

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 04 February 2019

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Vanguard Progress Update</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Corporate Priorities:</b>	Dynamic, prudent and progressive Council

**Purpose:**

To provide an overview of the work undertaken under the guidance of the Vanguard Consultancy, as well as financial savings achieved by using the Vanguard method.

**Executive summary:**

Works on phase five of the Vanguard interventions are now under way with interventions commencing in Tenancy Services and Building Control Partnership, an expansion of the Streetscene intervention and a continuation of works in Democratic Services.

Significant lessons have been learnt from each intervention to date and new ways of working have been implemented, which have resulted in a more responsive, customer focused approach.

The main purpose of the initial contract was to improve the overall customer experience; the interventions have however generated unplanned savings of £1,132,300 per annum, with further savings likely in the future.

The contract with the Vanguard Consultancy is nearing completion, however it is recognised that, on occasions, the support and guidance of a Vanguard consultant may be required. A call-off arrangement is therefore in place, with a budget of £20,000 set aside from the spending reserve surplus.

**Recommendation/Recommended Option:**

The Executive is invited to note the contents of the report.

**Reason:**

To continue the programme of transformational change within the Council, improving the experience of our customers, empowering our employees, and identifying savings through improved efficiency.

**Cost of proposals:**

There are no additional costs to the proposals, as £20,000 has already been set aside from the spending reserve surplus to fund the call-off arrangement with the Vanguard Consultancy.

**Appendices:** None

**Background papers:** None

**Reference papers:**

Executive Report 16 July 2012

Executive Report 13 May 2013

Executive Report 6 October 2014

Full Council Report 11 December 2014

Executive Report 20 April 2015

Executive Report 7 November 2016

Audit and Governance Committee 13 March 2017

Audit and Governance Committee 27 November 2017

Scrutiny Board 28 June 2018

Housing Policy Development and Review Panel 19 July 2018

Audit and Governance Committee 23 July 2018

Executive Report 3 September 2018

Full Council Report on 11 October 2018

Policy and Resources Scrutiny Panel 17 January 2019

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## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	04 February 2019
<b>Subject:</b>	Vanguard Progress Update
<b>Briefing by:</b>	Head of Leisure and Corporate Services
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. The purpose of this report is to provide the Executive with an overview of the work undertaken under the guidance of the Vanguard Consultancy, as well as financial savings achieved by using the Vanguard method.

#### BACKGROUND

2. The Council has a good track record of providing high quality services, with 92% of respondents to a postal survey in 2011 indicating that they were happy with the way in which the Council runs things.
3. Whilst this was an excellent result and a reflection of the hard work and commitment by both members and officers, the Council recognised that there was still room for improvement. The Chief Executive therefore investigated different approaches to the way services are designed and delivered, with a view to maintaining and improving customer satisfaction.
4. As a result of this investigation, the Executive considered a report on 13 May 2013, outlining a new management approach to improving customer satisfaction, which would require the appointment of specialist consultants to work alongside managers and employees to provide guidance and support throughout the process.
5. The Executive approved the recommendation to waive contract procedure rules and approved the appointment of the Vanguard Consultancy to work with officers to implement changes to the way the Council delivers its services to customers.
6. The initial cost of the proposals was £300,000, split over a three year period, with £200,000 expenditure being met from funds earmarked for "Improving the Customer Experience" and "Invest to Save" which was approved by the Executive on 16 July 2012 and the remaining £100,000 considered as part of the budget setting cycle for 2014/15.
7. Councillor Cartwright was appointed as the Member 'Vanguard Champion' to work alongside the teams undertaking a Vanguard intervention and to advise Members of

progress and findings.

## **THE VANGUARD METHOD**

8. The Vanguard method is based on a systems thinking approach which looks at services through the eyes of the customer and provides an appropriate framework to help to implement the necessary changes to improve service provision and customer satisfaction.
9. Working alongside managers and employees, Vanguard's key to success is to design services from the outside in from a customer's perspective, rather than using a one size fits all approach and designing processes for the benefit of the organisation.
10. As well as creating better processes, the systems thinking method can lead to changes to measures, costs, structure and the role of support functions. As well as leading to tangible improvement in customer service, there is also evidence that suggests staff morale is improved, as front-line employees feel more empowered to solve customers' problems.

