



CORPORATE & TRANSACTIONAL

Melton Borough Council's Service Redesign Programme



Summary

Melton Borough Council's Service Redesign Programme is about making a positive difference that local people will really notice, by challenging the way that services are designed, and re-engineering them so that people receive faster, better, more joined up and personalised council services.

The Programme aims to make radical changes to services in order to make the best use of new technology, eliminate waste, and deliver services based upon a deep understanding of the customers needs.

The Council has recognised that it cannot afford to stand still, now or in the future, and has invested in permanent capacity and infrastructure to support and manage its change processes.

Phase one of the Programme covers key service areas in 'Revenues and Benefits' and 'Social and Economic Development'. Melton has produced a comprehensive Business Case that has identified cashable efficiency savings and recommended structures that would allow for more joined up working and problem solving, resulting in savings that will be released for reinvestment into the council's other priority work streams, and particularly when addressing issues faced by some of Melton's most vulnerable residents.

Improvement through efficiency



Centre of Excellence

East Midlands

emce.gov.uk

Project background

In recent years Melton BC has been on a journey to become a more customer focused organisation. A Council wide approach to implementing customer services was adopted in 2002 and led to the development of a Customer Service Strategy that identified potential for making radical changes to working processes and structures.

The Council believed that they could operate more efficiently, achieve better outcomes for the customer and place the Council at the leading edge of customer focused service delivery if they identified and focused on the needs of the customer, and understood how modern technology could be used.

The Strategic Vision was to place the 'customer' at the heart of everything and to make radical changes to service delivery to better serve the needs of the customer.

Melton looked at best quartile performance for the processing of benefit applications and felt that 25 days was a considerable period of time; if banks could process loans in around 20 minutes could the Council have an aspiration to consistently process benefit applications inside one hour?

The Strategic Vision can be further illustrated through a couple of fictional examples:

- Gladys has recently been widowed and has fallen into arrears with council tax, which is still in her late husband's name. When there is no response to a telephone call a visiting customer service advisor makes an appointment by letter to go and visit Gladys, as the account has never been in arrears before. It is apparent from the state of the garden that Gladys is struggling to cope with life. The advisor is able to assess Gladys's needs and can commission a range of services on her behalf. These are provided by a range of agencies from across the public and community sectors - the advisor is also able to advise Gladys of some voluntary groups that meet locally that she may be interested in joining.
- Kevin is 21 and rents a council property. He has lost his job and fallen behind with his rent and council tax. Rather than get a standard rent arrears letter, he receives a proactive phone call from a customer service adviser. They talk to him about housing benefit and how he can tackle the arrears issue. In addition, they also engage job centre plus, discuss new job opportunities and links into local training opportunities.

Managing the project

An initial case was made to create capacity to support the change process both internally within the Council and externally via funding support from the East Midlands Centre of Excellence. Consultancy support was acquired to support an internal change team comprising council officers who were also trying to maintain their day jobs.

However, this did not progress the project quickly enough and Councillors recognised that in order to achieve the anticipated benefits permanent officer support was required. In response to this, additional resources were identified for two full time permanent change consultants who were supplemented by officers seconded full time into the Change Team.

The new Change Team were tasked with developing a Business Case for re-designed services to be included within Phase 1 of the Redesign Programme, covering:

- Revenues and Benefits
- Social and Economic Development (Housing, Leisure, Community Safety, Economic Development)
- Customer Services.

It was recognised by Councillors that one of the few certainties was that change would be permanent and it was felt that a permanent change team would support ongoing change throughout the Council.

The existing Revenues and Benefits service comprises of a large amount of information provision, processing and transaction based enquiries. A key element of Melton's Service Strategy was to enable as many of these interactions as possible to be carried out at the first point of contact. This could be through an interaction with an officer within the Council or via other access channels (e.g. self-service through a website or through other agencies).

