

Corporate Scrutiny and Performance Panel

16 September 2010

Agenda
Item No.

7

Working Smarter Programme Update

Ward(s) All

Portfolios: Cllr Arif, Business Support Services

Executive Summary:

To update Corporate Scrutiny and Performance Panel on the progress of the Working Smarter Programme.

Reason for scrutiny:

The Panel received an update on the Working Smarter Programme at the 22 July 2010 meeting, and requested regular updates thereafter. As the council's single transformation programme it is important that the Panel receive regular progress updates and have the opportunity to input into the Working Smarter agenda and work plan.

Recommendations:

That:

1. Panel note the progress made to date in the Working Smarter Programme.
2. Offer input and feedback on the work plan.
3. Agree to receive further updates and reports as required
4. Panel discuss and agree how they are to be involved in Working Smarter going forward, options include:
 - Working Group involvement in service redesign activity
 - Specific role around the programme level business case
 - Receive progress and work programme updates for comment

Appendices:

The papers that form this update include:

- *St Matthews pilot final report*
- *The phase 1 programme milestone map*

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3 September 2010

v2.0 – 01/09/10

FINAL

WORKING SMARTER PROGRAMME

Council System Design Project



Walsall Council



Walsall Council

CONTENTS

1.0	INTRODUCTION.....	2
2.0	PURPOSE OF REPORT.....	4
3.0	EXECUTIVE SUMMARY.....	5
4.0	THE ST MATTHEW’S PILOT.....	6
4.1	PURPOSE.....	6
4.2	THE 4-LEVEL MODEL.....	7
4.3	UNDERSTANDING DEMAND – SAVING MONEY.....	8
5.0	THE PILOT PROJECTS.....	10
5.1	ADULTS	10
5.1.1	ADULT SOCIAL CARE.....	10
5.1.2	WORKLESSNESS.....	12
5.2	PEOPLE (CHILDREN’S).....	13
5.2.1	CHILDREN’S CENTRES & THINK FAMILY.....	13
5.2.2	16/17-YEAR-OLD HOMELESSNESS.....	15
5.3	PLACE	16
5.3.1	STREET SCENE.....	16
5.3.2	TOWN CENTRE.....	17
5.3.3	ANTI-SOCIAL BEHAVIOUR.....	18
5.3.4	MELLISH ROAD CHURCH.....	19
6.0	COST SAVINGS	20
6.1	QUANTIFIABLE SAVINGS.....	20
6.2	PROJECTED SAVINGS	22
7.0	LEARNING.....	25
7.1	LEADERSHIP	25
7.2	ELECTED MEMBER ROLES.....	25
7.3	DEVELOPMENT & IMPLEMENTATION.....	26
8.0	NEXT STEPS.....	28

1.0 INTRODUCTION

Walsall Council is developing new approaches to how it operates to reduce waste and spend less, improve customer service, and change the way we do our business. This programme is known as Working Smarter.

As part of Working Smarter the work described in this report explains how a prototype new way of operating has been applied to a number of issues (customer demand), over a seven-week period, in the St Matthew's ward of Walsall. In total nine projects were attempted in St Matthew's. The projects were determined by walking in the St Matthew's ward, guided by local councillors who identified the key issues and problems based on their local knowledge.

In each of the nine projects, we worked with residents/customers in a very different way to that in which we ordinarily would. We operated as though we were in competition with how the council would usually work, with the aim of doing things better, faster and cheaper. During this pilot we were allowed to break the current rules, change the organisation culture and work with a wider purpose of making people feel proud of themselves and what we do. In the culture of our temporary new organisation we attempted to do work 'here and now', whenever possible, rather than refer work to someone else, or find a reason why we couldn't do it. To those working in this new way, it was noticeably different to how the council usually operates.

We required leaders to lead by first understanding what our customers need and then encouraging newly formed teams to change how they operate to meet customer demand. Leaders were required to model new desired behaviour giving workers permission, encouragement and praise to do things better. This meant getting leaders on to the 'shop floor', out of their offices and feeling what it is like to be the customer.

The St Matthew's project team operated, albeit temporarily, as a 'new' organisation. The team met briefly each day to report what had been done, what we had learned and, based on this, what we would do next. This accelerated our learning, increased our sense of purpose and reduced bureaucracy. We operated totally differently to how we usually would, with increased energy, high motivation and job satisfaction.

The key purpose of the St Matthew's pilot was to see if the operating model recently developed and tested for Area Partnerships, could be applied and adapted to become a new way of operating across Walsall Council and potentially across public sector partners. An operating model is, essentially, a set-out and agreed way of doing things. The operating model is supported by principles and organisation culture – it is not the model alone, but how it is applied that makes the difference. Having an operating model (a common way of doing things) prevents corporate chaos and provides consistency in how an organisation works.

A key test for the Area Partnerships operating model being applied across all council services was that of whether or not it would be flexible enough. The pilot found that the model is robust enough to provide both consistency and flexibility and so has potential to be used across the council and partner organisations.

2.0 PURPOSE OF REPORT

- To determine whether the 4-level operating model developed for Area Partnerships in Walsall can be used or adapted to become a new operating system for Walsall Council.
- To identify and quantify savings to inform the council's budget process.
- To undertake and evaluate a series of pilot projects in the St Matthew's ward of Walsall. To test at small scale, how the 4level operating model performs across themes of people and places.
- To measure each pilot project against the three Working Smarter (WS) objectives: taking waste out of the system and spending less; improving customer service; changing the way we do business.
- To capture learning relevant to facilitate roll-out, should this be appropriate.
- To propose the next steps if a decision is made to take the new prototype operating system forward.

3.0 EXECUTIVE SUMMARY



4.0 THE ST MATTHEW'S PILOT

4.1 PURPOSE

The pilot was run over a seven-week period beginning on Monday 17th May 2010 and ending on Friday 2nd July 2010.

The pilot takes a sample of projects in St Matthew's and applies the new 4-level operating system. This will test whether, by working differently, it is possible to improve customer satisfaction and reduce costs. Not all of the projects were successful: some started late, others were not started at all and some have yet to fully report. Where projects have been led and followed through they have been successful or are expected imminently to report success.

