial year 2011-12

### Challenge

Although over 90% of applications from returning and prospective students were made online, the previous online service was not straightforward to complete and dissatisfaction levels were high. Customers were frequently confused, generating high volumes of calls to SLC and its outsourced contact centres.

### Action

- Shared identity management systems with other public bodies, making much better collective use of the government's information asset. This sped up the application process for students, increased accuracy and reduced the risk of fraud.
- Redesigned the customer online experience around their customers' needs and exploited electronic links to their information held elsewhere.
- Introduced electronic verification of household income figures supplied by customers applying for means-tested financial support, by building a data-sharing link with HMRC.
- Made additional datasharing arrangements with Identity and Passport Service (IPS) and UCAS, removing the need for customers to submit paper income and identity documents, and reducing the amount of data required by customers.
- Uses the Agile methodology to continuously test the customer experience and validate design decisions, including root cause analysis on customer pain points, which carry a significant cost overhead.
- Carries out iterative validation with customers through the development lifecycle with individual components delivered as working modules to reduce the risk of problems and deliver incremental benefit from the outset.

## Case Study: The Student Loans Company

### Results

- Verification of household income means applications are processed more efficiently and helps prevent fraud. For the financial year 2012-13, 76% of customers' incomes were verified without the need for further evidence. IPS identity validation success rates for the same period are high, at 98%, while the proportion of students voluntarily consenting to share their UCAS application data has reached 72%.
- A much simpler user-experience, leading to quicker assessments and reduced operating costs.
- Using customer data already held by other government departments has created an efficient, streamlined service, less open to fraud and error.

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Please see the PCF website for further details on these case studies and for the following examples of digital by default:

 Coal Authority

 Consumer Council for Water

 Driving Standards Agency

 HM Revenue and Customs

 Intellectual Property Office

 Local Government Boundary Commission

 Office for Rail Regulation

 Parole Board

## Top tips for increasing efficiency

Below is a quick reference guide that pulls together the top tips from each of the five themes featured in the report. This list is in no way exhaustive, but should give a helpful overview of the lessons learned in relation to improving efficiency.

### Working Differently

- Invest in your leaders – they are critical to enabling sustainable improvements.
- Engage with your staff and help them understand why change is happening.
- Understand your baseline and have a clearly established agreed methodology for calculating and recording benefits.
- Start every activity with the customer perspective and the potential benefit understood.
- Don't be a slave to the process – be flexible and adaptable.

### Partnership Working

- Aim to provide integrated advice for users.
- Share data, knowledge and expertise.
- Set up joint working groups to ensure continuous communication for a successful partnership.
- Share services and information when possible.

### Improving Procurement

- Ensure clear and effective leadership and direction from senior management.
- Embed expertise and commercial capability within the procurement function.
- Set realistic but robust savings targets to reduce supplier costs.
- Ensure all staff are commercially aware when they procure and are made accountable for their own savings.

- Support a culture where innovative thinking is actively encouraged.
- Seek to maintain and build positive relationship with your suppliers.

### Less property, smarter working

- Be honest and realistic about what work can be done flexibly.
- Ensure that the organisation has a positive culture towards flexible work.
- Invest in and make use of technology to facilitate working away from the office.
- Provide adequate training for managers and team leaders.
- Manage work by the quality of the outputs and not simply by inputs.
- If you are changing the way that staff work, take a holistic approach.
- Consider changing accommodation, IT and other support facilities and arrangements to provide opportunities to increase overall flexibility.

### Digital by Default

- Engage your customers – know what they want and where the pinch-points are.
- Engage staff – they also know the problems in the system and can often pinpoint solutions.
- Exploit data sharing wherever you can – work with your colleagues in other public bodies.
- Trial the new methods.
- Refer to the [Government's Service Design Manual](#) for information and guidance on how to achieve effective digital service transformation.
- Focus above all on user needs; test and seek feedback on how they use the service.
- Continually iterate and develop your service, based on user data and feedback.

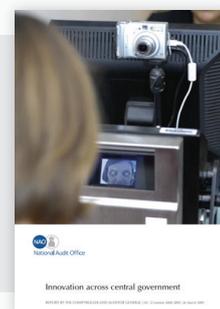
## Further reading



Institute for Government and Public Chairs' Forum, *Piecing Together the Quango Reforms: A Practical Guide for Managing Transitions* (January 2011)



Institute for Government, *Read Before Burning: Arm's Length Government for a New Administration* (July 2010)



National Audit Office, *Innovation Across Central Government* (March 2009)

## Appendix 1 – list of contributors to report and website

- › Coal Authority
- › Companies House
- › Consumer Council for Water
- › Criminal Cases Review Commission
- › Driving Standards Agency
- › Electoral Commission
- › Environment Agency
- › The Food and Environment Research Agency (Fera)
- › Forensic Science in Northern Ireland
- › HM Revenue and Customs (HMRC)
- › Independent Review Service
- › Intellectual Property Office
- › Local Government Boundary Commission
- › Natural England
- › Office for Rail Regulation
- › Ofsted
- › Parole Board
- › Registers of Scotland and Ordnance Survey
- › Student Loans Company
- › The National Archives
- › UK Atomic Energy Authority
- › Vehicle and Operator Services Agency (VOSA)