## **VANGUARD PROGRESS – PHASE 1**

11. The first phase of the process commenced in September 2013, with all Directors and Heads of Service learning the Vanguard method, understanding the customer experience and identifying opportunities for change.
12. Lessons learnt from the first phase were that:
  - the majority of customers' problems were not solved at the first point of contact;
  - as an organisation, we stand behind rules and regulations;
  - we are courteous and have high satisfaction levels but we don't solve customers' problems quickly;
  - defining the purpose of each service from the customers' point of view is critical for improvement;
  - targets are not always helpful as they can cause perverse actions; and
  - technology can create extra work as we "feed the machine".
13. Annual savings of £59,000 were captured from the first phase of works, achieved through the deletion of two vacant posts, as processes were redesigned to reduce wasted time and unnecessary work.

## **VANGUARD PROGRESS – PHASE 2**

14. The second phase of works focused on detailed interventions in housing repairs, car parking penalty charge notices, planning applications, benefits and recruitment advertising.
15. The Executive considered a progress report on 6 October 2014. New ways of working were being implemented, resulting in a more responsive and customer focused approach. In summary, this had resulted in:

- the average time to fix a repair to a Council property dramatically falling from 89 days to 6 days;
  - the number of “challenges” to parking penalty charge notices falling by 50%;
  - the average time taken to process a planning application falling from 56 days to 36 days;
  - the average time to process a benefit application falling from 20 days to 6 days; and
  - an improved range of candidates applying for job vacancies.
16. As a result of the intervention into the housing repairs service, the frequency of electrical and emergency lighting testing was changed. This resulted in annual savings of approximately £109,000.
17. The Executive resolved that £30,000 of the savings already achieved through the Vanguard initiative could be recirculated through the Housing Revenue account, to fund the intervention into Tenancy Services.

#### **INTERIM REPORT – DECEMBER 2014**

18. An update on the levels of savings achieved by the introduction of the Vanguard methodology was considered by the Full Council on 11 December 2014.
19. The report stated that whilst £168,000 of savings had been reported to the Executive in October 2014, further savings had since been identified, bringing the total to £381,000. These additional savings had resulted from restructures of the following teams:
- Building Services - £88,000 per annum
  - Parking Services - £75,000 per annum
  - Benefits - £50,000 per annum

#### **VANGUARD PROGRESS – PHASE 3**

20. The third phase of works focussed on environmental health noise control, insurance, housing tenancy services and strategic housing.
21. In summary, the new ways of working in these areas had resulted in:
- The time taken to deal with noise complaints from start to finish falling from up to 6 months to 3-4 weeks;
  - Insurance claims being resolved more quickly by gathering all the facts early on and speaking with the customer face to face, resulting in officers having more time to proactively work with services, to prevent similar incidents reoccurring;
  - Tenants having more choice about where they live and how they would like their home to look; and
  - Strategic housing officers working with customers to help them solve their housing needs in the best way, which had seen the size of the waiting list reducing from

1100 to 1017 customers.

#### **VANGUARD PROGRESS – PHASE 4**

22. On 20 April 2015, the Executive considered a report that reviewed the outcome of the initial contract with the Vanguard Consultancy and proposed that an extension of the existing contract be awarded for a further phase of work.
23. The Executive agreed to extend the existing contract, using £170,000 of the spending reserve surplus. From this point forward, the contract would be viewed as a “spend to save” initiative, meaning that the spending reserve would be replenished by subsequent savings from new interventions.
24. Phase four of the process commenced with interventions starting in Streetscene and ICT Helpdesk. Preliminary stages of the work had resulted in:
  - The removal of unnecessary administration from the pitch booking process, creating a smoother process;
  - Removal of the ICT requirement for employees to regularly change their network password, which reduced the number of password reset requests from 200 per month to 2 per month and ICT problems being fixed first time whilst preventing a reoccurrence;
  - An intervention into the cash office function determined that there is still a requirement for a cash office for the foreseeable future. Several processes were however simplified, and it also identified a need for further intervention work in Parking Services, as well as commencing an intervention in Finance.