It was recognised that customer needs usually divide into themes of People and Place. However, in order to achieve more testing in the time available, the project work was divided into three work-streams of Adults, Children and Places as follows:

Adults Projects

- Adult Social Care
- Worklessness

Children's Projects

- Children's Centres
- Think Family (ultimately combined with Children's Centres)
- 16/17-Year-Old Homeless

Places Projects

- Street Scene
- Town Centre
- Anti-Social Behaviour
- Mellish Road Church

4.2 THE 4-LEVEL MODEL

The following is the 4-level operating model which was initially developed by Walsall Partnership for the new system of Area Partnerships. It is this model that has been used as the method of operating for all of the nine St Matthew’s pilot projects to test if the model can be applied or adapted as a new operating system for Walsall Council.

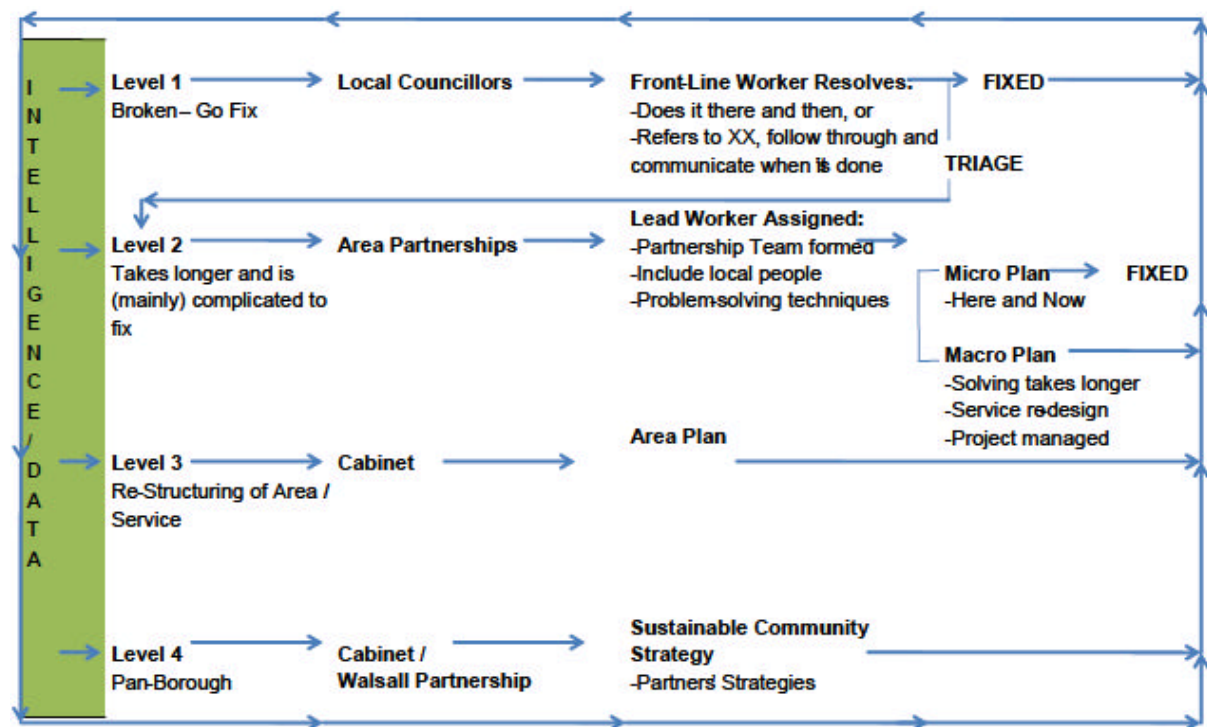


Figure 1: 4-Level Operating Model – Prototype Operating System

The key principle which drives the model is that if we do today’s work today and prevent future demand by acting early here and now, overall there will be less to do and so costs will reduce (‘a stitch in time saves nine’). If we do today’s work today, then we will also satisfy our customers and avoid putting them in queues, wrapped in bureaucracy, which is frustrating, wasteful and expensive.

A further key principle is that all management decisions and actions are informed by data, information and intelligence. This is a combination of known measurements and statistics, what local people tell us and also the experience of ‘standing in the customer’s shoes’.

The aim is to do all work at the lowest level, so preventing things getting to a threshold where they have become bad enough and need to be elevated to a higher level where intervention will cost more.

The system works at four levels:

LEVEL 1: Frontline workers are empowered to fix things that they see, before they become too bad. They do their job and also do other things that they are able to do as they go along. If they can’t do them they report it to someone who can.

This requires critical culture changes to reduce demand and avoid putting issues in queues. If we do as much work as possible at the frontline, then demand is reduced in the rest of the system.

LEVEL 2: Where a problem has become more complicated and / or would take too long for frontline services to fix, it becomes level 2. A Lead Worker is assigned and a team of the right partners is assembled. The Lead Worker will need to be senior and be empowered to make decisions and empower others to make decisions.

Problem-solving techniques are then applied at two levels:

i) Micro Plan

The team ‘stand in the situation’ to look at the problem from the customer’s perspective and decide what needs to be done now to stop it getting any worse.

ii) Macro Plan

This deals with how the problem is solved in the long term. The team continues to problem-solve but concentrates on the causes not the symptoms.

LEVEL 3: This level is where restructuring is required to prevent demand at levels 1 and 2 and will require the way an Area operates to be restructured or changed to deliver what residents need. For example, how would Darlaston be restructured to deliver a significant and ongoing increase in jobs?

LEVEL 4: Levels 1, 2 and 3 combine to inform how things will operate across the whole of the borough. This enables strategy to be designed from the bottom up and fully recognises that solutions may be different from one Area to another.

4.3 UNDERSTANDING DEMAND – SAVING MONEY

When we look at the work of the council, it is possible to identify different types of customer demand. Some demand is ‘trapped’ or recycled and is not resolved or brought to a conclusion, yet it stays on our lists of work to be done (e.g. the person on a list to get a house). A further type of demand is latent demand, this demand is not yet on our list of work to be done, but has been there for some time (the person who doesn’t bother to go on a housing list because they don’t believe they will ever get a house). The effect of this is that it always looks as though there is more to do than there would be if we always did today’s work today – true demand.

In the St Matthew’s pilot the aim is to design new working systems to meet true demand, so that we do today’s work today and avoid putting work into a queue, which is management intensive, costly and wasteful.

