



Improvement

More for less case studies

London Borough of Southwark

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In December 2009, the Audit Commission's oneplace organisational assessment for the LB Southwark recognised that 'the council has a programme of efficiency savings and did better than its target in 2008/09'. However, in spite of its achievements Southwark remains focused on its internal programme of continuous improvement.

Using both customer feedback through complaints and other avoidable contact (measured via NI 14) Southwark has recently identified potential savings of £2.9 million.

The council now has a real opportunity to capitalise on the efficiency savings already identified and has an accepted approach to identify further opportunities for improvement and efficiencies moving forward.

Context

LB Southwark is a council with a reputation for innovation and challenge. With a key focus on improving customer service as well as delivering operational efficiencies for the council, Southwark saw the introduction of the NI 14 indicator as a key opportunity to challenge the way things are currently done.

In order to meet the requirements of the 2008/09 NI 14 submission, Southwark completed a one off exercise looking at data extracted from their CRM system. Officers then manually analysed this data in order to identify which categories could be classified as avoidable. According to this initial analysis, 22 per cent of contact regarding housing repairs was avoidable. Southwark recognised that this figure underestimated the scale of the problem and that this approach was not robust enough to drive the improvement work required to increase first time resolution. As a result a new approach was required.

Building on the fact that over the past 18 months the council has invested in the development of a Corporate Complaints team, supported by a dedicated case management platform, it was decided to use this a key source of customer contact insight.

With more than 55,000 tenanted properties, the LB Southwark is the largest social landlord in London and one of the largest in the country. This generates more than 150,000 housing repairs each year. Not surprisingly therefore housing repairs is the source of the highest number of complaints to the council.

Complaints data is collected via LB Southwark's one-stop-shops, the Corporate Service Centre and other front line receptions. In addition Southwark has a published email address and telephone number for complaints. All information on complaints is logged onto a central system which all staff have access to. Hence, complaints data offers a representative indicator of avoidable contact. The high number of complaints about housing repairs prompted the forensic analysis outlined below.

Approach (in the context of housing repairs)

Capturing the data

Following an initial, high-level analysis of the complaints cases from their internal complaints system and Local Government Ombudsman (LGO) records, LB Southwark took a representative sample of housing repair complaints relating to roofs, leaks and water penetration and traced all activities from the complaint back to the original contact. For service requests that result in a complaint, the vast majority of contacts that follow the initial service request were considered avoidable.

LB Southwark, supported by their consultants Aiimi, began by identifying the various contact points within the life cycle of the repair including the hand-over and touch points between internal service functions as well as external delivery partners. Having collected this information, LB Southwark worked with Aiimi to graphically map all subsequent (and avoidable) work and contact.

As well as sampling complaint cases, the team also spent time observing calls in the contact centre and the interaction between the middle office and contractors.

This enabled them to understand how well information was being used and shared between functions.

The information collected, and the maps derived from this data, provided an objective basis for counting the cost of each avoidable contact. For example, the costs to resolve a complaint arising from a call to report a leaking roof could comprise call centre costs; duplicate works orders raised; allocation of work to staff and contractors; contractor inspection costs; middle and senior management time spent managing the process and the complaints; costs of arbitration and ultimately compensation.

Analysing the data

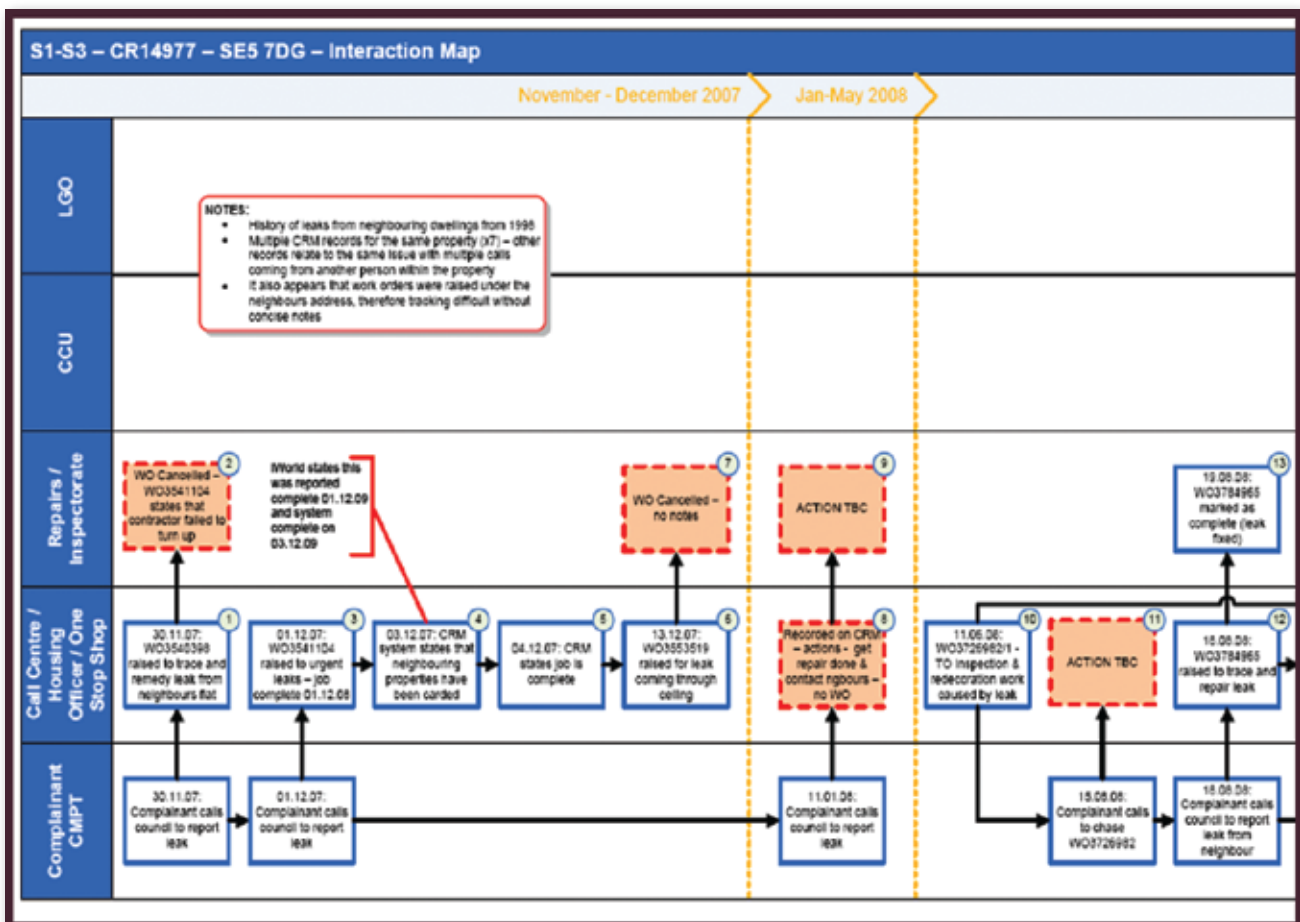
LB Southwark used this information to model the life-cycle of a complaint, and how costs rise as the complaint escalates without resolution. The bottom row in Figure 1 below

