

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 October 2014

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Vanguard Method - Update</b>
<b>Report of:</b>	Director of Finance and Resources
<b>Strategy/Policy:</b>	Efficiency Plan
<b>Corporate Objective:</b>	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 second phase of implementing the Vanguard method is nearing completion. This has focused on detailed interventions into housing repairs; car parking, benefits, planning applications and recruitment.

Significant lessons have been learnt from each intervention and new ways of working are being implemented resulting in a more responsive, customer focused approach. Solutions are being tailored to meet the needs of individual customers and meaningful measures are being put in place to enable the effective management of each service.

As a result of new ways of working, the average time to process a benefit application has fallen from 20 days to 6 days. The number of “challenges” to parking penalty charge notices has fallen by 50% and the average time to process a planning application has fallen from 56 to 36 days. The average time to fix a repair to a Council property has dramatically fallen from 89 days to 6 days. The new approach to recruitment is resulting in an improved range of candidates.

These figures are being achieved because officers are seeking to reduce “preventable” demand by solving problems quickly at the first point of contact. Customers are indicating high levels of satisfaction with the new ways of working and officers feel more empowered to solve problems.

Work has now commenced on the next phase, with interventions commencing in tenancy services, environmental health and strategic housing.

**Recommendations:**

That

- (a) progress on the implementation of the Vanguard method be noted; and
- (b) £30,000 of the savings already achieved through this initiative be recirculated (through the Housing Revenue Account) to fund a further intervention into Tenancy Services.

**Reason:**

To keep members informed of progress on this important process of transformational change, and to commence interventions into new areas with a high number of customer transactions.

**Cost of proposals:**

The cost of the contract with the Vanguard Consultancy was agreed at £300,000 over a three year period (i.e. £100,000 per annum) Savings have been captured which now amount to £168,000 per annum. It is proposed that £30,000 of these savings be recirculated to enable an additional intervention into Tenancy Services.

**Appendices:**                    **A:** Summary of each intervention

**Background papers:** None

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## BOROUGH COUNCIL

### Executive Briefing Paper

**Date:** 06 October 2014

**Subject:** Vanguard Method - Update

**Briefing by:** Director of Finance and Resources

**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. The Executive last considered a progress report on 2nd December 2013.
3. The report explained that the first phase of work had been completed. This had 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.
4. Lessons learnt from the first phase were that customers were dealt with politely and courteously, and that they appreciated this. However, too often the customers' needs were not met, and if they were, it could take a long time. This meant that customers had to make unnecessary contact with the Council on a number of occasions, therefore wasting everybody's time. Ultimately this "waste" was costing the Council money and causing dissatisfaction.
5. The broad lessons learnt were that:-
  - the majority of customer's problems were not solved at the first point of contact;
  - as an organisation, we stand behind rules and legislation;
  - we are courteous and have high satisfaction levels but we don't solve customer's problems quickly;
  - defining the purpose of each service from the customer's 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”.
6. 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.
  7. It was reported that annual savings of £59,000 had already been captured from the first phase of works, amounting to a total of £177,000 when set against the time frame of the contract.
  8. This amount was achieved through the deletion of a vacant post in the Business Transformation team, and a management vacancy in the Customer Service Centre.
  9. Finally, the report explained that work would commence on the second phase which would include detailed “interventions” into the following services:-
    - housing repair;
    - car parking;
    - planning applications;
    - benefits; and
    - recruitment.

## **MANAGEMENT APPROACH**

10. Other Councils have worked with the Vanguard Consultancy in the past but it should be recognised that Fareham’s “whole organisation” approach is significantly different to most other Council interventions.
11. Normally, the consultants will support an intervention into a specific Council service; make the improvements, and then move on to another organisation. This is not the case with Fareham Borough Council as we have chosen to use the Vanguard method to help change the culture of the whole organisation to be more customer-focused. We are running a number of interventions at the same time and this brings its own challenges, as well as opportunities.
12. The work is being directly led by the Chief Executive Officer, and he is having regular progress meetings with the Deputy Leader. He is also meeting with the Vanguard Consultant and Head of Corporate Services on a weekly basis to discuss issues, deal with any problems and ensure that all the interventions continue to move forward at a reasonable pace.
13. Each intervention is being led by a Head of Service. It was considered important to demonstrate management “buy in” to this new way of working. Each Head of Service is supported by one or more specialist officers (e.g. a planning or a benefits officer), a “back office” administrator, and others where applicable (e.g. Customer Service Centre Advisors).