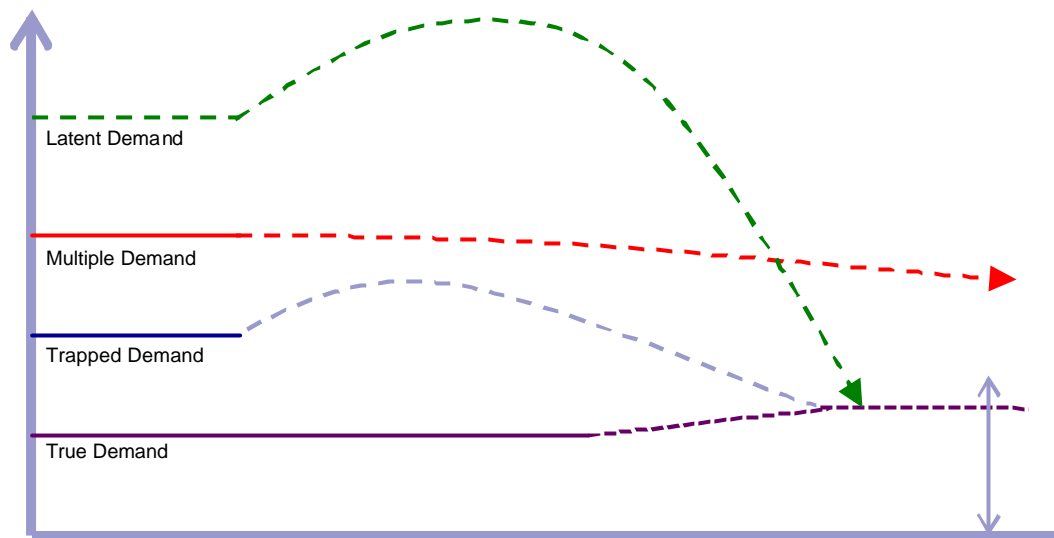


Figure 2: Demand Model, courtesy of Habanero Consultants

In the St Matthew’s pilot we learnt that money can be saved in five key ways:

- 1) Working with true demand, avoiding queues, unnecessary management and costs of bureaucracy.
- 2) Improved working methods and practice to do only work valued by the customer.
- 3) Combining what were previously separate services so that the whole job is done in one go with fewer costs, management and administration.
- 4) Preventing demand by acting before something goes wrong. It is cheaper to prevent, rather than deal with a problem when it has got bad enough to trigger when a service would ordinarily be provided – a ‘stitch in time’.
- 5) Empowering front-line workers to do more and report more to others, requiring less management and less bureaucracy.

5.0 THE PILOT PROJECTS

Nine St Matthew’s pilot projects were identified and initiated using the 4-level operating model. Some pilot projects experienced an uncertain start for a variety of reasons including difficulties in assembling an appropriate team, not properly applying the system and not being clear about the exact scope of each project. As a result not all projects have achieved what they might, but for those that have, it has been demonstrated that significant savings and improvements in customer satisfaction can be made. The purpose of the pilot was to test if the operating model works across council services and establish whether or not it saves costs and improves customer satisfaction.

This section provides a case study within each of three work-streams: Place, Adults and Children.

A complete evidence file as at Thursday 8th July 2010 for all projects is available upon request.

5.1 ADULTS

5.1.1 ADULT SOCIAL CARE

PURPOSE	<ul style="list-style-type: none">• To re-design Adult Social Care services around a more flexible, immediate and appropriate response to customer needs.
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This case study tracked seven people referred into the Adult Social Care system. People were entering the system because of a crisis or critical incident in their lives: for example bereavement, mental breakdown, dementia, a fall or becoming house-bound. In some of these cases, a crisis situation was avoided by applying the Working Smarter method. However, it is sometimes the case that customers may have to wait up to 28 days – in some cases longer – for an assessment. Statutory guidelines for eligibility to a service are applied and if customers do not meet the criteria they may then be referred to other services. In one of the cases tracked, the customer would have been turned away.

This delay to reaching a solution frequently results in the original crisis or concern increasing, with the individual declining further by the time an assessment is made. Following an initial assessment the customer would then be referred to a number of other professionals who would assess the customer’s needs further - adding costs and delay.

Following these assessments a recommendation is then made by means of a report which is checked by a senior practitioner and an operations manager – adding further cost and delay. It then goes to a screening panel and is, in the vast majority of cases, approved, and is then passed on to a brokerage team who finally implement the care package – yet more cost and delay. All of this can take up to three months.

By interviewing social workers as part of data collection for Working Smarter it was revealed that they spend more than 80% of their time doing administration. Their training and skills equip them to

be very people-oriented, the key skill being to assess the needs of the customer. Consequently we don't exploit their key skills for 80% of the time and we set administrative tasks that they are not entirely skilled to do and don't enjoy. One of the call centres was also observed (Walsall has four for Adult Social Care) and it was noted that there was significant down time. More testing would be needed, but it was deduced that social workers are doing administration and administration workers are waiting for calls.

In this prototype a social worker was allocated to the St Matthew's pilot and was given the permission and leadership to work in a completely different way. Using the 4-level model, authorisation was given at level 1 for an appropriate person to 'go and fix'. The social worker, supported by an administration worker, would then pick up issues at level 2 and above. All the unnecessary layers of call centres, offices, management and bureaucracy were stripped away. The productivity of the social worker was increased from two cases per week, to more than 10 per week (10 cases on the first day) saving over £200,000 by taking people out of unnecessary care packages. Customer satisfaction has increased as people get the care they need within 48 hours – rather than three months. The job satisfaction of the social worker concerned has improved immeasurably.

Overall evidenced savings of £1.8m were identified and approved by Walsall Council Finance.

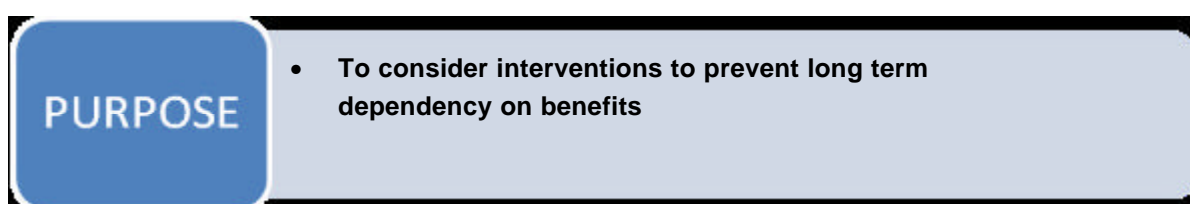
A full account of the case studies is available separately. Many of the interventions were simple, such as providing ramps, hearing aids or bathroom equipment, enabling people to live more independent and fulfilling lives, costing the State less. The additional management and bureaucracy stripped out simply were not needed for these types of case.

