



CORPORATE AND
TRANSACTIONAL

Nottingham City Council and Kendric Ash - Housing Benefit Service Transformation

Summary

Nottingham City Council's housing benefits provision was performing poorly due to a need for management capability and capacity, lack of performance culture, low morale, high staff turnover and a dysfunctional IT system, which were all leading to unacceptable levels of service.

The council sought the advice of companies who provide turnaround services to enable local authorities to improve performance far more quickly and cost effectively and with less risk than the traditional outsource, consultancy or interim management approaches. Nottingham were in need of a fresh approach and some key people to formulate a vision and push that vision through.

Such partnerships provide relatively short-term support by putting in a few good people and re-thinking the way that the council's internal systems and staff work with a view to sustainability of improvement. Once initial goals are achieved and performance has improved, the company pulls out, leaving the authority to take charge again, very often with a new tool-kit and perspective on service improvement and delivery.

“Short-term partnerships provide local authorities with a valuable 'shot in the arm’”.

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Corporate transformation partner

Kendric Ash was chosen as the preferred corporate transformation partner as the council felt that it lacked the management resources to implement its plan for improvement. Kendric Ash were tasked to:

- Assess the situation and formulate an action plan
- Bring in additional management capability and capacity for a fixed period to implement the action plan and to improve morale and performance
- Improve the capabilities of the existing team through coaching and development to ensure long-term sustainability of improved performance
- Work on a results-based risk system so that Nottingham's investment created a measurable and significant return.

The challenge

Nottingham City Council is a local authority responsible for delivering services to over 250,000 people living in Nottingham. In August 2002 its housing benefits provision was performing poorly. The recently installed IT system wasn't working well, there was high staff turnover (5 or 6 per month from a department of 140) and poor morale.

This was leading to low levels of service. Best practice as shown by the top quartile of councils showed that 'new claims' should be processed within 36 days - at Nottingham it was taking around 140. Similarly, changes to existing claims should have taken 11 days, not the 62 Nottingham was taking. There was a backlog of 18,000 claims. It was not unusual for personal callers to have to wait two hours for appointments.

New Assistant Director for Benefits, Geoff Hibbert approached Kendric Ash and laid out his problem - he had created a service improvement plan, but needed to make it more robust, and he admitted that he lacked the management resources to implement the plan.

“I came into this position and saw that it could be resolved, but not with the resources at my disposal. My view was that we had a system to do the work, we had a good core of staff but we needed experienced managers. I could have chosen to use overtime and temporary staff or even outsource the work. However, I decided to look for additional management resource”.

Geoff Hibbert,
Assistant Director for Benefits

He was concerned to create long-term stability and excellent service, adding, “The project was not to be about 'building pyramids by flogging people' - we needed to see who was worth investing in and where we had development potential. The process had to improve staff morale. It also had to reduce sickness rates and staff turnover.”

The Kendric Ash intervention

Following a meeting with Kendric Ash, an agreement was reached to cover an initial three month period of work to deliver the first stages of the recovery plan. A team of managers was created by Martin Cymbal of Kendric Ash, specialists were assigned to each problem. In a show of significant trust, Martin was appointed as Service Head and given authority to solve problems. The agreement was based on a risk model linked to monthly performance targets.

Getting the buy-in of councillors was also important - “Councillors had to underwrite the plan - Members had to trust us to deliver it for them”, says Geoff Hibbert.

The first challenges faced by the new team were to understand the full extent of the problems facing the service and to stabilise the process. This went well - according to Geoff Hibbert “the plan began to be successful from day one”.

The team fixed practical issues such as the problems with the IT system, but also spent much of their time working with the people in the department and developing the new management team. At the start of the process Geoff Hibbert met with each employee individually to explain the reason for the changes being made, and Martin made a number of presentations to explain the methodology that Kendric Ash was introducing.

Kendric Ash is more than aware of the negative perceptions that some management consultants have in local government.

“At first we were seen as another bunch of consultants - that's long gone. We're about rolling our sleeves up, getting things done, adding capabilities into management that they haven't got. We're no longer seen as outsiders, there is a proper partnership based on mutual trust and respect”.

Martin Cymbal,
Regional Director,
Kendric Ash

Benefits

Between 2002 and 2004 this intervention had a dramatic impact on the performance and quality of the housing benefits provision:

- New claims now take an average of 31 days to process, compared to 140 days previously - a 78% improvement
- The time taken to make changes to existing claims has been slashed from 62 days to 7.5 days - an improvement of 88%
- Callers now have to only wait 11 minutes for an appointment compared to a two hour wait previously - an amazing improvement of 91%
- Staff surveys report that staff morale and confidence in management have improved significantly
- Financial improvements in excess of £3.2 million have been achieved
- Nottingham City Council's CPA rating has improved from 'weak' to 'fair' as a direct result of these improvements.

The internal communications strategy was revamped, with the introduction of an in-house magazine and 'person of the month' awards. Month-by-month improvements were seen and celebrated, and morale improved.

The impact on employees was tremendous. Geoff Hibbert says, "Once stabilised, productivity improved significantly. Electronic worksheets were working properly. Sickness levels were down from 20 days to less than 12 days quickly. We dealt with long-term sick issues. Our second staff survey showed morale and confidence in management was improving significantly." The need to meet with councillors was also reduced - to once a fortnight, then once a month.

The next important milestone for the project was the tendering process for a four year contract. "A key aspect of the tender was that the winner would have to make themselves disposable at the end of the four years - and leave us in a position to carry on ourselves", said Geoff Hibbert.

Kendric Ash won the long term tender and is now progressing successfully towards the goal of making itself redundant by building a strong management team to sustain excellence and continuous improvement post the partnership.

The external impact

The formal impact of the changes was very strong. Within a year of the new regime the benefits administration process was so good that by itself it improved the CPA rating of the council from 'weak' to 'fair'. The Benefit Fraud Inspectorate found a rise from 50% to 98% compliance with best practice.

Geoff Hibbert goes further, adding, "Feedback from councillors and others has been tremendous. Councillors no longer have benefits as a prime concern at their surgeries. Housing Associations have written in unsolicited and said they've never seen it so good and their cashflow is the best they've seen."

Martin Cymbal adds, "People are happier - customers are delighted, staff are motivated, councillors are satisfied and registered social landlords are delighted."

Kendric Ash and Nottingham are now working on other important service areas - rents, supporting people and speeding up the process of renovating empty houses and allocating new tenants.

Geoff Hibbert is full of praise for the impact of Kendric Ash's work - but is well aware that they have a challenge to sell their services - "The sort of places that would benefit the most from Kendric Ash aren't the ones likely to ask them - if you're weak and dysfunctional you're not likely to notice them", he explains.

Contact

Lisa Black

Head of Housing and Council Tax Benefits
Nottingham City Council
tel: 0115 915 4192
email: lisa.black@nottinghamcity.gov.uk

Martin Cymbal

Regional Director
Kendric Ash
tel: 01491 838 988
email: martin.cymbal@kendricash.com

Julie Slatter

Assistant Director (Partnerships)
East Midlands Centre of Excellence
tel: 07921 491 699
email: julie.slatter@nottscc.gov.uk