Efficiency and Effectiveness Reviews in the Scottish Parliament

Guidance

Version 1.2

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1 Introduction

Purpose of a Review

1.1 Efficiency and effectiveness reviews are one driver of change in the organisation. A Review may be prompted to address a variety of factors; including

- To ensure the achievement of the Parliament's Strategic Plan
- To reflect a change in the strategic direction of the Parliament
- Desire (or requirement) to improve efficiency (achieving the same for less resource or more for the same resource)
- Desire (or requirement) to improve effectiveness
- Changing customer requirements
- Changing external factors – social factors, technological change, political or legislative change
- Assurance that a specific function or process is delivering Best Value

1.2 A review might focus on policy, process, organisational structure or services, including a review of contracted out or in services, or a mixture of these. It might be organisation wide (such as a review of senior management structure), office focused or of a small team or function. In each of these cases, a review could lead to significant change, affect people's job roles, possibly leading to a restructuring of posts.

1.3 No matter what the reason for a review there are many similar strands in how it should be carried out as a matter of good practice.

1.4 The purpose of this guidance is to bring clarity and consistency to the review process to aid managers in considering the options for initiating, implementing and tracking the benefits of a review. It is hoped that it will aid managers and enable staff to be confident in the processes that the Parliament undertakes when considering organisational change.

The Review process

1.5 Set out below is the process that a review in the Parliament would be expected to go through. It is split into 5 distinct phases and follows the project management governance arrangements in terms of the lifecycle of a project.

- Proposal
- Initiation & Planning
• Conduct the Review
• Review Implementation
• Closure

1.6 This guidance follows the life of a review through this process explaining in more detail what would be expected at each stage. At Appendix A is a flowchart showing the lifecycle in more detail.

1.7 It is important to emphasise that this is a template only, and the guidance will have to be adapted to suit each individual review, due to the different approaches required depending on the scale and complexity of the expected change.

Stage 1 – Developing a Proposal

The output of this stage is a Proposal for the review.

2.1 The purpose of the Proposal is to set out the rationale for carrying out a review and explaining, in broad terms, the intended outcomes of the review.

2.2 The proposal should also set out the anticipated timescales for the review as well as the resources required for completing the initiation stage.

2.3 In this section there is guidance on who can help you at this stage of the review as well as a summary and explanation of what should be found in a typical review business case.

Seeking early advice

2.4 It is important that, at the outset, you have an early discussion with your HR Adviser who will be able to help you think through the people implications of your plans. For example, he or she will be able to advise you on communication issues, when to involve the trade union side and how to address any skills gaps in your project or programme team. They will also be able to put you in touch with relevant contacts in the organisation that may be able to mentor you or otherwise assist you through the process.

Union involvement
2.5 The SPCB is committed to working in partnership with the Parliamentary staff trades union side (TUS). This way of working is set out in a Partnership Agreement.

2.6 The HR Adviser will advise you at which point you should involve the TUS in your considerations. In general, though, it is beneficial to involve the TUS at an early stage in your considerations as they can bring a lot of knowledge and, importantly, a different perspective to the table. Also, the TUS can provide an additional route by which staff can feed their ideas and concerns into your considerations. Early and continued involvement of the TUS during the development phase of the review process can also simplify the pre-implementation phase where the Partnership Agreement requires formal consultation with the TUS.

2.7 The role of the TUS is to represent the interests of its members, i.e. the staff affected by the proposed change. They are more likely; therefore, to focus on making sure that the staffing aspects are handled appropriately than the merits or otherwise of a particular proposal. However, where the membership feels strongly about any aspect of the change, you can expect representations to be made and it will be your responsibility to consider these and respond accordingly through the HR Adviser.

Project and Programme management

2.8 Project or programme management is fundamentally about enabling and managing change. It is designed to ensure that change is not delivered in isolation, but is instead supported by the policies, processes and systems necessary to embed the change and thus make sure that the intended benefits are delivered.