A number of barriers (Figure 3) were encountered in applying the 4-level model and these feed into the learning set out in Section 6.0. Leadership; in particular the direct involvement of senior leaders was essential to overcoming these.



Figure 3: Barriers in applying the 4-level model within the Adult Social Care project

5.1.2 WORKLESSNESS



The worklessness projects were slow and late to get going. There was significant resistance from the existing system and claims that what we were trying to do was already happening and the partners like it. There was no reference however to whether the customers like it.

The Child Poverty Officer was keen to challenge the existing system and as a result looked at two different cases where, by working differently using the 4level model, we might intervene more intensively and earlier to get better results for customers and save money in the long run.

In the first a young resident from a family with inter-generational worklessness issues was tracked through the system. It showed that at age 19 total benefits and housing costs would be just over £8,000 per year; by age 24 this would increase to over £50,000 and by age 45 to over £60,000. By

intervening now with mentoring/ coaching it is possible to reduce costs to a minimal level by age 24. This hypothesis has yet to be prototyped and tested.

The second project looked at a 40-year-old resident with mild learning difficulties and significant health needs. Costs are currently £10,000 per year. By finding suitable employment and providing other support these costs could be reduced significantly, reducing the overall cost over the resident’s remaining working life from £250,000 to £20,000. This hypothesis has yet to be prototyped and tested.

This case demonstrates that, whilst we have expensive one-stop shops and associated management for example, we still don’t get directly to where demand comes into the system and where we could save by intervening early to prevent long-term dependency.

Whilst this project has a hypothesis that early intervention could save costs, this has not been prototyped and tested as a new system. Cost savings cannot therefore be evidenced by Walsall Council Finance.

5.2 PEOPLE (CHILDREN’S)

5.2.1 CHILDREN’S CENTRES & THINK FAMILY

PURPOSE	<ul style="list-style-type: none">• To test the validity of intervening at an earlier stage to prevent families needing complex and costly support services in the longer term.
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Assessments are made to determine the care and support children might need. In the St Matthew’s pilot, the assessments of two families have been compared. The families had certain similarities, but with Family 2 presenting now with the issues that Family 1 presented seven years ago.

Family 1 was identified through a list of top five re-referrals to Children’s Services, they were repeat users of the police and also known to Caldmore Housing as heavily supported occupants within the St Matthew’s ward. The family includes mum, dad and three children. The family received a number of service interventions starting in 2003 and culminating in Child Protection, due to domestic violence. Family 1 came into assessment seven years ago and received multiple-agency involvement, often in isolation and without cross-reference to each other – lots of relationships, but no meaningful relationships.

Family 2 consists of a core family unit: mum, dad and two children, who were recently referred by the Health Visitor to Palfrey Sure Start Children’s Centre with issues identified following the birth of a new baby, older sibling behavioural issues with new baby and mother not coping, feeling isolated and house-bound. The family lives in the St Matthew’s ward which is within the catchment for Palfrey Sure Start Family Support. This family was presented for assessment during the St Matthew’s pilot and received an intensive more efficient service, coordinated by a named lead professional. This took a whole-family approach, whilst ensuring that the child remained at the centre of the assessment.

Our hypothesis is that supporting families early with low-cost interventions avoids later, repeat and more costly interventions. We could have prevented things escalating for Family 1 by intervening sooner and in a more intense and coordinated way. Clearly, this is not possible retrospectively but it was possible to work in this way with Family 2.

In our prototype, the needs of Family 2 have been considered more holistically. For example, they have been loaned a double-buggy so that the mother can take the two children out of the house, reduce isolation and access other services.

A number of improvements to existing services have been identified as a result of this work-stream, largely strengthening the role of lead professionals and processes within the new system. It is not possible to say with certainty whether the second family will follow the same high-cost path as the first and so cost savings cannot be supported by Walsall Finance. However, by spending a relatively small amount now with Family 2 there is the potential of saving significant costs in the future.

Further evidence now needs to be gathered by working with the new prototype system with additional families at level 1. This would provide the necessary further evidence of potential cost savings. As it stands, Family 1 have cost £26,197 (October 2009-present) and by comparison Family 2 have so far cost £347 (June 2010 –present). Should the early intervention with Family 2 be successful this is a saving of over £25,000 and obviously a better outcome for the family.

Statistically Family 1 has a one in 10 chance of going into care. The costs of this would be around £259,000. Although we do not yet have the evidence, it is clear that if such costly care packages can be avoided it is better for families and saves a significant amount of money. This supports a case of acting early to prevent problems, rather than waiting until they reach a threshold of being bad enough.

This project was started late due to data-sharing issues and for this reason the expedient way in to the case study was through an existing service (Family intervention), rather than by working with demand. This is because these project methodologies look to reduce high-end demand through early intervention improvements. Efficiencies have been made and these may have achieved optimal efficiency. Other pilot projects designed systems to meet demand, rather than re-designing existing systems. The relationship between prevention and demand for high-end services needs more robust examination.

5.2.2 16/17-YEAR-OLD HOMELESSNESS

PURPOSE

- To consider factors that result in the homelessness of young people to identify prevention.

The St Matthew’s pilot 16/17-year-old homeless project considered how a young person presenting as homeless would be supported, the likely results of this and how improvements and cost savings could be made, starting where demand/customers come into the system.

We found that the young person would be referred to Sandwell House, which is council-run 50-bed accommodation for 16/17-year-olds. As a result we also looked at how other young people had been referred to Sandwell House.

Sandwell House is perceived locally as having issues such as anti-social behaviour, crime, drugs, alcohol abuse and other issues. This is considered, by local people, to be the result of 50 dysfunctional young people being put together. The public phone box close to Sandwell House is the source of the highest number of hoax calls of all phone boxes in Walsall causing unnecessary costs and potential risk to life should emergency services be required elsewhere. Many of the occupants of Sandwell House go on to become dependent upon benefits or require other high-cost intervention such as that of the criminal justice system.