The Councillors acknowledged that these transactions could be carried out at first point of contact in an efficient manner, thereby releasing resource to allow the Revenue and Benefits service to develop and contribute to the Council's overall objective to "enhance the quality of life for everyone in the Borough".

The key areas for development identified in the Revenues and Benefits service area were:

- Financial Well-Being; including the provision of benefits and dealing with debt, how different ways of working and being more pro-active can potentially make a difference to the person or business on the street. Examples include more preventative work with housing tenants to stop them getting into arrears via the provision of financial literacy training, by ensuring tenants maximise their benefits entitlement and by providing a proactive rent arrears strategy.
- Business Engagement; by developing links with businesses and having a more holistic view to ensure that businesses are supported and in turn provide benefits to the wider community. For example, whilst the Council is talking to a business about business rates the Council can also discuss other issues such as staff training and any support needs. The Council can also promote details of grant / support initiatives, as well as becoming more proactive regarding rates relief.

Proposed Solution

The resultant Business Case recommended that the Council be restructured around the needs of the customer as opposed to professional boundaries. The Council anticipates that the main structural changes will lead to substantial improvements in the resolution of service requests at the first point of contact through a strengthened Customer Services Unit, with remaining back office functions for Revenues and Benefits being subsumed into an enhanced Social and Economic service area.

Most importantly, this new enhanced service area has been radically restructured to provide a cross cutting focus on the three different segment groups: -

- Citizen (Individual) Well-Being – will focus on the health and well-being of individuals and will concentrate on service delivery. There will be a focus on helping the most vulnerable groups of people to achieve a better quality of life and wherever possible overcome disadvantage.
- Neighbourhood Regeneration (Place) – will focus on ensuring a safe and decent place for Melton's citizens to live in. The general aim will be to make every part of the Borough a decent place to live so that no-one is disadvantaged by where they live.
- Economic Regeneration (Businesses) – will focus on ensuring the development of the local economy including links with the revenue collection of the Council. There will be a focus on engagement with businesses and tackling issues like debt management to ensure that all residents and businesses in the Borough maximise their economic potential to the benefit of the local economy.

The innovative new 'Social and Economic Development Structure' as illustrated in the diagram on page six brings together staff from different professional backgrounds to provide the infrastructure to allow service delivery to be focused on overcoming disadvantage for individuals, making everywhere in the Borough a decent place to live and developing a strong economic base. It has been recognised that these segmented teams cannot work in isolation, and will need to work effectively with each other, as such The Council have moved quickly to put in place senior management structures for these new teams.

The enhanced Customer Services unit will consist of additional multi-skilled staff that will also be able to visit customers in their homes if required. The new 'matrix' type structure will provide many benefits for the Council and its employees. The opportunity for staff to work across existing boundaries provides them with exciting opportunities for career development, whilst the Council will finally be able to focus entirely on customers needs and break away from working in silos.

In future Melton BC expect to develop their approach to customer insight which will enable the Council, working with public sector partners, to develop much deeper knowledge of their customer base and link this to their performance management frameworks. Increasingly, the Council anticipates that this approach will enable them to work in similar ways to some of the best customer focused private sector providers, such as banks and supermarkets, but to achieve public sector aims and objectives rather than profits for shareholders.

Stakeholder engagement

With any programme it is essential to ensure that all of the stakeholder groups are engaged, and the Service Redesign Programme was no different.

Melton BC's stakeholders include customers, staff, businesses, politicians, suppliers, partners and other agencies, management, and the East Midlands Centre of Excellence.

Melton acknowledged that each stakeholder group would be affected by the programme in different ways and to varying degrees and so communication needs would be very different; for example the proposals significantly affected the day-to-day work of the staff and as a result it has been vital that Melton's staff were kept informed and involved at every stage of the process. This has been achieved through a series of innovative design studios, presentations, process workshops and drop in surgeries together with a range of more traditional communication tools such as briefing notes and staff newsletters.