2.9 A review should be approached as a complex project that requires careful management at all stages. As such reviews will need to be considered within the overall context of project governance within the parliament as well as the general project approach that has been established. The present guidance on Project governance and approach can be found at in the project management pages of the intranet. This includes templates for many of the project related documents referred to in this guidance.

2.10 The Projects and Best Value Manager is available to assist with any queries on project governance, development of plans and implementation issues in general.

Competencies
2.11 Leading and directing major change, which includes reviews, requires a significant degree of skills and knowledge. It is essential that, up front, and SRO considers if they and their team have the necessary competencies to undertake this work. Help and support is available from across the organisation and the Capability Development Team in HR will be ready to help with training and other methods of support such as setting up mentoring opportunities.

The Proposal

2.12 The essential elements of the Proposal will be:

- Definition of scope and intended outcomes
- Organisational Impact
- Approvals and Budgeting
- Milestones
- Risk
- Project Board

2.13 It should be emphasised that the Proposal is the vehicle for getting approval to move to the next stage of the review process. It will, of necessity, be a strategic document with details to be further explored in the Initiation phase of the review.

Definition of scope and intended outcomes

2.14 It is important to define clearly the scope of the proposed review. This definition will help in identifying staff, customers and other stakeholders affected by the review and also allay any concerns from others not affected by it.

2.15 Given the nature of reviews the outcomes should be stated so as not to pre-judge the review itself, but outline the parameters and reasons for the review being carried out in the first place. This acts as a baseline for measuring the success of the review once it has been completed.

2.16 Alongside this should be the vision for what the review will deliver, stated in terms of intended outcomes. An important element of the post-review analysis phase will be to assess how well the review has delivered on these outcomes.

2.17 Throughout the review it is imperative that the realisation of the key benefits is managed as a process. Given the nature of reviews it is
unlikely that detailed benefits may be apparent at the outset as they may only emerge as a result of the review taking place.

Organisational Impact

2.18 It is essential that the proposed review is considered in the context of work going on elsewhere in the organisation. It is therefore advisable to consider all of the questions listed below when analysing the likely organisational impact.

- What else is going on that could benefit from this review or aid this review?
- What impact may the review have on other developmental work ongoing or planned within the organisation?
- Is the completion of the review dependent on other factors outwith the control of the review team?
- How may the review affect the work of other offices or external bodies?
- How does the timing of the review fit in with organisational processes such as strategic planning, the appraisal year end, budgeting and the annual staffing review?
- Will the review help achieve one strategic priority at the expense of others? Cognisance of the overarching strategic direction should be taken.

2.19 The Strategy and Development Office (SDO) is available to give help and advice on these areas, and in particular on the relationship between the proposed review and the strategic plan.

Parliamentary impact

2.20 Another aspect that requires to be considered is what impact, if any, the review may have on your ability to deliver your day to day services. Of particular concern will be the impact on the Parliament’s key delivery areas of Parliamentary Business, Members Services, Public Engagement and Organisational Health.

2.21 A review can take up a significant amount of resources and you should address the question of how you intend to manage this as part of the Proposal. You may have to defer other projects in your office; or indeed defer or re-schedule work on projects for other offices. If you consider that additional staff resources may be required for the period of the review, you should discuss this with the SRO at the earliest possible stage.

Staff Impact
2.22 Any change can be unsettling for staff, but particularly change through a review process. Issues around communication are covered in more detail later in this guidance document; but even at this initial stage it is worth considering how you will ensure that consistent and transparent information is delivered to staff on a regular basis. The whole tone of a review will be set by how the initial communications with staff are carried out. Consideration of the impact on staff and how initial discussions with staff will be carried out should therefore be included in the Proposal.

**Equalities Impact**

2.23 In order to meet our statutory duties, it will be necessary to undertake an Equalities Impact Assessment of the review. At the proposal stage a formal assessment is not required, however any significant equalities issues should be noted.

2.24 The Equalities Manager is available to discuss the review and its possible equalities implications.

**Financial Impact**

2.25 Irrespective of the reasons for the review there should always be an analysis of the financial impacts. It is unlikely to be possible to produce detailed costings at this stage, however, the general rule here should be that as much financial data as can be reasonably included should be included at as early a stage as possible.

