Case Study – Transforming Housing Services

Clackmannanshire Council

Executive Summary

Quality costs more. Or does it? This study demonstrates that better quality service can cost less to run. Too good to be true? Maybe, the results are impressive but achieving them requires a clear vision of purpose, a strong commitment from leadership and a willingness to try new approaches and stay the course. We found these characteristics in Ahsan Khan, Head of Housing and Community Safety, Jennifer Queripel, Housing Service Manager and Murray Sharp, Revenues Service Manager at Clackmannanshire Council.

Over the course of 18 months (September 2014 to March 2016) the Clackmannanshire Housing Team have:

- Reduced budget spend by over £720,000 p.a. so far
- Cut end to end times for void properties by 50%
- Cut end to end times for housing repairs by 66%
- Reduced reoccurring housing repair jobs from 24% to 2%
- Increased the percentage of homeless housed from 57% to 87%
- Reduced rent arrears by 5% (in pilot areas)
- Reduced the percentage of new tenants going into arrears from 59% to 37%
- Cut end to end times for new benefit claims by 21%
- Cut end to end times for changes of circumstances by 53%
- Increased key customer satisfaction scores
- Engaged staff in a major program of change

And all of the above despite a 13% cut in staff numbers.

How Did They Do It?

Clarity of Purpose

The Housing Management Team had a clear vision of the future.

- They wanted to ensure prospective tenants were matched to suitable homes in well managed communities and that they were given all the necessary support to sustain their tenancies
- They wanted services that were tailored to individual customer needs
- They wanted customers to know their housing officer and be able to approach them for all their housing needs
- They wanted a fast, responsive service
- They needed to dramatically reduce costs

Understanding The Current System

The housing team had a strong vision for the future but recognised that whilst they were experts in housing they had little expertise in the design and management of change. They engaged Vanguard experts in the transformation of services as a strategic partner.

Before any changes could be decided the leadership team needed to gain insight into the current performance of the service. Traditionally this would have involved a team of analysts or managers within the council carrying out a desktop analysis and providing a report. With the support of Vanguard the Housing Management Team realised that a change in thinking about how to evaluate the service was required. They needed to understand performance from the customers' perspective and engage staff at all levels in the change program. This ensured that staff, including Union representatives, saw for themselves the issues across the whole service and had an opportunity to shape the new service including their job roles.

Teams of front line staff and operational managers from each of the key areas used the Vanguard Model for 'check' (figure 1) to identify the root causes of wasteful practices and potential for improvement.
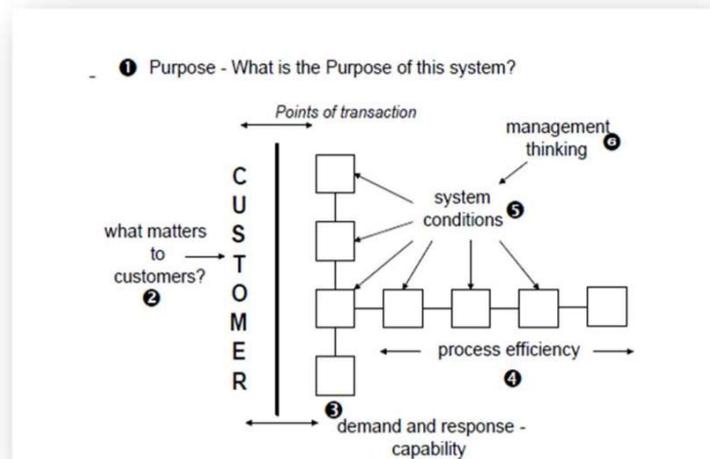

Figure 1 – The Vanguard model for studying a service organisation (Check)

Main Issues & Root Causes of Poor Performance

The 'check' teams identified 'waste' (ineffective practices) that stemmed from four issues that were constraining the service and consuming resources.

1. Functionalised Work Design

The housing system went through a number of different departments; for example, Housing Services, the Property Unit and Revenues.

Within each department there were a number of specialised roles. For example, Housing Officers were split into:

- Housing Options Officers who dealt with initial enquiries and assessments in the housing shop.
- Housing Temporary Accommodation Officers who dealt with customers in temporary accommodation.
- Housing Allocations Officers who dealt with matching and allocating properties.
- Tenancy Management Officers who dealt with the management of existing tenancies.
- Housing Support Officers who supported perspective tenants.

The thinking behind this design of the work had been that specialised roles would allow staff to become experts in their area, so providing a more responsive service. The reality (as suspected by the Housing Management Team) was that fragmenting the service led to sub-optimisation of the Housing System when taken as a whole. For example:

- 25% to 54% of contact from customers was due to a failure of the housing system to get it right first time for the customer. For example, progress chasing, calls going to the wrong area and customers requiring clarification of letters received.

- Delays in services, for example void properties where it could take 85 days from keys received to new tenancy start date.

