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**Senate**

Subject: Savings & Efficiencies

**Origin: Structure Implementation**

**Executive Summary:** The paper provides a summary of the benefits and specific savings made as a result of re-structuring.

**Senate Action Required:** Senate is asked to RECEIVE the report on benefits and savings.

**1. Background**

At its meeting in November 2010, Senate asked for a report on the specific savings and efficiencies arising from the re-structuring. In considering this issue, the PMB has reviewed the benefits which were included in the original recommendations on re-structuring accepted by Senate in July 2010. A summary report on the benefits and specific savings that have been achieved is given below.

Examples to illustrate the benefits, mostly provided by the Operations Managers, are shown as italicised bullet points in the Comments columns.

## 2. Anticipated Benefits and Comments

The benefits listed here are taken from SEN10-P42a (June 2010).

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| # | Benefit | Comments |
| 1 | A greater ability to share facilities and support will lead to significant long-term savings. How this is achieved and what the precise savings will be will be largely driven by local management decisions within Schools. | Schools are already beginning to investigate such savings.   * Developing shared space for Research Students / Staff will increase the utilisation rates of facilities within the school. |
| 2 | Larger cost centres will have a greater ability to be able to cope collectively with the work pressures on individual component parts. (This is the experience of Central Support Services which have been engaged in a move to larger cost centres in recent years). | The proper comparison is not between the future after restructuring and the current situation. Rather it should be with the future without restructuring.   * Setting up working groups to identify best practice and maximise efficiency across all functions. More importantly, this will allow individuals in one department to cover for other departments as necessary, thus reducing the single point of failure. |
| 3 | As a consequence, the new structure will be more resilient in the face of significant public spending cuts. These arguments are elaborated on in Annex F. | OMs and SWT are more aware than hitherto of the dangers of single points of failure and are taking account of this in their work on administrative structures.   * In terms of savings, it is easier to find 1FTE equivalent saving across a School than it is to find 1/3 FTE savings in each of three departments. |
| 4 | The new structure puts academic leadership at the heart of decision making within the University. | The structure of ALT will mean that advice to the VC will be closer to academic delivery.  The same is true for the PVCs. |
| 5 | There will be a saving of over £600k p.a. as a result of stripping out a layer of management. Details are in Annex E. It should be noted that we have assumed that the majority of Faculty functions will continue in the new structure (the total of budgets currently held at Faculty level is £2.8M). It is accepted that this saving will be partly offset by some temporary additional costs. | The savings identified in the original paper to Senate would be in addition to the normal silver scenario savings. The progress that has been made is outlined below.  Original Savings identified: £646k  Savings Achieved 2011/12: £217k  Balance to be achieved: £429k  Temp additional costs (Ops Mans): £303k  Savings budgeted for 2012/13: £732k  The outstanding savings of £732k have been built into the budget from 2012/13 onwards.  Other Savings identified not included above:   * Creation of School Technical Superintendent. This role has replaced two departmental superintendents, providing salary savings of about £16k. * Move to internal advertisements has saved £27K in 2010/11 |
| 6 | A smaller number of cost centres should enable Central Support Services to work more efficiently and effectively with academic departments and we would expect this to lead to savings in the medium term. | Work arising from restructuring will mean that there are more consistent interfaces between schools and services and a clearer understanding of the points of contact between schools and services as well as what each other’s requirements are.   * Many opportunities to move from several departmental contacts to a single school contact are being explored. * The School of Science anticipate that the creation of three administrative support centres and a School IT support structure will lead to staff savings over the next two years, following planned retirements. |
| 7 | There would be a good opportunity for LSU to reform the current Programme Representative structure, which LSU have indicated is desired. |  |
| 8 | It should be possible, within a School structure, to provide better career pathways for departmental support staff. | This has already been encouraged by the appointment of the Operations Managers and the greatly increased use of internal-only appointments. |