14. As an intervention moves forward, more employees are “rolled in” to the new way of working, so that over time the ratio between the new way of working and “business as usual” starts to change.
15. A key challenge for each Head of Service is to ensure that arrangements are in place to manage “business as usual,” whilst they also experiment with new ways of working.
16. It is also considered important to build in as much “self-sufficiency” as possible, ultimately reducing the reliance on consultants and developing our own in house “vanguardians”. With this in mind, the Head of Leisure and Community has joined the planning intervention team to increase his knowledge and expertise in the Vanguard methodology.
17. This overall management approach has proved to be very successful. The involvement of senior management has enabled each intervention to move forward at a faster pace than originally envisaged. The contract was costed on the basis of undertaking 5 detailed interventions over a three year period. In reality, we are likely to complete between 8 and 10 interventions within the same time frame.

## **COMMUNICATION**

18. 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.
19. Employee “show and tell” sessions have been arranged for the interventions into benefits, housing repair and planning applications. These have been open to all employees and have been extremely well attended, with a great deal of interest shown in the new way of working. Those teams dealing with “business as usual” have also been invited to tailored briefing sessions allowing opportunities for discussions and challenges.
20. A presentation was made on the outcomes of the housing repair intervention to the Housing Tenancy Board, and briefing sessions have been held with members of Planning Committee regarding the planning intervention.
21. All members were invited to a workshop on 25<sup>th</sup> September, prior to a discussion at the Scrutiny Board meeting on the same day.
22. The monthly e-bulletin produced by the Chief Executive Officer for employees has also included reference to the vanguard interventions, and the Chief Executive’s Management Team has received presentations on progress in each service.
23. Individual “show and tell” sessions have been arranged at the request of the Executive Leader, Deputy Leader and Opposition Leader. This arrangement is available to any councillor on request via the Head of Corporate Services.
24. Finally, all members are kept informed via these progress reports to the Executive

## **LEARNING FROM EACH INTERVENTION**

25. Each intervention has highlighted the need for a different approach. This is primarily due to our systems being designed, over time, to meet the needs of the organisation rather than being designed through the eyes of our customers.
26. It is important to recognise that officers have not been doing a bad job in the past. They have actually been doing a very good job within a poor system which has constrained their ability to solve the customer's problem quickly. The key lessons learnt from each intervention are summarised below. (Further details are provided in Appendix A).

### **The Benefits Service**

27. By looking at the typical customer journey, speaking to customers and understanding the problems that they encountered when making a benefits claim, officers discovered that:-
  - Customers had low expectations of the process, so were satisfied with the paperwork and long timescales, because they didn't feel they had any other choice;
  - Customers expected an impersonal approach;
  - Everyone believed that the complex rules and procedures were necessary and, as such, dictated the long timescales;
  - Officers felt that customers were to blame for errors and delays (regardless of the bureaucratic and unhelpful letters and forms issued by the Council);
  - 70% of officer time was spent dealing with preventable demand; and
  - It was taking an average of 20 days to process a benefit application (which appeared good when compared to performance by other local authorities).
28. The new approach being trialled as part of the intervention provides a more tailored response to meet the needs of individual customers. A benefits officer spends as much time as is necessary to solve the customer's problems, avoids "hand offs" to other officers and calls on expertise when required. Long and complex letters have been removed from the process and "clean" information is gathered at the first point of contact to help process the claim quickly.
29. Complex rules and procedures have been set aside and a single operating principle of "don't break the law" gives officers the freedom to do the right thing for the customer.
30. As a result, preventable demand has fallen dramatically and the average time to process an application is now only 6 days.

### **Housing Repairs**

31. The Council owns 2,371 properties and it is the role of the housing repairs team to maintain those properties and respond to customer requests for repairs.