- Poor communication between roles and departments led to further delays and duplication, for example, the Property Unit would send back a void property that the Housing Area had not found a match for, yet properties where prospective tenants were waiting remained in the backlog.

- A lack of understanding of the roles across the whole system led to departments and areas blaming each other for mistakes.

- A confusing system for customers where they would deal with a multitude of different staff in different roles. It was typical for customers to deal with 10 different people and in some cases up to 24.

- Rent officers found that tenants refused to take their calls as they knew it was about rent arrears, yet they would happily speak to their tenancy management officers.

- 29% of customers assessed as homeless lost contact, as there was no one person responsible for managing the contact.

- Staff did not get to see the outcome of their efforts, for example, Temporary Tenancy Officers would not know that their clients had been offered a house until their clients told them they had had a call from the Allocations Housing Officer.

2. The Wrong Measures

Many of the measures used in the Housing and Revenues Services formed part of the central executive performance monitoring system. This system uses lagging measures, that is, measures that can be easily counted after the fact. The teams found that using these measures to manage the service caused a focus on the wrong areas with disappointing results. For example:

- In the Housing Repairs Service, a focus on hitting job ticket targets meant that tradesmen did not get enough time to complete jobs right first time, and although the job tickets were completed in target time 24% of routine jobs reoccurred as the root cause of the problems had not been tackled. This led to high degree of wasted resources, ultimately leading to delays in repairs.

- In the Voids and Allocations system, the void team were focused on hitting their average void target and so when they got behind they would choose houses that they knew required little work to complete to keep their averages down. This meant that some houses came back fast before they were allocated and other properties that had been allocated but needed some work took longer to return.

- Most of the measures were productivity based as opposed to outcome based for example in the Housing support service there was a focus on getting the assessment completed in the target time but there were no measures about the outcome of the service.

- The target based measures did not allow an understanding of the range of performance of the system. For example, we knew that 95% of routine repairs were completed within 10 days but we did not know that performance varied from 1 day to 39 days. Understanding the reasons for the variation allowed action to be taken on the system i.e. policies, procedures, processes, IT, job roles etc. as opposed to asking the people to work harder to hit the target.

3. Complex Process Designs

When the team mapped the flow, waste and impact of the current processes they found a surprising amount of 'wasteful' practices for example:

- Duplicating information on IT systems and paper files

- Multiple handling of files and paper

- Information passed on from other departments not fit for purpose

- 100% authorisation and checking

- Complex forms

4. <u>Management Fire-Fighting as Opposed to Acting On the System</u>

Finally, managers spent much of their time fire-fighting for example:

- A large percentage of management time was spent in dealing with enquires from councillors, customers and staff

- Management were involved in making decisions that staff could make

- A large percentage of management time was spent justifying current performance against target

- There was little time to implement any improvements to the policies, procedures, processes or structure

The Redesign

Following the data gathering and analysis work the teams were in a position to redesign the service from the customers' perspective. Working with Vanguard to ensure that the redesign was based on a whole system approach the teams identified the 'value' work, and developed new operational principles for the Housing Service. For example:

- Put expertise at point of transaction with the customer

- One person deals with the customer end to end

- Complete jobs right the first time

- Get measures that matter to customers

- Run weekly cross functional problem solving teams

The new operational principals led to:

<u>A Change in Structure and Job Roles</u>

For example, in the new system, when a customer presented as homeless the same officer that completed their assessment would sort out their temporary accommodation, and arrange for viewing and sign up of a new tenancy.

<u>A Change in Process Flows</u>

- Non-value work was designed out of flows, so there were fewer steps

- Forms were redesigned

- Hand-offs were reduced

- Duplication of paperwork and IT was minimised

A Change in Management and Staff Behaviour

- Staff became more engaged in the work as their ideas were listened to

- The focus became get it right for the customer as opposed to hit the target (interestingly this meant targets were thrashed!)

- Staff started to take more decisions

- Managers were able to spend more time out in the work understanding the issues

- Managers started to understand and act on the root cause of issues

- Staff were engaged in cross-functional problem solving and analysis sessions

5. A Word of Caution

As with all case studies the summary here does not reflect the commitment and courage of the management team and staff at Clackmannanshire Council. There were of course many hurdles however what they achieved speaks for itself. Making and sustaining change in the public sector is a complex business with staff and managers at all levels being pulled in numerous different directions. I hope from this case study you can see what can be achieved for those with the courage to try.

The last words should be with Ahsan.

'It's a great pleasure for me to have you (Vanguard) working here. Best thing I've been involved with for years.'

For those interested the Vanguard fees to support this transformation was £145,000.

Investigate What We Could Do for You

If you would like information on the services that Vanguard Scotland offers, please visit our website at www.systemsthinkingmethod.com, email us at office@vanguardscotland.co.uk or phone us on 0131 440 2600.