## Further Benefits and Comments

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| # | Benefit | Comments |
| 1 | Elimination or modification of existing processes | Restructuring has identified processes that have been eliminated or modified. Examples include:   * Transfer of responsibilities from Faculty to School or Academic Registry has frequently removed a layer of administration * Rationalisation of Committees has included merger and abolition of committees * Plus the widespread variations of processes between departments e.g. just within Financial management: * Procurement * Deliveries and goods in * Provision of Management Information * Approvals processes * Managing bought in teaching and casual employment * Credit Card payments and expenses claims * By identifying and rolling out best practice in these areas we will certainly generate efficiencies. |
| 2 | Confirmation that processes are fit for purpose | The review of existing processes has meant that we are confident that those processes that we have retained are necessary and fit for purpose. |
| 3 | Greater strategic awareness | The increase in the number of Deans and Associate Deans will mean that there is a wider understanding across the university of the external environment and strategic priorities.   * Deans-elect are already commenting that the creation of the OM posts will liberate them for more strategic thinking. |
| 4 | Recognition of the value of bringing together different groups of people | The restructuring process brought together mixed groups that would not otherwise have met; this greatly increased mutual understanding, generated ideas for change and created new networks.   * This has certainly been the case with the OMs as a group, where our varied backgrounds have brought a number of ideas together. |
| 5 | Impetus to change | The working groups didn’t just bring together the usual suspects. This produced opportunities for new ideas to be taken forward and for established ideas to be shared more widely.   * The use of Outlook and of a range of institutional calendars was given huge impetus by the restructuring process. * It is planned in 2011/2012 to introduce an electronic process for receipting coursework submission, which was developed by the Eng CETL. This will save staff time at the point of collection and in the monitoring of student engagement, produce more accurate records of student engagement and with some further development transfer the lists of submission/non-submission directly to Attendant. * More generally there is a widespread willingness to accept change. “I have frequently heard staff say, ‘We understand things are going to change with Schools coming.’” |
| 6 | Better sharing of good practice | It is anticipated that there will be a forum similar to Services Working Together which will include Operations Managers, enabling better communication between academic departments and support functions, the aim being to share best practice and improvement of processes.   * “The OM group meetings have helped us share a number of good ideas. Specifically I borrowed the idea from another OM of rolling out ‘Dealing with Change’ courses as a way of supporting staff and bringing staff together from different departments.” * Following a review of all administrative processes during 2010/2011 all Departments in the School of Science are now using an electronic process via Learn for students to choose options. This was identified as being the best practice in the School and has saved staff time and paper, has been more efficient and produced more accurate planning figures for the following academic year. Students have found it much easier to use and there has been a significantly higher response rate in a much shorter time frame. Having trialled it this year in Science and Electrical Engineering, the plan is to roll this out to other Departments in the University. * From 2011/2012 new students in the School will no longer receive hard copies of the Departmental and Programme Handbooks, but will be given the links to access these electronically. Paper copies will be available for reference and on request. This will save paper, photocopying costs and staff time. Again this was identified as being the best practice in the School. |
| 7 | Impetus to management and leadership development | Restructuring has helped focus attention on needs in this area.   * The ILM programme has been well received by Deans and HODs as well as OMs. |
| 8 | Increased profile of Enterprise | The profile of enterprise has been raised considerably with the formation of the Enterprise Committee and the recruitment of AD(E)s. |
| 9 | Personal resilience | The focus on team-working is creating an opportunity for administrative support staff in particular to diversify their skills and prepare for future career changes or to adapt to future changes in their schools – the dual benefit is that these staff become both more employable and are more valuable to the business.   * Staff JDs will have a School Role element emphasising what they do for the School, and a Job specific element reflecting their specialist role. We hope this will help emphasise the need for staff to support the wider School Admin team. |
| 10 | Role enhancement | A benefit to support staff in the Schools will be the increased opportunity for them to work across the school in different areas, thus enhancing and enriching their working environment and offering them a more varied and interesting role.   * As above, see working groups and adoption of best practice. In some cases we will try to move staff together who perform the same function (e.g. a finance team). In others, staff will remain seated in the relevant department but will frequently meet and exchange ideas with their counterparts. We will encourage secondments across different functions and to mix the department teams across the School. |
| 11 | Systematic review of roles | The restructuring process is providing us with a unique opportunity to examine the requirements for support posts within the School, as a whole, rather than on an ad hoc basis as vacancies arise. Thus we are also able to identify efficiencies in terms of roles and responsibilities.   * This has already begun but the specific examples that come out of this will take time. One example is to move towards a more standardised set of roles between departments that clearly fit within a simple matrix School structure. This will allow departmental specialism but also cross-school functional efficiency. |

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