When looking at the typical customer experience, the team learnt that:-

- Our policies and procedures were based on a “one size fits all” approach to demonstrate fairness, regardless of the customer’s needs;
  - We regularly failed to understand customer needs before taking action, resulting in wasted journeys, wrong tools and equipment and lengthy delays (all preventable work);
  - We demanded everything in writing, even if it caused problems for the customer;
  - Our statistics seemed to indicate that we were meeting performance targets and satisfying customers but we were measuring the wrong things;
  - Repairs were not staying fixed because the worker was not given the tools, equipment, time or freedom to make the right decision to solve the problem; and
  - The average time taken to fix a repair properly was taking 89 days.
32. The new way of working seeks to understand the needs of the customer from the outset and to give the worker the tools and the freedom to solve the problem properly when they are at the property, however long it takes.
33. What matters to the customer is that the worker arrives at the property at the promised time, undertakes the right repair and that the job stays fixed. They don’t want their home to look worse as the result of a “standard fix” but wish to be treated as an individual with specific needs.
34. The new approach has been welcomed by customers and has resulted in a dramatic fall in the average time to fix a repair, which is now only 6 days.

### **Parking Enforcement**

35. Obviously, no customer would wish to receive a penalty charge notice for inappropriate parking so this was not an obvious service to try to gauge levels of customer “satisfaction”. However, having reviewed the service, officers found that a high level of preventable demand was built into the system:-
- Of the 8,400 annual penalty charge notices issued last year, 2,440 were “challenged” by customers (with 62% of the challenges being successful);
  - This preventable demand was causing high levels of customer dissatisfaction and unnecessary work by officers having to deal with angry customers and the cancellation of the penalty notices;
  - “Cancelled” notices were originally being served because of the rules that we imposed on our enforcement officers. They avoided talking to customers and felt unable to cancel notices. They believed that legislation gave them no choice but to issue a penalty notice. They were also under the misapprehension that a certain number of penalty notices needed to be issued to fund the parking enforcement service.

36. A new approach is being trialled which gives enforcement officers the freedom to engage with customers to understand why they have parked inappropriately. Officers have the freedom to make decisions based on common sense and the facts set out in front of them.
37. For example, if a parking ticket is placed on the dashboard and flips over from a gust of wind as the door is shut, then in the past a penalty notice would have been immediately issued. The customer would have then arrived at the Civic Offices with their valid ticket as proof of purchase and the penalty notice would have to be cancelled.
38. This common scenario created a great deal of unnecessary administration, as well as resulting in customer dissatisfaction.
39. In reality, the enforcement officer is actually able to see if a flipped ticket is current and valid because the paper is sufficiently transparent to read from both sides of the ticket. There is no need to issue a penalty notice, as common sense shows that the customer has a valid ticket.
40. The new approach has resulted in a 50% reduction in the number of challenges and a large decline in 'back office' administration. It will be important, however, to monitor this pattern over a longer time period to understand the impact on overall levels of expenditure and income for the parking enforcement service

### **Planning Applications**

41. The intervention into Planning Applications is less advanced than those mentioned above as the review process started at a later date. However, early lessons show that:-
  - Customers have been getting the service they expect because everyone wrongly believed that the 8 to 13 week process was unavoidable and dictated by legislation;
  - We request a great deal of written information from the customer which has no real purpose;
  - Splitting the work between planning officers and back office employees results in a disjointed system, duplicate actions and "hand offs" from one officer to another;
  - Officers felt that customers were to blame for errors and delays (regardless of the bureaucratic and unhelpful letters and forms issued by the Council);
  - We avoided speaking to customers to understand the problem that they were trying to resolve, preferring to communicate through lengthy correspondence.
42. Further lessons will be learnt as new ways of working are trialled in the coming weeks. It is clear, however, that customers want us to make the application process easy, quick, clear and fair.
43. A new, tailored, approach which seeks to understand individual applicant's needs has already resulted in the average time to process a planning



application reducing from 56 days to 36 days, which includes the statutory 21 days consultation.

