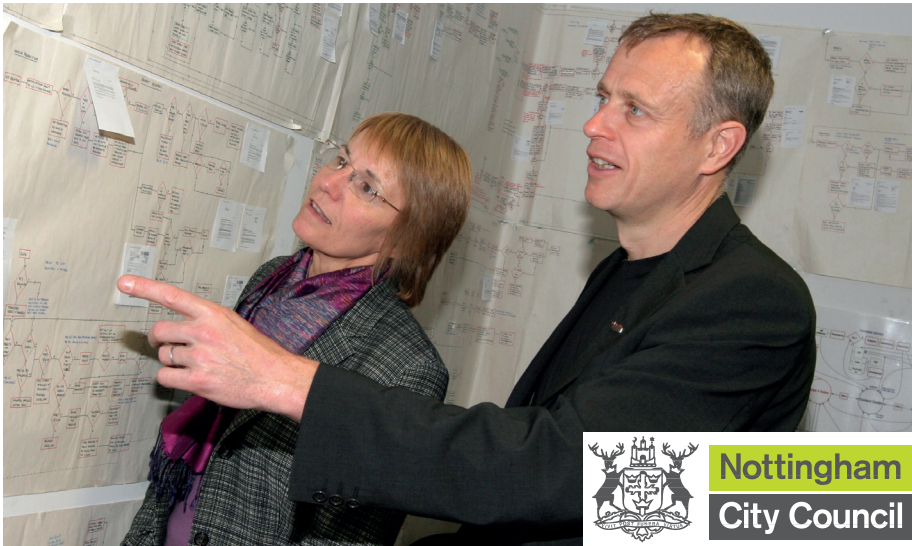


Good Practice Case Study

Positive Change: A 'Systems Thinking' approach to customer-focused improvements ▾



East Midlands
Improvement and
Efficiency Partnership



Nottingham
City Council

Councillor Jon Collins, Leader of the Council,
and Jane Todd, Chief Executive, on an awareness day

Addressing the pressures ▾

All local authorities are seeking to deliver improvements in business practices, customer satisfaction, and staff morale against a backdrop of reduced financial resources and increasing customer demands.

Nottingham City Council is carrying out a three-year trial of Systems Thinking to see whether this approach delivers such improvement.

The first implementation was a comprehensive review of Benefits Services, begun in April 2008 with a full re-design of the service completed by December 2008. This was so successful that a roll-out of the programme, including a structural re-design for 160 staff, started in February 2009.

The 'building blocks' ▾

The City Council's organisational improvement programme provided the opportunity for managers dealing with change to take an interest in the Systems Thinking methodology. This engaged consultants to run a three-day introductory workshop for key managers, focusing on the newly designed customer contact centre that included the Benefits Service. The initial objective was to make the Benefits Service more customer-focused. The Service was already rated four star by the Audit Commission, but, customer feedback was negative and staff were unsatisfied with their working environment.

It became clear that successful Systems Thinking required a change in thinking at senior levels. This led to a three-day pilot with Vanguard

Consulting involving the Strategic Management Team, which decided to start a programme of reviews with funding support from East Midlands Improvement and Efficiency Partnership (EM IEP)

The first review focused on the Council Tax and Housing Benefit Service. The Systems Thinking review commenced with a 'check' of demand on the system and its capacity to deliver. To achieve this, the Check Team listened in at both face-to-face and telephone interaction points to understand the common patterns; subsequently the demands and work-flow were mapped out on wall-mounted diagrams. This then informed the debate on service redesign by identifying waste, barriers, and failure demand in the system.

The pathway to success ▾

By July 2009, the service was showing signs of improvement. Measures of the customer experience from point of contact to actual payment of a claim were re-drawn around the new purpose 'to enable customers to pay their rent or council tax'. The claims timescale reduced from 50 days to 19 days and the percentage of successful claims rose from 62% to 71%.

Interestingly, the results are not confined to one element of the service delivery. Improvements are

becoming apparent from financial, performance, customer and staff perspectives.

- From a customer perspective, there has been a notable improvement in satisfaction
- The number of appeals has decreased from 106 in 2007/8 to 85 in 2008/9 and 61 in 2009/10
- Customers' claims are now resolved swiftly and efficiently

- Many customers say that they have a greatly improved understanding of the benefits system

Although the Systems Thinking approach is predominantly customer-focused and not necessarily intended to deliver financial savings, findings demonstrated that a customer-led review can generate considerable efficiencies:

- To date, £677,000 has been saved through restructuring and workforce reduction
- Additional savings were made from the reduction in postage expenditure, printing and in the use of external contractors

Those working in the Benefits Service say that they feel more empowered as they can now take direct responsibility, and staff sickness has reduced significantly.

“It’s been great watching my team being able to get on and solve problems; it’s empowerment in action.”

Gary Crawford
Check Team Leader
Nottingham City Council

The project was monitored by the Corporate Review Programme, using a benefit scorecard to capture progress. This was reported back to the Council’s improvement programme and the Corporate Leadership Team.

Detailed findings included:

- The current economic climate has resulted in a caseload increase from 37,380 (March 2008) to 40,034. This has been coped with effectively even with a reduction in staffing
- The percentage of successful claims has increased from 63.14% in 2007/08 to 74.53%
- Failure to meet customer demand has reduced from 70% to 28% and full resolution at point of contact for the customer has increased from 33% to 82%
- Staff satisfaction increased while sickness levels dropped

This service review is ongoing, and the full benefits will take time to be realised. However, the remarkable results support the case for Systems Thinking reviews in other parts of Nottingham City Council and are a testimony to the hard work of all the staff involved.