#### **UPDATE REPORT – NOVEMBER 2016**

25. On 7 November 2016, the Executive considered a report that provided an overview of the Council’s achievements as a result of the introduction of the Vanguard method. This included the financial savings and improvements in customer satisfaction as above.
26. The Executive agreed to extend the Vanguard contract, to fund a further year of work. The new contract was to be viewed as self-funding, with the redirection of £100,000 of the spending reserve surplus.
27. It was proposed that the further funding would allow for detailed interventions to continue in Streetscene and Finance, as well as expanding the Parking Services and ICT interventions.
28. It was reported that as a result of various Vanguard interventions across the Council, further annual savings had been achieved:
  - Deletion of Director of Community and Head of Building Services posts and departmental restructures in Development Management, Customer Service Centre and Environmental Health realised annual savings of £358,800.
29. A further efficiency savings exercise had also identified additional annual savings of £216,600 as a result of new ways of working. These savings were achieved by the deletion of six vacant posts across the Council, as well as an establishment reduction in the Customer Service Centre.

30. As of November 2016, the new way of working had identified annual savings of £956,400.
31. The Vanguard intervention process was working well and had introduced a cultural change across the authority. The new ways of working were becoming standard practice, with new employees being trained in these new methods.
32. The contract extension for a further year would ensure the intervention process kept its momentum and allowed for advice and guidance to be provided whilst further interventions commenced.

### **VANGUARD PROGRESS – PHASE 5**

33. There have been no further update reports since the Executive report in November 2016. Since this date, interventions have continued in Finance (covering purchasing, invoicing and budgets) and Streetscene (covering refuse and recycling, grounds maintenance, play area inspections and administration processes) as well as detailed interventions commencing in Council Tax and Business Rates, Procurement, Risk Management and Democratic Services.

### **RESPONSIVE REPAIRS**

34. At the end of 2016, a follow up Responsive Repairs intervention took place. The results of this were detailed at the Housing Policy Development and Review Panel on 19 July 2018. Key achievements as a result of this intervention had resulted in:
  - The development of a new in-house software system, FBC Cards, used to manage and monitor the housing repairs more efficiently. This is used as an appointment system, with jobs being allocated to the relevant operatives by the administration team. The operatives telephone the office to provide an update and are then given the details of their next visit. It also provides improved data collection and accurate performance measures to manage and improve the service;
  - All new employees carrying out visits with an existing employee as part of their induction, learning the systems thinking approach and taught the 'Fareham way' of working;
  - Operatives encouraged to ask the tenants at the time of their visit if there is anything else that needs doing whilst they are there. This reduces the need for the tenant to call back later to report other minor repair issues;
  - A van stock system and materials delivery service, with data being collected about materials used on repairs to continuously improve the service and support what matters to customers in doing the repairs with as few visits as possible.

### **COUNCIL TAX AND BUSINESS RATES**

35. Towards the end of 2016, an intervention in Council Tax and Business Rates took place, resulting in the following changes to improve the customer experience:
  - One point of contact for each customer, with the same officer dealing with their enquiry from beginning to end;

- More flexibility with arrangements for payment of arrears, looking at each on a case by case basis rather than using the previous 'one size fits all' formula.

