

Commercialisation of services

Borough Council of King's Lynn and West Norfolk

Introduction

In 2004 the Borough Council King's Lynn and West Norfolk initiated a cost reduction and income generation programme. WLP were selected to carry out the commercialisation project with the aim of reducing council subsidies to the areas of Arts and Entertainment, Sports and Leisure, the Crematorium, CCTV and CareLine by £400,000 per year. This target was more than achieved and the Council lowered its Council Tax.

The Sports and Leisure part of the project was particularly successful. The council runs four leisure centres, three of which have swimming pools. The other, Lynnsport, is a large leisure complex which includes outside sports and athletics facilities.

Although not strictly Business Process Reengineering (BPR) the improvement process successfully adopted mirrors those used for BPR, with significant use of improvement teams.

Approach

The overall project had been defined by the Council with clear objectives set. This included the subsidy reduction target of £400,000 and the need for sustainability. In order to meet its budget requirements the target sum for improvements had been allocated to departments.

To find the improvements, we worked with the management and staff teams in each establishment to identify the specific areas where improvements could be made. We then used a process to prioritise these according to criteria including potential size and sustainability together with easy of implementation. The staff volunteered to be on teams that were created to tackle each prioritised improvement opportunity with agreed targets.

Managers and staff were trained in business planning techniques so that they could become familiar with using them. A training package was used based on MAP (Management Assessment of Proficiency), which assesses management competence and provides feedback and follow up to improve management capability. Many managers took part in this and significant improvements have been recognised as a direct result of this process alone.

During the improvement phase support was given to identify the opportunities and to devise practical plans to deliver the improvements. Project management support was also given to assist with the implementation and to illustrate the importance of their use.

The regular application together with specific training around the improvement approach ensured that the techniques and behaviours became embedded in the organisation.

Involvement

Staff volunteered to be part of the improvement groups as well as later volunteering to champion specifically identified opportunities. This meant taking on tasks and working to a plan to implement improvements. The staff hence had the opportunities to help work through a number of their own ideas.

A small group of cabinet members would meet monthly with the consultants and the officer responsible for coordinating the project. The Cabinet arranged to delegate a great deal of authority to officers to give them greater control over matters which had previously been controlled by members. Members took a great interest in the identification and achievement of the targets since their aim was to lower council tax. This was achieved, with them being the only council in the country to do so.

Members acted as a sounding board for sensitive suggestions to gain their approval, assistance or their indication that what was being suggested was not acceptable.

Outcomes

Plans are in place to deliver more than the expected savings in the 2005/6 budget with further improvements being worked on. The council fully expect these to be realised. The fees charged by WLP were part fixed and part based on performance during the 12 months following the implementation of the improvements.

25 improvements projects have been started with an estimated benefit of £562,000 per annum. Of these 11 are in Sports and Leisure with an estimated value of over £350,000. The leisure centres now have the freedom to set appropriate prices taking account of the local economics. Marketing for all the centres is now coordinated and events are planned in a transparent manner.

The systems, processes, training, and improvements accepted by the Borough Council of King's Lynn and West Norfolk have been embedded with the support of members, heads of service senior officers and staff.

There is now an open style of management and a process in place which enables improvements to be identified and prepared, so new areas for improvement can be identified and developed. Therefore, change management has become part of the culture.

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