



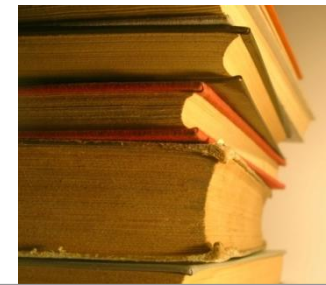
New Models of Service Delivery

Outsourcing – it does work

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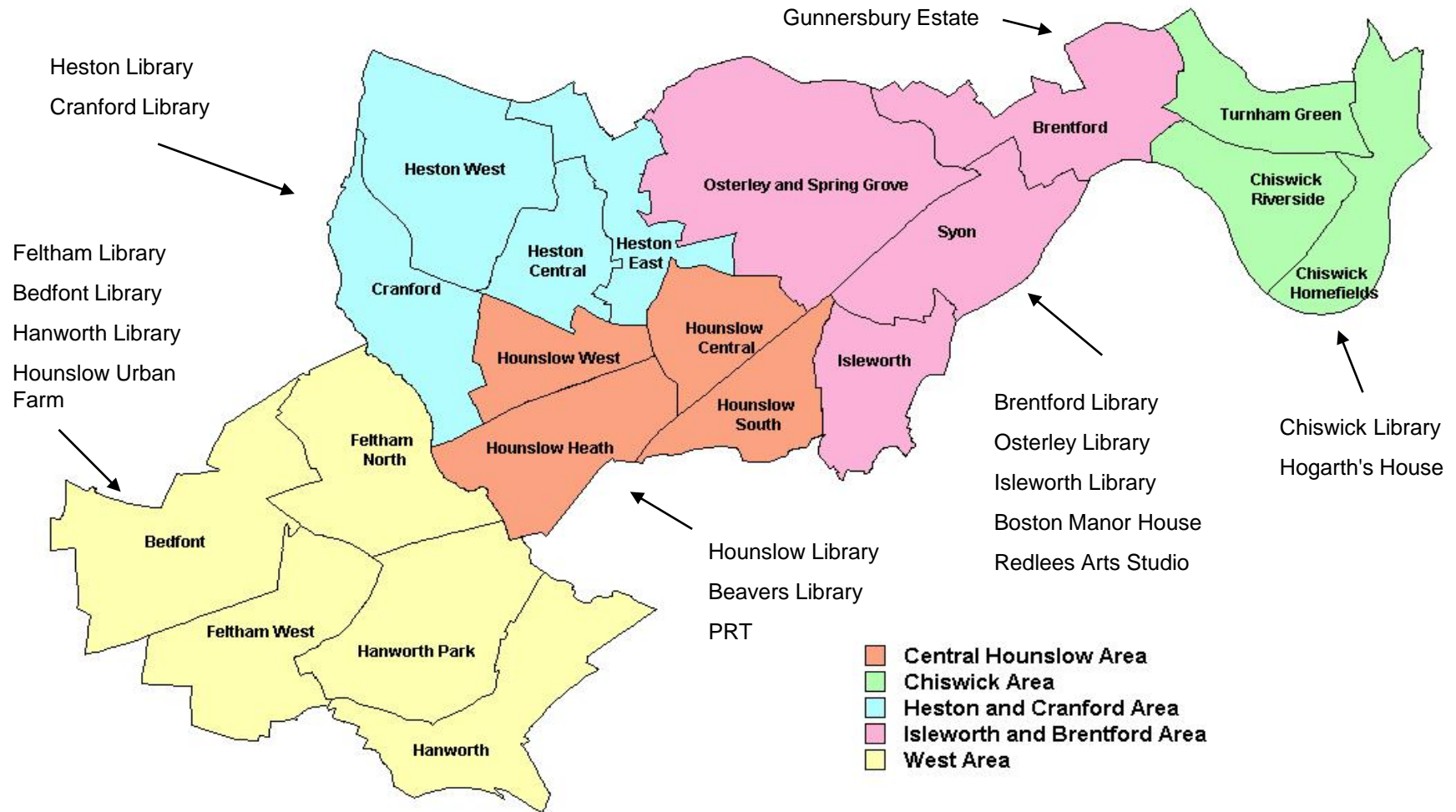


Overview

The London Borough of Hounslow Experience

1. Background
2. The procurement process
3. Outcomes and lessons learnt
4. A new beginning
5. Why a partnership with John Laing?
6. First two years
7. The future