## **PROCUREMENT**

36. The end of 2016 saw a detailed intervention in the Council's Procurement and Contract Procedure rules processes.
37. This intervention resulted in one of the most significant organisational changes, with the introduction of redrafted procedure rules affecting all Council purchases, and included an increase of authorisation limits and a significant value threshold, affecting all purchases greater than or equal to £100,000.
38. On 23 July 2018, the Audit and Governance Committee considered a report detailing updates to the Contract Procedure Rules. The committee agreed the Procurement and Contract Procedure Rules policy document and recommended the adoption of the policy to Council for approval and that the budget expenditure authorisation limits were changed to match the limits for awarding and signing contracts in the new Procurement and Contract Procurement Rules.
39. Full Council approved the recommendations at its meeting on 11 October 2018.

## **RISK MANAGEMENT**

40. At the end of 2016, the Risk Management intervention took place, resulting in a revised Risk Management Policy. The policy was radically revised to reflect the changing culture of the organisation and the introduction of systems thinking into how services are delivered. The key features of the revised policy were:
  - Recognition of the importance of risk management;
  - Recognition that risk management should be embedded into every day management and not set up as a separate rigid process;
  - The adoption of 7 principles which lead to a robust and integrated process;
  - The monitoring, reporting and assurance processes used to review the effectiveness of the arrangements.
41. The revised Risk Management Policy report was considered and approved by the Audit and Governance Committee on 13 March 2017 and a Heads of Service workshop held to roll out the policy principles.

## **FINANCE**

42. During Autumn 2017, a Finance intervention commenced, focussing on the purchase-to-pay process (the purchase, receipt of, paying for and accounting for of goods and services), receivables (monies owed to the Council), budgets and financial reporting.
43. The purchase/receivables demand analysis work identified three areas of 'waste demand', where incoming service requests had been directed incorrectly, and therefore was unable to be actioned first time, as follows:
  - Calls being passed from the Customer Service Centre incorrectly;
  - Approximately 33% of the Exchequer Services (processing of payments and invoicing) team's incoming work involving paperwork and invoices being sent backwards and forwards between Exchequer and other departments;
  - A high volume of incoming mail being received that was not for Finance.
44. Work was carried out with the Customer Service Centre to reduce both the number of calls and volume of post being misdirected.
45. A fact-finding exercise to determine what support Managers want from Finance took place and highlighted a need for Finance to work more closely with departments, with Managers wanting Finance to:
  - Understand my service and provide information in a way that suits me;
  - Advise what and who are my top areas of spend and where am I over or under spending;
  - Tell me if there is enough budget left for me to buy something and tell me if a budget changes, and why;
  - Sort out problems I have with processes and correct my coding for me.
46. As part of the new ways of working, Finance Business Partner roles were created, which is working well and making it easier for services to obtain the information they require from a specific member of the finance team.
47. A need for a new finance system was also identified as part of the intervention process, as many of the improvements needed to improve the service to the customers is unable to be achieved using the current system. The procurement of a new system is therefore in the pipeline which will allow for electronic invoicing, which will improve the service provided to our customers.

## **COMMITTEE SERVICES**

48. A Vanguard intervention in Committee Services looked at the functions of the Scrutiny Board and the Policy Development and Review (PDR) Panels.
49. The intervention found that the panels were not fulfilling their original purpose and have limited input to policy development.
50. It was also found that there had been a low level of engagement by residents with the meetings, even though any member of the public can attend.

51. On 3 September 2018, the Executive considered a report on the review of the PDR panels and Scrutiny Board meetings and resolved that:
- The Scrutiny Board and Policy Development and Review Panels be dissolved;
  - A Scrutiny Panel be created for each of the six Executive portfolios;
  - Each Scrutiny Panel be scheduled to meet four times per municipal year, with additional meetings created if necessary;
  - The Deputation scheme be improved to enable members of the public to attend a Scrutiny Panel to discuss any item relevant to that panel.