2.26 The Finance Office is on hand to assist.

**Milestones and timescales**

2.27 Although a full programme with detailed activities would not be expected in the proposal, an outline of the review with significant milestone dates should be included. As a minimum these should indicate the beginning and end of the key stages indicated at section 1.5. These milestones should be as realistic as possible, bearing in mind the requirements to continue to deliver key services.

**Risk management**

2.28 Throughout the review it will be important to monitor and control risk. At the proposal stage reference should be made to the major risks that
are apparent at that time, purely in terms of achieving the intended outcomes

2.29 A much more thorough risk analysis and process should be carried out for the initiation and planning phase.

Review Board

2.30 Should a Board be required for the review, this is the stage that proposals for its make up should be agreed. If that is the case then details for this should be contained in the proposal, along with details of any other resources (including budgets) required to see the project through the initiation stage. The Senior responsible owner (SRO) for the review should also be agreed, along with the appropriate authority levels and delegations.

Approval of the Proposal

2.31 The project should be approved in accordance with the current project Governance arrangements. This will define how budgeting is applied for and what organisational groups (if any) should be consulted or referred to for approvals.

Stage 2 - Initiate the Review

The output of this stage of the review is the Initiation document.

3.1 When the decision to go forward with a review is made the Proposal should be further developed into an Initiation Document. The Initiation Document, and any changes subsequently made to it, should be shared with all relevant parties.

3.2 In addition to the information contained in the Proposal, the initiation document should set out:-

- Roles and responsibilities
- Communication and stakeholder plans
- Review Programme and Milestones
- Budget.
- Equalities Impact assessment
- Risk management plan

3.3 It is important that affected staff are involved as far as is possible in the development of the review initiation document and that the manager conducting the review meets with them to discuss the
process and to clarify any issues for them. Regular face to face communication is an essential part of managing a review successfully.

Roles and responsibilities in a review.

3.4 There is no set formula for a review team. Many of the key decisions will be informed by the considerations in the previous section regarding the scope and scale of the review.

3.5 Major office reviews will typically have a Review Board. The SRO will use the Board for consultation and advice; however, the ultimate decision making and accountability will remain with the SRO, even where approvals must be sought by the SRO via other decision making bodies.

3.6 Current practice is for this Board to consist (as a minimum) of the SRO, the office head (if not the SRO), a member of the TUS and the relevant HR Adviser. Larger reviews may have more of a mix of senior managers from offices supporting the review or impacted by it.

3.7 Alternatively the review lead may opt to forego a formal board, but carry out the review with senior staff in an office area whilst bringing in views from others when required. Having said that there will remain a requirement to have HR Office involvement from the outset who will, in particular, ensure that the TUS is effectively played in and their involvement managed. The close involvement of staff should always be the preferred option during a review, with as much input as appropriate being sought.

Review Team

3.8 Where a Board is put in place it is usual for the SRO lead to put in place a review support team. Again this will be individual to the review in question, but will always have the HR Adviser present to provide advice on any staffing implications to the review. For particularly large projects the SRO may require dedicated support in terms of a project office or dedicated project/programme manager.

Use of consultants

3.9 Many individuals within the Parliament have their own expertise in the areas of change and reviews. You are strongly encouraged to determine whether there is in-house knowledge that can be used in your review. Only when it is clear that in-house resources do not have either the capacity or capability and that training is not a viable option that external consultants would be used in a review.
3.10 When bringing in consultants, it is necessary to involve Procurement and the Head of Financial Resources at as early a stage as possible. The final decision on whether to employ consultants to undertake work on a review will rest with the SRO of the Review. Should the cost of consultants not be able to be funded from the review project’s budget, then any draw down of contingency will have to be negotiated with the Head of Financial Resources.

3.11 The Procurement Office should also be kept informed if any other purchasing requirements develop as a result of the review itself or the review implementation. It is important that the necessary time is allowed for the procurement of the consultants in planning the review.