Building on a firm foundation ▾

To co-ordinate the Systems Thinking approach, a Corporate Review Programme acquired resources and support from the leaders and managers:

- Three-year Council budget of £750,000 was agreed, with an additional £50,000 from the EM IEP for year one
- To implement the project it needed a core team (three full-time equivalent staff) to carry out the reviews. The Council hopes to use this talent across the organisation

In the past the City Council had not co-ordinated service improvements; most were stand-alone projects or focused on basic service function. Systems Thinking required the Council to take a more holistic view and to ask the fundamental question:

‘What does the customer want and did we make anything better?’ This allowed a new way of thinking to emerge, such as ‘why don’t we just call the applicant instead of producing a letter that won’t get to them within 5 days?’

Lisa Black, Head of Benefits Services, has said:

“Being the Head of Service of an ‘Excellent’ rated benefit service, the Systems Thinking approach to service review was a revelation. We have always aimed to deliver what was right for the customer, with the review showing that the customer experience was very different. I am very confident that we have a method, which is driving leadership and cultural change but most importantly, will genuinely deliver continuous improvement in the design of our services.”

The impact ▾

Changing the workforce

The review changed the way in which staff worked. Re-designing the service around the customer; staff were empowered to make decisions and improve working practices directly.

Changing culture, behaviour and attitudes

The focus of the Benefits Service has moved perspective onto the customer, with staff being more accountable for actions. Also, skills have broadened enabling them to deal with all aspects of the service instead of one.

Changing performance or financial management arrangements

To date, the service has made significant financial savings directly due to the more efficient working practices; thus performance has improved and the service has been able to do more with the same during the increase in demand from the recession.

Savings and benefits for partners

This pilot has led to a Nottinghamshire Improvement and Efficiency Group Project to expand the awareness and knowledge of Systems Thinking across Nottinghamshire Authorities.

Lessons and challenges ▾

By focusing on the customer, Systems Thinking delivers improved performance, value for money, employee satisfaction and most importantly, customer satisfaction. Lessons include:

Time to adjust

Some managers have been challenged by their new role in a Systems Thinking environment, others took time to adjust and found training unsettling; looking at the bigger picture can be hard to do. Introducing radical change needs strong, responsive and direct leadership supported by good planning and communication. Other actions taken to help staff adjust include:

- The Check Team, made up of representatives from across the service, produced progress newsletters and issued open invitations to staff to add into the design
- Open days for encouraging and building awareness, service partners and all levels of staff involved
- Direct involvement of management in training
- Create capacity; help with managing workload whilst staff members develop new skills and roles

Lead by example

The challenges faced when developing the Systems Thinking approach are not unusual, but the emphasis is on leadership in a new environment. For example, two factors that may have facilitated the process are:

- The inclusion of middle managers in the review may have lessened resistance and fear of change
- Minimisation of the traditional organisational ‘pulls’ on managers

Key pointers

- Gain support from senior management; there will always be doubters, but keep them close and informed, the proof is in the outcomes
- Communicate with staff and explain any changes affecting them
- Include those that do the work in the ‘check’ process
- Involve all stakeholders
- Think outside the box: If we started this service from new, what would we do?

It is important to consider that results will not be visible immediately, so being overly target-focused can be de-motivating.

The way ahead ▾

The original three-year programme includes further reviews across the whole organisation, such as Transport, Community Policing and Planning, with several of these either underway or at the scoping stage.

Examples of progress include:

- Managers in the Schools Admissions and Exclusions Service have finished the 'check' stage of their review and plan to roll out the process in the near future
- A review of bulky waste in the Environment Service is underway and achieving some early successes

- Early success has led to the development of the scheme into a sub-regional project with £303,000 of funding from the Nottingham Improvement & Efficiency Group, which includes all Nottinghamshire councils, and receives funding from EMIEP

Moreover, Nottingham City Council will be taking the opportunity to review the way they improve and transform services and the applicability of Systems Thinking particularly with regards to the links that are being made with Total Place.

Notes ▾

Contacts ▾

For more information, please contact:

Name:

Kevin Banfield

Job Title:

Head of Corporate Performance

Organisation:

Nottingham City Council

Tel: 0115 915 4615

Email:

kevin.banfield@nottinghamcity.gov.uk

Web:

www.nottinghamcity.gov.uk

Name:

Merlin Tinker

Job Title:

Programme Manager – Business Transformation

Organisation:

East Midlands Improvement and Efficiency Partnership

Tel: 07534 266 228

Email:

merlin.tinker@nottsc.gov.uk

Web:

www.eastmidlandsiep.gov.uk

East Midlands Improvement and Efficiency Partnership Case Studies

The East Midlands Improvement & Efficiency Partnership (EM IEP) is committed to celebrating the successful, innovative and imaginative project work that exists in the East Midlands region.

The EM IEP Support Team publish case studies showing how East Midlands councils are improving services, and delivering significant improvements and efficiencies.

The case studies are intended to inspire councils in the region, and indeed nationally, to transform services and benefit from the processes developed by those councils that have pioneered the way forward.

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