## **STREETSCENE**

52. The Streetscene department continues to work with Vanguard, with interventions so far carried out in the following work areas: bulky waste collections, bin deliveries, additional bin requests, healthcare waste, recycling contamination, grounds maintenance, fly tipping reports, cemetery bookings, play area inspections, administration systems and ordering and invoicing processes
53. These Streetscene interventions have resulted in the following achievements and improvements to services:
- The addition of two new frontline grounds maintenance operatives, to cover the competing demand for resource, particularly during the May-June peak season for grass cutting and overhanging vegetation complaints, and to also allow for grounds maintenance work required as a result of the adoption of additional land;
  - A revised judging route for South East in Bloom, resulting in a much shorter route and therefore a significant reduction in the amount of preparation required by Grounds Maintenance and Street Cleansing resource, with this capacity being redirected to maintain and cleanse other areas of the borough;
  - Play Area Inspector equipped with supplies, enabling them to make any necessary repairs at the time of the inspection. This has made better use of the inspector's time and reduced the time spent on repairs;
  - A change to the process for investigating fly tipping reports, with the Operations Supervisor initially visiting to determine if there is any evidence for prosecution, as 90% of the time there is no evidence. The case is then only passed to the Enforcement Officer if there is evidence, with all fly tipped waste cleared as soon as possible, making more efficient use of the officer's time whilst reducing the time taken to clear the waste;
  - An improved and quicker process for new healthcare waste customers to receive the collection service, with one point of contact;
  - The removal of the requirement for a form submission before considering an additional refuse bin request. The process has become more streamlined with one officer discussing the requirements with the resident and making the decision at the time of the discussion;
  - The Food Saver Champion role evolving to now incorporate the targeting of

recycling contamination, to both educate residents on what can be recycled whilst also reducing the amount of contamination being placed in the recycling bins;

- Following several months of telephone call analysis, a new telephone menu system was introduced, with all refuse and recycling related calls bypassing the switchboard. As well as a service improvement to the customer, this has also reduced the number of calls to the Customer Service Centre by 20%, creating an additional saving.

## **ADDITIONAL FINANCIAL SAVINGS**

54. As a result of the various Vanguard interventions, further savings have been identified following several departmental restructures as follows, which has realised additional financial savings of £175,900:
- Environmental Health - £87,300
  - Fareham Housing - £27,600
  - ICT - £61,000
55. The total savings as a result of the introduction of the Vanguard method now totals £1,132,300, with additional future savings anticipated.

## **MOVING FORWARD**

56. Whilst the most recent Vanguard interventions have not currently identified any financial savings, further savings are expected from the Streetscene intervention. Across the authority there have been significant savings in officer time as well as an increase in service improvements to our customers.
57. The contract with the Vanguard Consultancy is now nearing completion. Whilst many departments have now gone through the intervention process, with employees gaining invaluable experience to move future interventions forward, it is recognised that, on occasions, the support and guidance of a Vanguard consultant may be required.
58. Rather than extending the contract, a call-off arrangement is in place, with a budget of £20,000 set aside from the spending reserve surplus.
59. The Housing Tenancy intervention was placed on hold whilst the housing restructure was taking place. This commenced in September 2018, with the housing team looking at the rent arrears process.
60. Tenancy Services are also reviewing the use of Orchard, their housing management system, with consultants from Orchard visiting to ensure we are utilising the system and its functions in an efficient and effective way.
61. The Streetscene intervention will be expanded in January 2019, looking at the street cleansing function and cemeteries/memorials regulations.
62. Democratic Services will continue with their intervention work in January 2019, reviewing Freedom of Information requests, Data Protection and General Data Protection Regulation.
63. An intervention in the Building Control Partnership has now commenced, however this

will be funded by the Building Control Partnership.

## **RISK ASSESSMENT**

64. There are no significant risk considerations in relation to this report.

## **CONCLUSION**

65. The implementation of the Vanguard method has resulted in an improved service to the Council's customers whilst also achieving annual savings of £1,132,300. The Executive is invited to comment on the service process improvements realised as a direct result of the work with the Vanguard Consultancy.

## **Background Papers:**

None

## **Reference Papers:**

Executive Report 16 July 2012  
Executive Report 13 May 2013  
Executive Report 6 October 2014  
Full Council Report 11 December 2014  
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## **Enquiries:**

For further information on this report please contact Lindsey Ansell (Ext 4567).