Communication and stakeholder management

3.12 Embarking on a review and initiating change should not be done lightly. There are many tools and techniques available to managers and there are many resources available to help with this. For example, the managing through change course run by Stevenson College as well as a range of resources available from the Learning Centre. There is also a wealth of experience available from managers in the organisation who have been through the review process before. The HR Office will be able to provide you with relevant contacts.

3.13 In general terms, however, the key ingredients for successful transformational change are: effective communication; staff buy in; and support and sound management of the review process itself.

3.14 A plan for how the change aspects of the review will be dealt with should be a fundamental part of the Initiation document. This should encompass the proposed approach to stakeholder management and communication.

Communication

3.15 In line with the SPCB’s Internal Communications Strategy, communication during a review should be as open and as transparent as possible.

3.16 Following the Staff Day in 2007, an improvement group was formed to look at the issue of communications during reviews. A summary of the group’s report and a link to the report in full can be found on the HR Office pages of SPEIR in staffing notice 031/2006.
Sharing information

3.17 There are various communication mediums available for use within the Parliament. They all have their own pros and cons and should be used accordingly depending on the message and intended audience:

- Formal meetings/briefings with team
- Face to face with manager conducting review
- Newsletters
- Intranet portals/sites
- shared drives,
- minutes/papers shared
- workshops

3.18 The timing of information is also key. Once a review has started it is important to maintain momentum and keep to the published timetable wherever possible, particularly when there is uncertainty around future job roles.

HR Support

3.19 In handling these aspects the HR Office can help you in a number of ways. The HR Advisers can provide advice on the human resource aspects and employment law implications of by the review. HR can also:

- provide advice on addressing any skills gaps in your review team;
- help get your team or those likely to be affected by the change ready, e.g. through training courses or workshops;
- put you in touch with managers who have relevant experience of reviews and who may act as mentors; and
- give you advice on engagement with the TUS and support you in that engagement;

3.20 Similarly as the review progresses HR will also be able to help support you in the implementation stage through:-

- conducting a training needs analysis for any new and changed roles which might emerge from the review;
- evaluating and grading your jobs;
- assisting you in mapping posts;
- Undertaking any necessary recruitment; and assisting with any other staffing issues arising from the review.
Budget

3.21 There are three clear areas of funding requirements for a review:-

- Initially it is the cost of carrying out the review itself – including the costs of consultants.
- In addition to this is the cost of actually implementing the review
- These one of costs may also be accompanied by regular recurring changes in budget requirements, such as changes in staffing costs, system maintenance etc

3.22 The Finance Office is on hand to assist with any of these areas.

Equalities Impact

3.23 An Equalities Impact assessment will require to be carried out as part of the initiation phase. Assistance may be sought from the Equalities Manager.

3.24 The Equalities Manager will also be able to assist with any queries on

- Dignity at Work
- Equality framework
- Disability discrimination

Review

3.25 Before proceeding past the initiation it is important to re-confirm that the final initiation document is aligned with the original intent of the Proposal and that that is still aligned with the overall strategic intent of the parliament.

3.26 There should be a clear link from the outcomes and benefits laid out in the business case to the more detailed proposals in the initiation document. Also, all the necessary plans should be place, and be considered achievable, before proceeding with the review.

3.27 The Review Board may feel comfortable in doing this themselves, but larger scale reviews may call for some external assistance in this regard, following OGC gateway principles.
Stage 3 - Conduct the Review

4.1 This section deals with actually carrying out the review itself. The output of this stage of the review is the Review Report.

4.2 As has been highlighted earlier in this guidance, there are many offices available to help through the life of the review. HR in particular can help at this stage. By keeping HR closely involved, the HR Adviser will be alert to any staffing/employee and industrial relations implications arising from emerging or developing proposals; and they will be able to ensure that the TUS is fully engaged and the necessary support services are available.