Throughout the process the Chief Executive has chaired a high level "Making Progress" Group to manage the change process which has included

involvement from leading councillors, trade unions, and all key officers. This has been a key factor in obtaining ownership of the change process, a radical change programme such as this raises many problems and it is vital that issues are 'owned' and dealt with promptly and effectively.

In contrast to the staff, the East Midlands Centre of Excellence (EMCE) are also interested in the achievement of efficiencies as a result of their investment in the Programme, the overall effectiveness and quality of the Programme, what lessons have been learned, what can be replicated and how can this be disseminated for the benefit of other organisations in the region. In addition to grant funding the Programme the EMCE has actively supported Melton BC through the provision of a Gateway Review and supported the completion of a Return on Investment Model developed by RSe Consulting.

Impact of the Programme

The planned impact of this part of the Service Redesign Programme is manifold and includes:

- A customer focussed approach which will ensure that both citizens and businesses are dealt with more quickly and effectively, enabling transactions to be carried out at the first point of contact
- A more straight-forward Council to deal with particularly for more vulnerable members of society who often need to access multiple services and whose needs are more complex and therefore need to be considered more holistically
- The ability to utilise customer insight (business intelligence) better and to improve services as a result
- Delivering greater efficiency savings by re-engineering processes, and delivering non-cashable and qualitative savings through staff working smarter and more efficiently
- Mobile working (where appropriate) will be available to enhance services
- Staff training and development which increases staff motivation and performance.
- The ROI analysis revealed significant cashable efficiency savings of £1.5 million over five years from the start of the Programme. The majority of these efficiency savings will be reinvested into the Programme resulting in an estimated qualitative service improvement of 79%.

Critical success factors and lessons learned

Essential ingredients for success:

- Leadership
- Commitment
- Understanding of the overall objectives
- Working together as one team.

Critical success factors

At the start of the Programme a number of critical success factors were identified and centred on the 4 key areas of: financial benefits to the organisation; customer benefits; organisational benefits and individual employee benefits. Under each of these headings a range of measurements were identified to ensure that the project benefits were balanced.