London Borough of Hounslow



Background

Portfolio of services – 7 Lots into three contracts

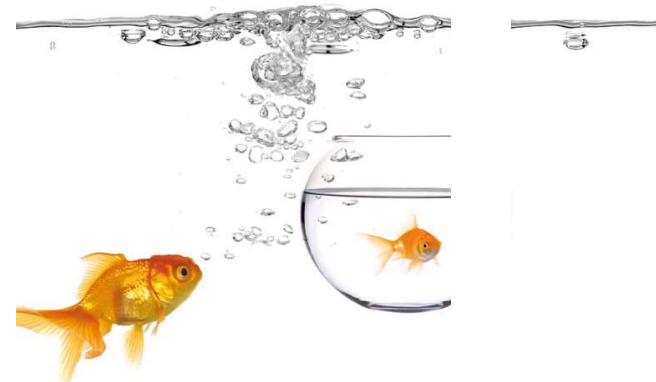
- Libraries – John Laing
 - 11 public libraries + schools library service + library at home service + a prison service library
 - Paul Robeson Theatre
 - Artist Studio
- Plus Parks and Leisure



Background

Why LB Hounslow undertook a procurement exercise

- Ten year contract with CIP nearing end
- Scrutiny Sub-Committee review of Trust – identified need for change
- Years of under investment in leisure and cultural services
- All leisure and cultural services out to competition – package approach
- No taboo on tendering libraries - already taken the step to externalise into a Trust
- Brought in consultants (MAX Associates) to support programme delivery



The procurement process

LB Hounslow's objectives

- Increase participation in leisure and cultural services
- Improve service levels
- Addressing backlog of maintenance
- Identifying service delivery partners
- To transfer buildings risk to the successful contractor where financially affordable



The procurement process

LB Hounslow's development of a specification

- Acknowledgement that services provided by existing Trust had 'evolved' over the contract term, no formal relevant specification
- Output based specification that was flexible to change as central government and LB Hounslow's objectives changed through annual service planning
- Encourage joined up working between the operators of each contract
- KPI based to increase participation in leisure and cultural services – year 1 – improve accurate measurement of usage at all facilities
- Performance based default system to ensure standards are achieved
- Developed specification through dialogue stages

Outcomes and lessons learnt

LB Hounslow leading the way - outcomes

- Investment
 - £500,000 investment every year in new books
 - new IT systems in place to support service delivery
 - investment in new physical assets to maintain services
 - effective maintenance regimes in places to maximise asset efficiency and life
- Financial stability
- Improved service delivery and performance management system
- Efficiencies and rapid positive change implemented
- New client side team to support the new contracts



Outcomes and lessons learnt

Lessons Learnt

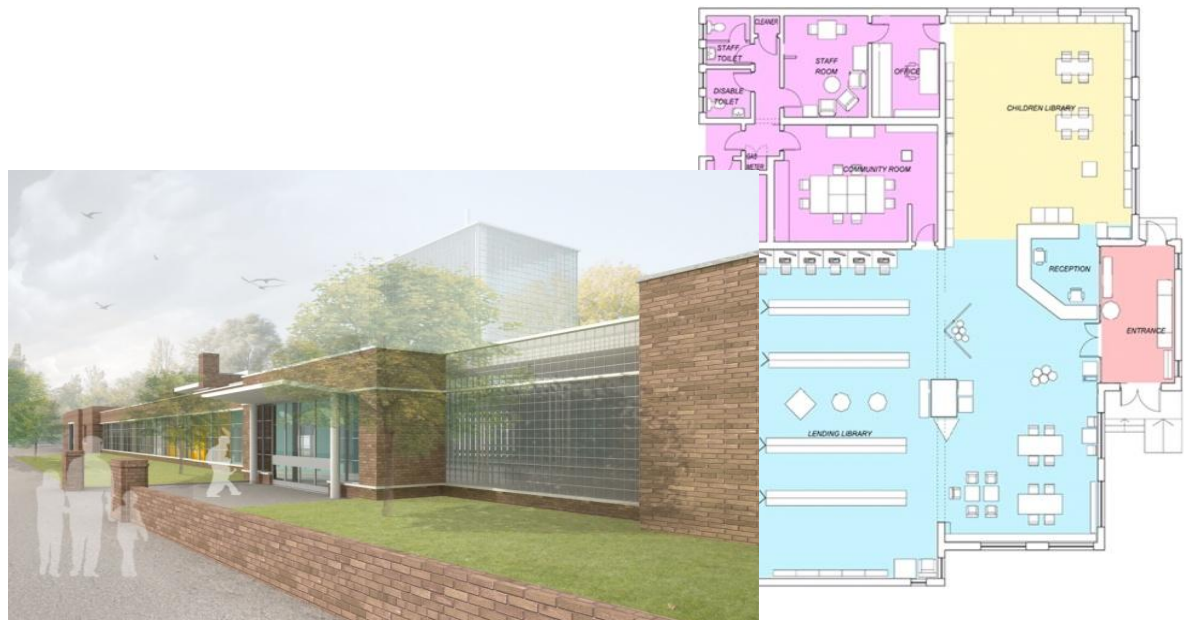
- Needed effective and timely management of information before tendering
- Requires a clear vision for the services from the Local Authority
- Services tendered – only libraries or a ‘package’ approach
- Length of contract
- Identified that you can’t pass ‘problems’ to operators
- Soft market testing
- Dialogue as early as possible, as much as possible
- Central re-charges
- Costs of the process; Procurement, Legal, Officers