The review report

4.3 The report itself may vary depending on the nature and scale of the review, however some basic commonality should exist in the form of:

- Summary of the Proposal and Intended Outcomes of the review
- How the review was carried out;
- Internal analysis of the function as is along with external analysis of relevant factors;
- Costed options for change to deliver the intended outcomes; and
- Draft implementation plan for the recommended options.

Information gathering

4.4 The initial stage of a review will usually begin with an information gathering exercise. The nature of this will vary depending on the review itself, however there will be a need to employ various means of establishing the current position on which to base the way forward. Options for information gathering will include workshops, one to one interviews and questionnaires along with the collation of available written information.

4.5 It will be necessary to engage with not only the area under review, but relevant stakeholders. It may also be desirable to gather information from external sources and benchmarking type information from similar functions in other organisations.

Analysis
4.6 Depending on the nature of the review, it could be helpful to structure the analysis to examine the evidence gathered in the following terms:

whether the business is organised in the best way possible to deliver services;

whether the processes employed are the most effective and efficient (this should not be limited examining any IT systems in place but should look at the human interventions as well);

whether decision making and management functions are undertaken at the most appropriate levels; and

whether the staff and other resource allocations are correct.

4.7 There are a number of tools and techniques available to analyse a given functions or process. A few of the common analysis techniques are summarised below.

PEST/SWOT Analysis

4.8 A PEST (Political, Economic, Social, Technological) Analysis is a business analysis method for looking at the market place or external environment of an organisation. There are various add-ons to the basic concept which include adding categories such as Environmental and Legal; although in practice these can be subsumed into the basic PEST analysis.

4.9 The important aspect of this analysis is to take a broader look at where an organisation or function sits within the wider environment in which it operates.

4.10 A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is more focused on the area in question and how it is currently placed to meet the challenges in faces.

4.11 It is therefore common practice to complete the PEST analysis first as a way of generating information to apply to a SWOT, leading to possible strategies of how best to move forward.

4.12 There is much further guidance and literature available on these techniques. One excellent source is

http://www.businessballs.com/pestanalysisfreetemplate.htm
http://www.businessballs.com/swotanalysisfreetemplate.htm
Which also contains sample templates and much more comprehensive guidance on these matters.

Process Analysis

4.13 Where SWOT or PEST analysis is concerned with how to move forward in broad strategic terms, process analysis is much more focused on the practical level of how best to execute a specific activity or piece of work.

4.14 This is a valuable technique in itself and can reap many benefits. One aspect of process mapping or engineering, however, is that dependencies on functions outwith the scope of the review can often emerge, which can delay or sidetrack the review process. It is therefore important to maintain focus on the agreed remit of the review. Possible improvements in other areas can be flagged up and addressed at a later date.

4.15 BIT Business Change may also be able to aid your review at this stage through their skills in process mapping and development, implementation of systems and change management.

Options Appraisal

4.16 Having analysed the external and internal factors and/or existing processes around a function it is then necessary to weigh up the different ways of going about implementing change.

There is a high degree of skill required in bringing these elements together and challenging the findings of that analysis.

4.17 The various options must be grounded on the intended review outcomes or grounds given as to why a departure from that may be justified. Whatever options are being considered must be weighed up against the cost of implementation. Again it is essential that you refer back to the initial intent laid out in the Proposal. If the whole reason for the review was to save money or realise efficiencies, these will obviously be weighted highly in the criteria for choosing the best option. If the original intent was to undertake a broader review, for example to consider the provision of new services, it will be important to illustrate the benefits of these services against the costs involved.

4.18 The Finance Office will be able to assist you with the costing aspects of the options appraisal.

Draft Implementation plan
4.19 Although each option will require some indication of implementation strategy, it is expected that the recommended option will be accompanied by a fuller draft implementation strategy.

4.20 As much effort and time as possible should be put in to ensure that affected stakeholders are involved in the development of this implementation plan. This may not always be possible until the recommended option has been agreed by senior management and formally consulted on with the TUS. Involving stakeholders in the development of the implementation plan and in carrying through the changes may help you to engage those most affected and gain their support in achieving the review aims.

