

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 02 December 2013

Portfolio:	Policy and Resources
Subject:	Vanguard Method - Implementation Update
Report of:	Chief Executive Officer
Strategy/Policy:	Efficiency Plan
Corporate Objective:	Dynamic, prudent and progressive council

Purpose:

To provide an update on the progress of the work being undertaken by officers, under the guidance of the Vanguard Consultancy, to review systems and to improve the experience of customers when they make contact with the Council.

Executive summary:

The first phase of implementing the Vanguard method is now complete. This has focused on learning about the method; the volume and nature of customer enquiries; the constraints imposed by the system conditions; and the general nature of the customer experience when contacting the Council.

It is clear that customers are dealt with politely and courteously, and that customers appreciate this. However, too often the customers' needs are not met and if they are, it can take a long time. This means that customers have to make unnecessary contact with the Council a number of times, therefore wasting everybody's time. Ultimately this waste costs the Council money. In common with other public and private sector organisations the Council has, over a long period of time, designed the way it works based on what was thought to be best for customers. This includes focusing on the wrong performance measures, silo working, unnecessary bureaucracy, and ICT systems that hinder rather than help.

Annual savings of £59,000 have been captured from the first phase, amounting to a total of £177,000 when set against the time frame of the contract.

Work is now commencing on the second phase which will include detailed interventions into housing repair, car parking, planning applications, benefits and recruitment. Members will be kept informed of progress on the second phase with a report being presented to the Executive in the Spring of 2014. This will outline the lessons learnt, the proposed way forward and will identify any further savings captured as a result of the process.

Recommendation:

That progress on the implementation of the Vanguard method be noted.

Reason:

To keep members informed of progress on this important process of transformational change.

Cost of proposals:

The maximum cost of the contract with the Vanguard Consultancy was agreed at £300,000 over a three year period. Savings have already been captured from the first phase of the project which amount to £177,000 over the three year period.

Background papers: None

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 02 December 2013

Subject: Vanguard Method - Implementation Update

Briefing by: Chief Executive Officer

Portfolio: Policy and Resources

INTRODUCTION

1. The purpose of this report is to provide an update on the progress of the work being undertaken by officers, under the guidance of the Vanguard Consultancy, to review systems and to improve the experience of customers when they make contact with the Council.

BACKGROUND

2. A report was considered by the Executive on 13 May 2013. It explained that the Chief Executive Officer had been exploring methods of improving the customer experience when dealing with the Council, and had been particularly impressed by the work of a company called Vanguard. At the core of the Vanguard approach is the belief that all services and procedures should be designed from a customer's perspective.
3. A number of informal discussions were held with representatives from the Vanguard Consultancy, and Executive Members were briefed accordingly. It was felt that if the Chief Executive and Senior Managers were to fully understand the "Vanguard method" then it would be necessary to participate in a three day familiarisation session.
4. This took place in the Civic Offices from 18 to 20 March 2013 and involved all senior managers experiencing customer transactions on the 'front line', learning how customers felt in their dealings with the Council, and identifying areas for improvement.
5. It was clear from this brief exercise that there were many opportunities where customer transactions could be improved. As such, it was recommended that the Council appoint the Vanguard Consultancy.
6. Having considered the report, the Executive agreed to waive contract procedure rules and approved the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing a fundamental change to the way the Council delivers its services to customers.

7. A call-in of this decision was received on 20 May 2013, resulting in a question and answer session at the Scrutiny Board meeting on 30 May 2013. Following a lengthy discussion, a motion was then proposed and seconded to accept the decision made by the Executive which, when being put to the vote, was declared carried (6 members voting for and 3 against).
8. At the Full Council meeting held on 25 July 2013, the Executive Leader announced that following the decision of the Executive to engage Vanguard Consulting, the Council had published a "Voluntary Ex Ante Transparency" (VEAT) Notice in the Official Journal of the European Union. He confirmed that this step was taken in recognition of the unique nature of the supply and to ensure that the Council was transparent with the supplier market about the procurement approach adopted.
9. Publishing the VEAT Notice gave other potential consultancy providers the opportunity to challenge the Council's rationale for appointing Vanguard and the Executive Leader advised members that there had been no challenge to the procurement process in response to the VEAT notice, nor had there been a legal challenge to the contract award.
10. At the meeting of the Full Council on 10 October 2013 the Deputy Leader provided members with a further update on the implementation of the Vanguard method.

SCOPING AND LEARNING

11. The first phase of the process has focused on learning the Vanguard method, understanding the customer experience and identifying opportunities for change. This phase started in September 2013 and has involved all senior managers (i.e. Directors and Heads of Service).
12. The Chief Executive Officer and Deputy Leader have met regularly to monitor progress and provide guidance where necessary.
13. A core team of six senior managers were tasked with investigating the work of the Customer Service Centre to understand the breadth and content of customer enquiries. They also watched and listened to the customer experience.
14. As a result, it became clear that the majority of customer problems were not being dealt with at the first point of contact. This is not the fault of the Customer Service Centre employees as they are simply adhering to the systems that the organisation has put in place. The core team therefore concluded that the future role and purpose of Customer Service Centre would be an area for more detailed research.
15. Looking at the volume and nature of enquiries coming through the Customer Service Centre, the core team then carried out more intensive investigations into Housing, Benefits and Streetscene services. They followed some of the initial enquiries and, essentially, shadowed the customers on their journey to find a resolution to their problem.