Our hypothesis is that if we intervened sooner and worked with families to help them through difficulties, we could avoid young people needing to be accommodated in Sandwell House. This would be more cost-effective and with a much better potential outcome for the young person. Equally, if a young person does need to be accommodated, then it would be better to find an alternative to Sandwell House in order to encourage a better outcome for the young person in the long term and fewer costs to various other public services.

We found that our usual way of working with young people who are homeless focuses on housing the young person at the point of need, rather than on earlier intervention to prevent this need. The current service also believes that it makes a profit on the income attached to a young person being accommodated at Sandwell House, not recognising that by doing so it loads or defers greater costs into other parts of the system.

Although the St Matthew’s pilot team can see that significant cost savings across the public sector could be made, these cannot yet be proven and evidenced by Walsall Council Finance. It is not yet possible to prove without doubt that an intervention made early will prevent a young person becoming homeless.

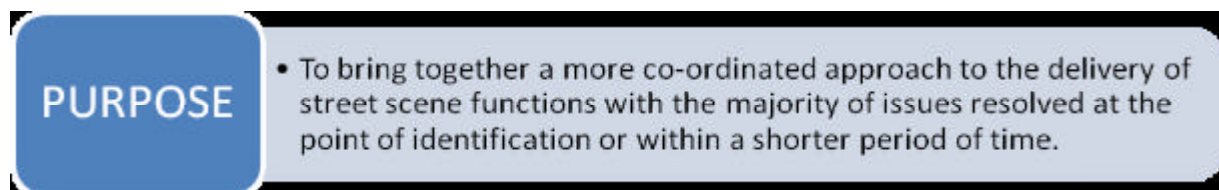
This project is a victim of the current paradigm in which we view potential cost savings. Intuitively the project team are convinced that better outcomes for young people can be achieved at lower cost, saving a significant amount of money. This would require earlier intervention with a much greater number of young people which, even if partly successful, would save more than the initial investment. However, the current paradigm of viewing costs would conclude that the cost of early intervention was unnecessary. The rationale for this is that it couldn’t be said with certainty that without

intervention any young person would ultimately need the very costly intervention of accommodation at Sandwell House.

This project needs more work to reach a conclusion and possible intervention and permission from the highest level of leadership to realise potential benefits of savings and improved customer results. A member of the Housing Team has been seconded to the Children and Young People’s Directorate as a start, making links to the Family Intervention Project.

5.3 PLACE

5.3.1 STREET SCENE



PURPOSE

- To bring together a more co-ordinated approach to the delivery of street scene functions with the majority of issues resolved at the point of identification or within a shorter period of time.

Currently waste collection and street cleansing are undertaken through two separate processes with domestic refuse, recycling and garden waste collected either weekly or fortnightly and work being undertaken on a task-and-finish basis, with crews assigned a pre-determined target of collections. Street cleansing – road sweeping, litter removal, bulky waste and graffiti – are scheduled on a rota informed by historical demand, or are reactive services. As a consequence, a street is likely to need one or more of the services at any one time and latent demand and trapped demand are never fully removed, potentially leading to lower than ideal customer satisfaction.

Within the current system Highways Inspectors carry out walked safety inspections twice yearly on all roads, concerned mainly with highway and footway defects; other inspectors deal with street signs, public rights of way, air quality and stream grids. At present, the mechanism for reporting such issues, whether as an internal or external customer, is for issues to be channelled through the customer contact centre.

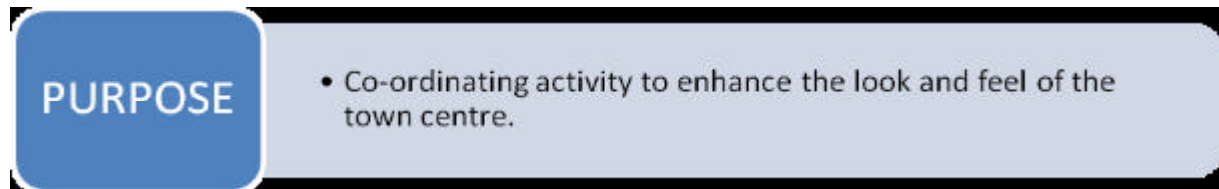
Under the new prototype system, waste collection operatives have been capturing details of street scene issues and concerns as they undertake their round. Using the 4-level model at level 1 they have been empowered to resolve as many issues as possible at the point of identification. Where they cannot, they record such issues as fly-tipping, fly-posting, overhanging hedges and abandoned vehicles. Street cleansing teams have then followed the same route as the collection service on the following day, enabling the majority of issues identified to be resolved quickly.

In addition to prototyping a new way of addressing street scene issues, a new street inspection system has been operating to enable an inspector to consider and report on a wider range of issues. This has removed duplication and resulted in a more holistic, proactive, street inspection.

By using the 4-level model and testing Street Scene prototypes we have, in a relatively short period of time, demonstrated that high levels of latent and trapped demand can be removed. It is likely that performance of the prototyped way of working we would exceed current standards and increase

customer satisfaction. Also, by operating in this new way, savings of £323,000 have been identified and evidenced by Finance in Walsall Council.

5.3.2 TOWN CENTRE



The St Matthew’s pilot town centre project aimed to make a noticeable impact on the way that the town centre looks and feels.

This project lacked leadership input and consequently teams were not assembled or given permission to prototype how front-line workers could operate differently to reduce costs and improve customer satisfaction.

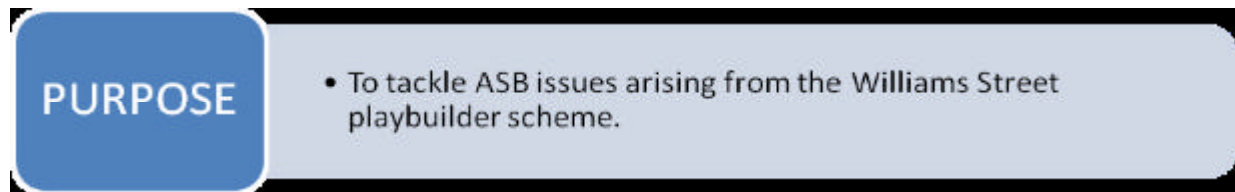
Data was collected, as in all projects undertaken within our new prototype system interventions are only made on the basis of data. This identified that street cleaning systems have evolved to solve problems and so a start-from-scratch solution may deliver efficiencies and greater customer satisfaction. Whilst the town centre is mostly clean, there are issues of cigarette butts left around bins, graffiti, and sign posts being turned the wrong way. The limited number of staff with driving licences constrained the flexibility of the team to operate differently and potentially more efficiently.