### **The Recruitment Service**

44. It was considered important to include a support service, such as Personnel, in the first phase of interventions so that we could learn about the Vanguard method across the organisation and not just in front line services. As a result, a team have been looking at the Council's recruitment system and how this might be improved for those involved in recruiting as well as those people applying for jobs with the Council.
45. As a result of their analysis, the team found that:-
  - We were trying to use a "one size fits all" approach to recruitment, regardless of the nature of the job;
  - The application form and job details were wordy, overly complicated and lengthy, requesting unnecessary information;
  - Advertising was not being tailored to the nature of the job;
  - There was a lack of communication with applicants, who want to understand the culture of the organisation as well as receiving useful feedback on their application;
  - The pack of information sent out with the employment contract was daunting to new employees;
  - Managers felt that there was too much paperwork, that the recruitment process was too long and that "scoring" applications was time consuming and not helpful in making decisions.
46. The new approach recognises the value in adopting a bespoke recruitment process for different jobs. Complex paperwork and forms have been replaced with conversations between managers and the Personnel Team to design the best solution for each post. This includes a discussion on job details, advertising and the interview process.
47. Applicants are asked to complete a tailored application form dependent on the nature of the job. For example, it is not necessary to have a lengthy written application from those people wishing to cut the grass, whereas more detail is obviously required for a professional or managerial vacancy.
48. The team are now reviewing the induction process for new employees, ensuring that it is designed through the eyes of the customer and helps them to feel welcome and well informed as they commence their career with the Council.
49. In the future, we will endeavour to attract people into the organisation with the right skills and aptitude to work within the new culture of the organisation.

### **FINANCIAL IMPLICATIONS**

50. The report presented to the Executive on 13 May 2013 stated the costs of appointing the Vanguard Consultancy would be £300,000 over a three year

period. Current expenditure is in line with the terms of the contract.

51. 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.
52. This proved to be the case during the first phase of works with annual savings of £59,000 identified (or £177,000 when set against the time frame of the contract).
53. Further, significant, savings are emerging from the second phase of works.
54. For example, as a result of the intervention into the Housing Repairs Service, and following a report to the Executive on 1<sup>st</sup> September 2014, the frequency of electrical and emergency light testing has been changed. This will result in annual savings of approximately £109,000. Further savings are anticipated as a result of a new management structure for the housing repair service and these will be reported at a future meeting.
55. Similarly, as a result of the intervention, a new structure is being designed for the parking service and it is reasonable to assume that this will generate further savings. This would be achieved through the deletion of vacant back office posts no longer required as a result of the new way of working.
56. Therefore, the combination of efficiency savings generated through the two phases of work to date is currently £168,000 per annum, with more to follow.
57. Given the scale of the annual savings being achieved, particularly in the housing repair service, it is proposed that £30,000 of this saving is recirculated (through the Housing Revenue Account) to fund further intervention work into all areas of Tenancy Services. Following the interventions in Benefits and Housing Repairs, it has become clear that there are significant opportunities for new ways of working in tenancy services with the same customers.
58. This would, in effect, extend the contract price with Vanguard, within permissible limits, and help to provide expert advice for a longer period.

## **THE NEXT PHASE**

59. Whilst work will continue on those services included in the second phase of works (i.e. housing repair, car parking, planning applications, benefits; and recruitment) the interventions are sufficiently advanced to allow a new phase of services to be looked at.
60. Work has therefore commenced on the third phase. This has included fact finding exercises in Strategic Housing, Tenancy Services and Environmental Health. Officers involved have been following the journey of customers over a period of weeks to find out how we deal with their enquiries and needs, through their eyes.
61. The officers named below will lead the intervention process for each service. Each lead officer will be supported by an "independent" manager in order to increase the knowledge of the Vanguard methodology across the organisation.

- Strategic Housing – Led by Caroline Holmes (Head of Housing, Revenues and Benefits), supported by Lindsey Ansell (Head of Corporate Services)
- Tenancy Services – Led by Martyn George (Director of Community), supported by Jon Shore (Tenancy Services Manager)
- Environmental Health – Led by Ian Rickman (Head of Environmental Health), supported by Mark Bowler (Head of Leisure and Community)

62. As with the second phase, each intervention will have a small team of officers experimenting with new ways of working.
63. It will be necessary to also start reviewing some of the support services such as ICT in the near future. There is a common theme throughout all interventions to date, where technology needs to be designed through the eyes of the customer, to better support the work of the service areas.

## **CONCLUSION**

64. The second phase of implementing the Vanguard method is nearing completion. This has focused on detailed interventions into housing repair; car parking, benefits, planning applications and recruitment.
65. Significant lessons have been learnt from each intervention and new ways of working are being implemented resulting in a more responsive, customer focused approach. Solutions are being tailored to meet the needs of individual customers and meaningful measures are being put in place to enable the effective management of each service.
66. Work has now commenced on the next phase, with interventions commencing in tenancy services, environmental health and strategic housing.

**Reference Papers:**            Report to the Executive on 13 May 2013  
    Report to the Scrutiny Board on 30 May 2013  
    Report to the Executive on 2 December 2013