16. The purpose of the work undertaken was to understand :-
 - demand (in terms of value or failure);
 - what matters to our customers;
 - the purpose of the service from a customer's view;
 - the measures and capability we have in place;
 - the system conditions which influence our actions; and the
 - assumptions and thinking behind the way we do things.
17. All of the case studies proved illuminating (some of which were presented to members at a workshop prior to this Executive meeting).
18. In summary, the general points that the core team learnt were as follows:-
 - the majority of customer problems were not solved at first point of contact;
 - we stand behind rules and legislation;
 - we are courteous and have high satisfaction levels but we don't solve customer problems quickly;
 - defining the purpose of each service 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".
19. Also starting in September, a second team of two senior managers were asked to carry out a detailed 'in depth' review of the housing repair service. As well as exploring the same questions as the core team, and following the experience of customers, this team carried out a detailed investigation into the levels of demand and the 'end to end' time of dealing with customer enquiries.
20. The team were also asked to look at issues surrounding the current dual systems that are in place to deal with housing repairs. At present the work is divided and undertaken by both external contractors and an 'in house' workforce. It was considered important to understand the impact of this dual system approach on the customer experience.
21. As well as coming to very similar set of conclusions to the core team, one of the main findings of this second team was that a dual system is not helpful to customers and that any future intervention or experimentation should be based on a single system. It is important to note, at this stage, that no decision has been taken on whether such a system should be based on an external contract or an 'in house' contract.
22. Finally, since September, all remaining senior managers have been meeting as a group every three weeks to learn about the Vanguard method and to apply some of their learning to individual systems within their own work areas. This approach has ensured that all managers move forward at the same pace and that the Vanguard method is not perceived as the remit of a specialist team.

23. The Deputy Leader summarised the first phase of the process in his announcement to the Full Council on 10 October 2013. He stated that:-

“The senior officer team has observed that customers are dealt with politely and courteously, and that customers appreciate this. However, too often the customers’ needs are not met and if they are, it can take a long time. This means that customers have to make unnecessary contact with the Council a number of times, therefore wasting everybody’s time. Ultimately this waste costs the Council money. In common with other public and private sector organisations the Council has, over a long period of time, designed the way it works based on what was thought to be best for our customers. This includes focusing on the wrong performance measures, silo working, unnecessary bureaucracy, and ICT systems that hinder rather than help.”

THE NEXT PHASE

24. The next phase of the process will require more detailed interventions into specific areas. Importantly, this will include the participation of some of the workforce in those areas, as well as the managers.

25. This phase will stretch into the Spring of 2014 and will provide an opportunity for experimentation and learning on a small scale, with the option to ‘upscale’ if things are obviously moving in the right direction.

26. The services that will be included in this phase will include:-

- housing repair (continuing to build on the detailed work carried out during the first phase);
- car parking (because of the high volume of customer transactions);
- planning applications (because of the high volume of enquiries and the high level of participation of elected members in the system);
- benefits (because of the intensive nature of the customer demand and the crossover impact on other services such as housing);
- recruitment (because of the impact of the system on all of the Council’s services and the wish to include a support service in this phase of learning).

27. Whilst it is not proposed to undertake a detailed intervention on the Customer Service Centre, it is recognised that this service will naturally be drawn into all of the above reviews. For example, experimentation might involve a Customer Service Advisor working more closely with the workforce in the service area as they experiment with new ways of working.

COMMUNICATION

28. It is recognised that the on-going communication of progress to both members and officers is an important part of this process, ensuring that everyone feels informed and that there are no surprises.

29. The Chief Executive Officer and Deputy Leader will continue to take an overview, monitor progress, and decide when there is a sufficient level of information to share. They will be supported by the Head of Corporate Services who will

continue to be the main point of contact with the Vanguard Consultancy and will be responsible for coordinating all of the above work.

30. Communication methods will include items in newsletters, workshops, announcements by the Deputy Leader at Full Council meetings and reports to the Executive as appropriate.
31. Both members and employees are also welcome to arrange visits to discuss progress with the various teams and to discuss the lessons being learnt from each intervention. Such visits should be arranged via the Head of Corporate Services.

FINANCIAL IMPLICATIONS

32. The report presented to the Executive on 13 May 2013 stated the maximum costs of appointing the Vanguard Consultancy would be £300,000 over a three year period. It was noted that the faster Fareham Borough Council officers became familiar with, and self-sufficient in, the Vanguard method, the lower would be the costs associated with support from the consultants.
33. The report also noted that whilst the primary purpose of implementing the Vanguard method was to improve the customer experience, it was recognised that efficiency savings might be realised as a result of the new approach.
34. This has already proved to be the case.
35. As a direct result of this contract, the work of the Business Transformation Team has been scaled back resulting in the redeployment of a post holder within the team. The vacant post has been deleted releasing an annual saving of £36,000.
36. More recently, a part time management vacancy has arisen in the Customer Service Centre. Given the results of the initial scoping exercise it is clear that this post will not be required in the future. The vacant post has been deleted releasing an annual saving of £23,000.
37. As such, although still in the early stages, the implementation of the Vanguard method has already achieved annual savings of £59,000 (or £177,000 when set against the time frame of the contract).

CONCLUSION

38. The first phase of implementing the Vanguard method is now complete. This has focused on learning about the method; the volume and nature of customer enquiries; the constraints imposed by the system conditions; and the general nature of the customer experience when contacting the Council.
39. Annual savings of £59,000 have been captured from the first phase, amounting to a total of £177,000 when set against the time frame of the contract.
40. Work is now commencing on the second phase which will include detailed interventions into housing repair, car parking, planning applications, benefits and recruitment. Members will be kept informed of progress on the second phase with a report being presented to the Executive in the Spring of 2014. This will outline

the lessons learnt, the proposed way forward and will identify any further savings captured as a result of the process.

Reference Papers: Report to the Executive on 13 May 2013
Report to the Scrutiny Board on 30 May 2013