We also found that the town centre is liable to flooding with potential consequences to the operation of the council. The council is required to produce a plan to mitigate flooding but has not yet done so. There is a culvert in part of the town centre and uncertainty exists over whether, due to structural damage, there is risk of vehicles falling into the culvert. A wall was found that looks in danger of collapse (an engineer later concluded it was not immediately dangerous) and, separately, broken plate glass was found at head height. So far officers have emailed each other to pass on responsibility – no one was willing to get involved with a level 2 fix.

Some level 1 fixes were achieved, including pavement defects, flower planting moved to brighten up the approach to the station (with shop-keepers asked to water the plants) and lamp-posts painted to improve the welcome to Walsall from the train station. Street cleaning and trade waste services, street lighting and enforcement services were included in the project. It found that issues in the town centre often fall between team responsibilities and budgets, which cause delays in fixing things. This limited success was due to leadership offered by an Area Manager, but this was not sufficient to replace those in whom leadership was invested in order to get a satisfactory project started. Leaders at Assistant Director level were concerned that they didn’t have the permission from Corporate Management Team above.

Insufficient prototyping has been undertaken with this project to produce evidence of quantifiable cost savings.

5.3.3 ANTI-SOCIAL BEHAVIOUR



Anti-social behaviour in Williams Street in the Butts area of St Matthew’s was brought to the attention of the Area Manager as a level 2 issue, using the 4-level model. The problems were concentrated around a recently constructed play-builder scheme. Since the equipment was installed in mid-April the residents who live near to the site have experienced a range of anti-social behaviour including noise, sexual activity, litter, under-age drinking, drug taking, drug dealing, criminal damage and assault.

Using the new 4-level model at level 2 the Area Manager called all of the relevant councillors, council departments and partners together for a ‘magic hour’. A magic hour is a meeting of all those involved, held on site, enabling workers and decision-makers to have the necessary emotional attachment, so that they are less inclined to defer decisions and actions. The magic hour took about one hour to complete and at the end of the meeting a list of jointly agreed tasks for a micro plan (what can be done today, here and now) and a macro plan (what needs to be planned and project-managed over a period of time) was completed. Ordinarily the council would not hold such a meeting; officers would spend a lot of time emailing each other and passing on responsibility for the problem. In this case, prior to the magic hour, the issues had got stuck and, despite the efforts of local councillors, no way forward was emerging.

The list of micro tasks was produced, which included closing some of the equipment (by making it unusable), removing some of the equipment, deploying detached youth workers to carry out consultation with people using the site and deploying the police to maintain a high visibility presence. The list of macro tasks included consulting with residents to get a full appreciation of their feelings and views, cutting back trees and bushes and re-siting a litter bin. All these macro tasks were given a deadline of one week for completion.

A second meeting was organised one week later. All of the micro tasks had been completed within 24 hours, all of the macro tasks had been completed within the one week deadline. At the meeting residents reported back on how the immediate changes (micro plan) had made a big improvement to their lives; there was less noise, less litter and a considerable drop in anti-social behaviour. The consultation was then fed back to the meeting, explaining that a majority of two to one had wanted the play equipment to be removed. Consultation from encounters with young people was also fed back, including consultation with the local Butts school. Once all of this information had been heard, the portfolio-holder for Leisure, Culture and Environment made an informed decision based on the evidence in front of him. This decision was to remove the three main pieces of play equipment from the site as soon as practically possible. Other decisions included the need for detached youth workers to remain working on the site, for the police to keep monitoring the site, for all residents to be notified of the decision and for a working group be set up through the Area Community meetings to give all residents the chance to have their say in the future use of the Williams Street site.

During the consultation with the residents another issue came to our attention. One of the residents who lived directly adjacent to the play-builder site was the victim of criminal damage caused by young people playing football against her property and then having the fence kicked down to retrieve the football. Following up on other residents’ concerns it was found that the tenant of the house had moved out and was in need of intervention from adult social care. This case was passed to the team working on the adult social care pilot and the person in question was able to receive help and support much quicker than would have been possible before this pilot took place.

Overall, this project demonstrated how the council can incur unnecessary costs when a project goes wrong. It also demonstrates how the council should act decisively in such circumstances to solve local problems and reduce further ongoing costs. As part of this project important learning was recorded over the potential conflict in the role of ward councillors and those with portfolio responsibilities. It also highlighted the new communication channels in operation and how the new Working Smarter model helped bring work-streams together and allowed council officials to see the bigger picture.

The cost of taking out play equipment amounted to around £10,500. Due to current budget restraints, the Executive Director for Social Care and Inclusion agreed to fund the removal of the equipment from savings made in the Adult Social Care St Matthew’s pilot project. This has important implications for our learning in terms of how budget operation can limit us.

This project has demonstrated no cost savings that can be evidenced. Indeed, in the current way we think about cost savings we are likely to see this intervention as an unnecessary and avoidable cost, whilst being content that the additional and ‘invisible’ ongoing costs of littering, additional youth work, the police, referrals into the health system and possible use of other emergency services continue.

5.3.4 MELLISH ROAD CHURCH

Mellish Road Church was identified as a potential project initially and data was collected. The project was then discontinued as it was understood that a solution is in hand. Here subsidence caused by old limestone workings and a fire have left the church in Mellish Road derelict for a number of years. To date £4.8m has been spent, including the cost of in-filling the limestone caverns.

6.0 COST SAVINGS

A process for identifying savings arising from the projects has been undertaken following a series stages see below. Each stage has a number of attributes which to be passed through need to met.

Stages	Attributes
1. Potential	Idea National evidence Theory defined Calculation based on judgement
2. Indicative	Assumptions Walsall based Plan for testing theory Relevant costs identified Calculations based on Walsall data
3. Defined	Prototype defined Financial footprint within Walsall quantified Relevant costs included Theory tested Time line defined
4. Approved and Action Planning	Business case Executive approval

Savings of £1.8m have been verified by Finance in Walsall Council as being at stage 3. (Defined savings). The consultants (Habanero) have made an estimate of projected savings that include management, support costs and savings by preventing unnecessary costs. Their estimate of total savings at all 3 stages is in the region of £14m per annum. This potential saving would be made across the public sector and is not a saving to the council alone.