New beginning

A partnership approach

- Investing £5 million to upgrade libraries
- Funding to deliver from Prudential Borrowing - paid for through reducing contract sums through efficiency savings
- Going against sector direction - other authorities closing libraries; we enabled LB Hounslow to invest



Why a partnership with John Laing?

Our heritage



Hospitals and Primary Health Centres



Waste and Energy



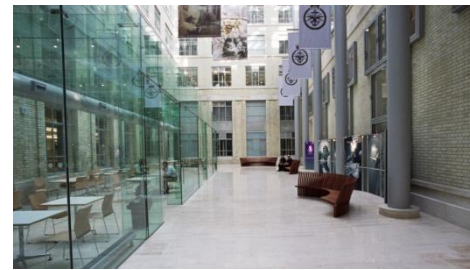
Education



Rail, Roads, Highway Maintenance, Street Lighting



Regeneration and Social Housing



Local and Central Government Facilities

Why a partnership with John Laing?

Strategic and operational benefits to the Borough

- Public sector experience & expertise
 - 23 contracts across 200 sites
- UK company with regional bases
- Cost sensitive - low margin business
- Deliver quantifiable service improvements – efficiencies of scale
- Strong, resilient, long-term partnership
- Private sector commerciality
- Performance management
- Risk management / risk transfer



First two years

Establishing a strong foundation

- Benefits of partnership
 - make decisions faster
 - make changes faster
 - see the bigger picture
 - deliver affordability and quality
 - ensure continuous improvement
- Developing a new model for the business and the service
- Structural and cultural change programme



First two years

Progress

- Recruitment of new staff to add value and direction
- Reorganisations – 15%→ then additional 20% staffing reduction
- Less back office resources and leaner structure
- Investment in training and development
- Establishment of career paths / opportunities
- Outcomes
 - 5% increase in PN usage
 - 11% increase in enquiries
 - 8% increase in footfall
 - value for money - £1.99 per visit



First two years

Lessons learnt

- Lessons have been learnt by both partners since the beginning
 - Defining what is a 'successful' library service
 - Commence change management process earlier
 - More engagement with staff
 - Greater customer feedback sought
 - Develop links to wider library market sooner
 - But its never an ideal world – flexibility / adaptability / communication
 - More training and greater emphasis on cultural change from the beginning



The future

Focus on continuous improvement

- Training & development – professional development, coaching, management
- Deliver further efficiencies
- RFID in all libraries with footfall > 1,500 visits per week
- 4 libraries refurbishments complete
- Refresh of PN software, including introduction of Windows software
- 100% Wi-Fi
- 15% increase in events participation
- Continue with third sector partners
 - volunteer programmes, work placements
- Increase income



The future

Wider context

- Do we need 151 library authorities?
- Or at least 151 separate back office functions
- Public sector facing 25 – 40% cuts
- Wont achieve this alone
- Or at least not in the time available



In summary

We have delivered

- Substantial cost savings to LB Hounslow
- Injected new life into a struggling library service
- Restructured the team
- Installed latest technologies
- Developed Third Sector partnerships
- Look forward to achieving more