**Communicating the review results**

4.21 A key point in the review process is in communicating the results of the review itself. In effect this is the first step in actually implementing the changes. How the results are presented at this stage can have a large bearing on how stakeholders will react to the proposed changes.

4.22 Should there be a delay in communicating the results of the review, the reasons for this should be made clear to all stakeholders, including staff. Delays may occur between writing and publishing the report, perhaps as a result of consultations at senior management level or with individuals who may be significantly affected by the proposed changes.

4.23 Ultimately, the results of a review need to be communicated more widely that the directly affected offices. On occasion they may need to be communicated externally. SDO can support and advise on the internal communications aspects, while the Media Relations Office (MRO) can provide advice on any media handling issues. It is good practice to consult both of these offices in advance of publishing the review findings.

**Stage 4 - Implement the Agreed Review Recommendations**

5.1 Implementing the review recommendations can be a programme of work in itself, requiring significant effort to carry out. In implementing that work the project governance arrangements already referred to need to be carried out.

5.2 It will only be through the successful implementation of the review recommendations that the intended outcomes will be delivered. Poor implementation will negate all the hard work done to date. It is
impetative that the implementation is as tightly managed as the review itself.

Change Management

5.3 Change which flows from reviews is not just about structural change. In addition to possible staffing changes, many changes will usually require to be supported by revised processes; new IT systems may be required; changes to accommodation and room layouts may be necessary; or new contracts or contractual arrangements put in place. Supporting this level of change at both a technical and psychological level is essential if the changes are to be sustained and deliver the desired outcomes. Training in new systems and processes will have to be considered and support given to staff in order for them to cope with the changes at a more personal level.

5.4 There will always be tensions and stresses for staff involved in change. Support is available from HR, but line managers can do much to alleviate this through effective communication and involvement of affected staff in undertaking the review.

5.5 The CIPD has published this commentary on Change management which contains some very useful information.

http://www.cipd.co.uk/subjects/corpstrty/changemm/chnpmgmt.htm

Review Implementation

5.6 Within the review document itself it should have been possible to identify some changes that can be implemented quickly. These are commonly known as ‘quick wins’. These types of changes are important as they start to deliver tangible benefits and improvements and can help galvanise the staff involved and prepare them for bigger changes that may be on the way.

5.7 Implementation plans should be focused on the delivery of benefits and overall outcome of the review. Therefore in constructing plans it is important that any work streams are focused on the benefits that change will deliver, and not on the enablers for the change. Enablers should be worked in to the plan, but not be seen as objectives in their own right. For example, a change in structure of an office will not deliver benefits in itself; it is an enabler to allow the objectives of the review to be met, for example through the introduction of new services or more efficient working practices.
5.8 It is also important to be realistic about the timescales and resourcing for implementing the review recommendations. The pressures of day to day delivery will remain, and there will be other resource demands to factor in as well.

5.9 The Review Lead is responsible for ensuring that the changes are delivered to time and in a sustainable manner. It is vital to set realistic target dates and to put the resources in place to meet these. Failure to meet implementation targets is likely to de-motivate those involved and may move stakeholders to question the effectiveness of the review.
Stage 5 – Close the Review

6.1 The outputs from this stage of the review should be a review of the project against the outcomes and expected benefits stated in the initiation documents.

6.2 There should also be a lessons learned report.

Benefits management

6.3 Whilst some benefits will be attained whilst the review programme is ‘live’, many more will only be achieved some time after the review has concluded. The tracking of benefits may therefore last well past the natural lifespan of the review itself. It is therefore essential when reporting on the review to state the expected benefits and outcomes and when these will be delivered.

6.4 Tracking of longer term benefits and outcomes should continue even when the review has closed. This should normally be tracked through office or group plans.

6.5 When the review has concluded, a lessons learned report should be produced. It is important to share relevant learning points with other areas of the SPS, both in terms of what has worked well and what has been less successful, in order to drive improvements to the way we undertake reviews as an organisation. There are plans for this type of information to be held centrally to help inform future reviews and projects.