6.1 QUANTIFIABLE SAVINGS

Quantifiable savings are those agreed with accountants from Finance within Walsall Council as being at stage 3. As projects continue to develop beyond this report, it is expected that there are further savings that can be evidenced.

The quantifiable savings referred to are those arising from comparing the costs of the prototype (new) process, with that of the current process. Further cost savings would arise if reduced management, reduced accommodation and/or other unnecessary fixed costs and overheads were included. For example, the adult social care prototype removed several layers of unnecessary management, accommodation and bureaucracy. Where the projects have been designed to meet demand rather than improve an existing system, such additional savings would result.

Quantifiable savings are conservative and part of the reason for this is concern that, once a figure for possible savings is given, officers will be held to account to deliver these. Such organisational behaviour may not be wholly productive in the future where finding savings needs to be encouraged.

6.1.1 PEOPLE (ADULTS) - ADULT SOCIAL CARE

SCALED-UP PROJECT SAVINGS (borough-wide)

	Cost Per Assessment	No. of Assessments	Total Cost
Assessment Costs (As-Is)	£277.51	8373	£2,323,591
Assessment Costs (To-Be)	£101.05	8373	£846,091
TOTAL SAVINGS			£1,477,500

Total number of assessments is made up of:

Assessments	3931	
Re-Assessments		3968
Reviews	474	

6.1.2 PLACE – STREET SCENE

SCALED-UP PROJECT SAVINGS (borough-wide)

	As-Is Borough Wide Historic Cost Details (£_000)	To-Be Borough Wide Re-designed Service (£_000)	Proposed Savings
Street Cleansing	1721	1648	1 x Inspector (£26k) 1 x Precinct Driver (£16k) 2 x Cleansing Team (£31k)
Bin Collections	1868	1839	1 x New Bin Delivery Driver (£29k)
Bulky Waste	3	-53	2 x Employees (£56k)
Fleet Allocation - Waste	2047	2029	2 x Box Vans (£18k)
Fleet Allocation – Street Cleansing	525	486	1 x Precinct Sweeper (£29k) 1 x Transit Crew Cab (£16k)
Roadworks, Management, Engineering & Trans - Inspectors	324	216	3 x Inspectors (£108k)
TOTAL	6488	6165	£323k

- 1) The savings above assume that the prototype solution is scaled up to operate across the borough.
- 2) The figures above are the operational costs only; they do not include any savings on management or support services costs.
- 3) The figures contain an allocation of management and administration costs, this can change as these costs are re-aligned annually.
- 4) The precinct sweeper is not leased but is on contract hire. The contract is for three years. The contract began in the latter part of 2009.
- 5) The fleet allocation and savings are subject to change due to fuel usage and maintenance.
- 6) The figures are indicative, however the trial needs to be associated to a larger area and for a longer period for true savings and efficiencies to be realised.
- 7) If the new operating model is successful it would most likely lead to a reduction of calls to the contact centre. It is estimated that at least a 10% reduction, however until the model is trialled in a larger area and for a longer period a true picture cannot be formed.

6.2 PROJECTED SAVINGS

6.2.1 PROJECTED PROJECT SAVINGS

This section identifies savings that may be projected from the work to date. There is support from those who have worked on the St Matthew’s pilot that these savings are achievable and may be even greater than stated. However, it is accepted that they are either at Stage 1 Potential or Stage 2 Indicative in the process of savings identification. Thus currently they cannot be evidenced, and proven beyond doubt and then validated. For example, it is not possible to say with absolute certainty that what we believe we prevent today will actually be prevented – the ‘stitch in time’ may inevitably still need ‘nine’ – but intuitively we know this not to be the case.

The following is an example of why it is difficult to cost prevention in our current paradigm:

In repairing a damaged bridge being driven over by vehicles, we cannot prove that the bridge would collapse and so such repairs in accounting terms are costs, not savings. We could only quantify the savings that might be made by repairing the damaged bridge once it failed, and the repair or rebuild costs can be accurately provided. Even then we could not be certain that the repair would have prevented the failure of the bridge.

These projected costs include some, but not all, of the savings that might be gained from taking out unnecessary management, accommodation or other fixed costs or overheads. It is reasonable, therefore, to contemplate that the projected savings could be greater.

The projected savings have been provided by Habanero Business Consulting, using their experience working with the Walsall Partnership St Matthew’s pilot team.

SAVINGS PROJECTED BY HABANERO BUSINESS CONSULTING

The following is Habanero Business Consulting's expert estimation of the size and scale of the potential savings, based on their support and observation of the St Matthew's pilot. The savings include the amount of waste still in the system and use their experience of the scale and impact of the possible improvements when prototypes are scaled up to borough level.

It should be noted that the savings would not just be made in the service delivery areas: for example, a reduction in calls regarding waste collection would attract savings in the size and composition of customer contact, hence the savings projected do not necessarily correlate directly with the current size of service delivery budgets. The figures are estimated and projected system-wide savings across the whole of the borough.

The list of savings is not comprehensive. Habanero advise that collateral savings also occur, but these have not been factored in at this stage. For example, improvements in street services such as lighting or overgrown foliage can lead to a reduction in street crime and graffiti. The extent and nature of collateral savings can be unpredictable, but are often of significant magnitude.

Place

Saving opportunity	Note/ Logic/ Assumption	Estimated saving £m per annum	Potential	Indicative	Defined	Approved / Action Planning
Process Improvements re: street cleansing, bin collections, bulky waste, fleet allocation, roadworks management, etc	Already defined saving	0.323	✓	✓	✓	
Combining Services	Currently the re-design better connects the current services to the issues – combining these services would bring economies of flow	1.000	✓			
Support	i.e. contact, management, reports, scheduling, inspecting	1.000	✓			
TOTAL		2.323				

Adults

Saving opportunity	Note/ Logic/ Assumption	Estimated saving £m per annum	Potential	Indicative	Defined	Approved / Action Planning
Assessments	Already defined saving from assessment process	1.477	✓	✓	✓	
Further process savings	Other than the assessment process	1.500	✓	✓		
Support	i.e. contact (62500 enquiries to the ARC only lead to 2400 services being delivered, management, reporting, scheduling, queue management)	1.000	✓			

Residential care	Already estimated by the experiment, the cost of unnecessary residential care compared to supported living	0.763	✓	✓		
TOTAL		4.740				