Problems encountered and how they were overcome

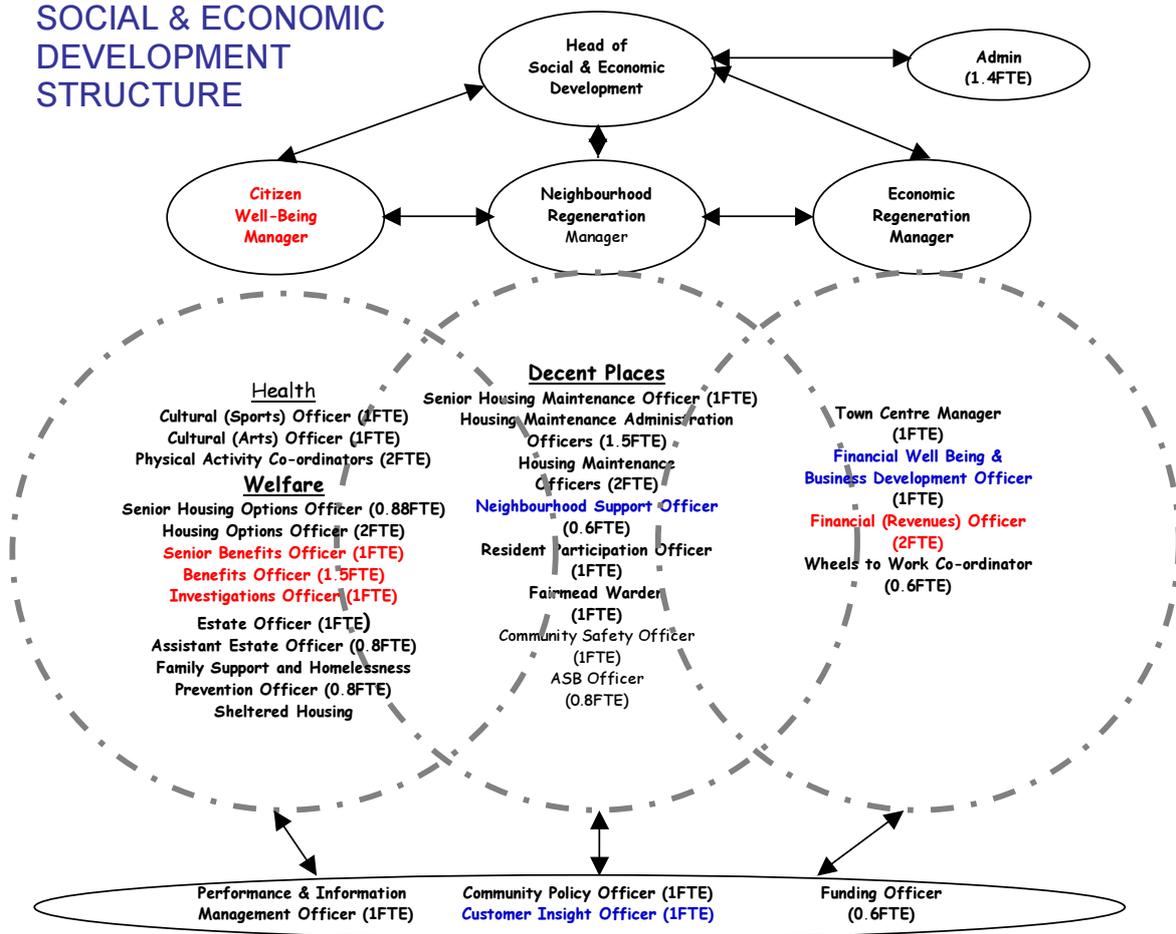
In developing the Service Redesign Programme Melton BC encountered a number of barriers to change, the key to overcoming such barriers was to engage with stakeholders wherever possible. Internally, there was an initial concern regards employee cutbacks, this was overcome by on-going and detailed liaison with Trade Unions and the consideration of capacity issues when looking at various options for redesign. Allowing employees to realise their capacity to undertake the change process was overcome by delivering presentations and communicating potential real life examples of what change may deliver. Similarly, snapshots of management information over a period of time helped to overcome a lack of understanding of the long term vision of Melton BC.

Risks

Research also highlighted some of the major risks that needed to be carefully managed, and inevitably form part of a project of this size and scale. Key risks included training and development issues across traditional professional boundaries; a lack of staff commitment and understanding of the changes and new ways of working; delays to Programmes implementation due to required ICT development; efficiency gains not realised in timescales predicted; and the effect of possible negative publicity upon the Council's reputation.

These risks have been continually managed throughout the programme and continue to be managed during the implementation. Melton BC realise that the effective project management and engagement of all key stakeholders is paramount to ensuring the outcomes are achieved.

SOCIAL & ECONOMIC DEVELOPMENT STRUCTURE



Transferability

Melton's Programme has highlighted a number of principles that can be applied to similar programmes, these include: reviewing council services from a customer perspective at the start of a Programme from the strategy level; removing professional boundaries and structuring key tasks around the customer segment groups; exploiting potential efficiencies that can be gained by amalgamating services to deal with customers in a holistic approach, and using business process techniques to deliver customer focussed outcomes.

It is anticipated that more lessons will be learnt during implementation and the embedding of the structure to deliver a really 'positive difference that Melton's customers will notice'.

Contacts

Keith Aubrey

Corporate Director
Melton Borough Council
tel: 01664 502 530
email: kaubrey@melton.gov.uk

Sharon Perks

Head of Customer Service and Change
Melton Borough Council
tel: 01664 502 337
email: sperks@melton.gov.uk

Chris Allison

Regional Director
East Midlands Centre of Excellence
tel: 0115 977 4921
email: chris.allison@nottsc.gov.uk