Children

Saving opportunity	Note/ Logic/ Assumption	Estimated saving £m per annum	Potential	Indicative	Defined	Approved / Action Planning
Assessment	Similar size and scale to adults with similar resource	1.500	✓			
Further process	Other than the assessment process (again similar to adults)	1.500	✓			
Support	i.e. contact, management, reporting, scheduling, queue management (again similar to adults)	1.000	✓			
Think Family early	See case studies in main report for detail. NB: This is assuming only a 2% success rate compared to the cost of a looked-after child which is very conservative.	0.680	✓	✓		
16/17-year-old homeless	Cost of a child supported at home versus supported housing scheme – this is supported by national data	1.660	✓			
Youth Justice System	Targeted intensive support and assuming only a 50% success rate	1.100	✓			
TOTAL		7.440				

Thus the total potential savings identified by the St Matthew's experiment applied pan-Walsall is £14.503m, the identification of which being at 3 stages:

Stage 1:	Potential Savings (includes borough-wide)	£9.760m
Stage 2:	Indicative Savings	£2.943m
Stage 3:	Defined Savings	£1.800m

See paragraph 6 for the attributes for classification of each stage.

7.0 LEARNING

The learning from the pilot can be grouped into three themes: leadership issues, the role of Members; the practical aspects of developing and implementing the system.

7.1 LEADERSHIP

- Implementing the system must be led - senior managers must be prepared to lead the cultural change that is required within the organisation; they will have to allow existing structures to be changed if they act as a barrier to achieving better outcomes for residents.
- Leadership must provide clear direction and support. For example, at the outset of the Adult Social Care pilot, delays occurred as result of team member being unsure of their role and remit. Recovery was only made as a result of clear direction from the top.
- Throughout the Adults work-stream there has been continued visible commitment from leaders. They have modelled the behaviour of those required to implement and develop the system which has instilled confidence in team members and has resulted in cooperation between people from different parts of the organisation and from partners.
- There have been a number of examples where behaviour has reverted to the ways of the old system. This has been averted or recovered where leaders have intervened. In rolling out the system, strong leadership will be required as it will become apparent that less management is needed.
- There is significant potential to increase job satisfaction within teams, with employees being made to feel that they can make a difference. This is likely to have a positive effect on productivity, sickness levels, job satisfaction and staff recruitment and retention.
- It is clear that significant savings could be made quickly by redesigning existing services (probably 10% - 25%). However, greater savings and increased customer satisfaction could be delivered by designing systems to meet demand. Completely new systems designed to meet demand do not perpetuate unnecessary overheads, activity, structures and their costs.

7.2 ELECTED MEMBER ROLES

- The support of local Elected Members has been essential in the St Matthew's pilot.
- Clarity needs to be brought to their role within the system.

- They must lead their communities and inspire them to participate, take responsibility and hold service providers to account.
- Elected Members should demand that the organisation makes immediate and appropriate culture change to enable level 1 fixes to happen. They should expect that officers will operate to fix issues at level 1 and use their influence to bring this about. The power and impact of this change in operating should not be underestimated. With the change Area Partnerships are likely to be effective, without this change the response to level 1 issues is likely to be similar to that we currently experience (for example; no one has a budget, passing the problem on, queues and associated high management costs).
- Further work needs to be undertaken in clarifying the position of ward councillors and those with portfolio responsibilities. Currently ward councillors could be excluded from certain decisions in their ward.

7.3 DEVELOPMENT & IMPLEMENTATION

- Data and information must be gathered before any prototyping or redesign can take place. Data sharing difficulties have been one the biggest barriers to progress for people based issues, firstly systems are not compatible and secondly because we do not have the protocols in place to ensure that data is shared safely. Data protection is currently being addressed as a Walsall Partnership issue.
- Silo budgets have also emerged as a barrier. It is important that financial benefits to one part of the system do not prevent activity that would provide better outcomes for residents and an overall saving. In our pilot the 'profit' made by Sandwell House in terms of grants received was referred to; in fact the cost to other parts of the system far outweighs this.
- Our current way of costing savings should be reviewed to enable more imaginative or sometimes common-sense approaches.
- We need to develop a way of looking at cost savings so that officers do not become fearful that they will be held accountable for delivering to the last penny, thus encouraging only soft, easily deliverable targets for savings.
- We need to find ways of re-investing savings to deliver more cost savings, particularly in the 2010 / 2011 financial year.
- The starting point of the system should always be demand. As a result it is essential that residents' needs are fully understood.
- The system itself encourages learning. It has also demonstrated within all work-streams of the pilot that prevention is successful in reducing long-term demand and costs.
- The application of the model within the pilot has largely been at levels 1 and 2. Level 3 and level 4 applications are still unproven and any roll-out of the system should test this aspect. It

would be possible to assess a sample of existing strategies to see if they reflect the root causes of issues dealt with at levels 1 and 2.

- The pilot projects have been resourced using Area Managers as coordinators. This is unsustainable for any future roll-out and a dedicated councillor and partner (where appropriate) project team resource will need to be identified. The skills required to support the development of the system are likely to be different from those freed up by its implementation. That said, the involvement of front-line staff in developing the system is important.
- Communities should be seen as part of the solution – with people being able to make a greater impact by influencing decisions.
- Partnership involvement is important. Level 1 fixes have involved partner responses and sign-up across the partnership to a common set of priorities at borough level (level 4) will ensure that this continues.

8.0 NEXT STEPS

It is recommended that:

- Current pilot work-streams continue to conclusion – it is certainly not possible or desirable to stop many projects at this point.
- All directors will further test the 4 level prototype operating model, involving portfolio - holders, and report progress through the Working Smarter Programme Board and Cabinet.
- This roll-out will be done on a flexible and variable basis in accordance with what works best for each service area.
- Services must be redesigned. The St Matthew’s pilot demonstrates that we must design services to meet demand, rather than just redesign the existing services. This will lead to greater customer satisfaction and increased savings. It does have implications for unnecessary management and bureaucracy. If we reduce demand, we can reduce or eliminate unnecessary and wasteful services and their costs.
- Service re-design is the mechanism by which large scale council operations are re-shaped to fit into the new Council System Design. A plan for large-scale and cross-cutting service re-design activity will be agreed by the Working Smarter Programme Board and Cabinet.