charts the steps taken by the complainant, the second row (from the bottom) the role of the front offices, and the middle row the work undertaken by the Housing Repairs Service. The top two rows are the Customer Complaints Unit and the Local Government Ombudsman respectively. Arguably, all or most contacts following the initial service requests are avoidable, if the service was delivered right first time and or the customer's expectations set appropriately.

Based on these inputs, the team built a cost and count model and analysed the costs of each complaint case – providing a detailed view of avoidable contact and the cost implications of the processes from end-to-end.

The team have presented the mappings and costings to a range of stakeholders including customer services managers; the

Figure 1. Customer Interaction Map



outsourced service provider; the Housing Repairs Service and senior managers. LB Southwark's Deputy CEO sponsors the project. The output from this work has been presented to, and findings accepted by, service managers in the housing repairs department and key senior managers. The repairs service have now funded further Service Improvements Projects (SIPs) following recommendations made based on the initial NI 14 findings.

The analysis clearly highlights that some processes are too long and complicated for customers. The analysis also identifies opportunities for channel migration; better communications and improved processes.

The analysis identified the following underlying causes of the avoidable contact:

- the tenants have no view of how their case is progressing
- there is no single view of case progress by property
- the performance information available to the Service Managers is very limited and does not support a culture of ongoing improvement
- there are multiple hand-offs and no clear overall ownership or accountability.

Southwark estimates that the average cost of contact relating to a service request that culminates in a Stage 3/LGO complaint amounts to £3,224. Correspondingly 76 per cent of the interaction relating to these complaints is avoidable (if the service was delivered right first time), as well as 83 per cent of the total cost that arises. Overall this equates to potential annual savings of approximately £2.4 million.

Taking action

Following the findings of this analysis, the Housing Repairs Services itself has commissioned three work streams to address the cause of the problem:

1. improve the relationship and interaction of technical officers in the repairs services with other parts of the borough and their suppliers, by improving processes and IT systems
2. roll-out and adapt LB Southwark's avoidable contact dashboard to the repairs service as an operational dashboard to help the department plan and track work
3. identify contacts that are typically duplicate, or inherently avoidable (such as requests for repairs that the borough is not obliged to fulfil i.e. repairs to cupboards).

The repairs service plan to commission some analysis that will listen to calls to understand the problem and design a communications programme to re-set tenant expectations.

Housing repairs have appointed a project manager to oversee the ongoing programme and work with key personnel from across the service functions as well as the consultants Aiimi. These three workstreams highlighted above are underway and are expected to deliver results by end of August 2010.

Building on the success of this approach further work has been undertaken in other service areas including estates parking and revenues and benefits. Further savings in excess of £500,000 have already been identified, partly through:

- reducing the current seven stage complaints procedure for estates parking down to three
- replacing the current manual process for granting a parking permit with online application that could save the borough up to £68 per permit.

This programme has been so effective in highlighting the true end to end service provided that LB Southwark is currently establishing a Programme Board to oversee Service Improvement Projects across all of the council's services, reporting directly into the Efficiency Board.

Outcomes

LB Southwark's work analysing avoidable contact has helped to:

- create a focus on the end-to-end aspect of service delivery and to see it from the customer's perspective
- focus the council on making best use of both the contact centre and one-stop-shop personnel
- design and develop a corporate programme of service improvement works under the banner of 'right first time'. Southwark estimates that if they can achieve a 16 per cent reduction in the levels of avoidable contact savings of approximately £500,000 can be achieved year on year.

Challenges

The initial figures for avoidable contact collected purely through the call centre were low. Conducting further analysis was the only way to identify the real figure and understand the underlying causes of the issue.

Having identified opportunities to improve the service, reduce the avoidable contact and remove unnecessary cost expenditure the council needed a way to monitor the impact of its initiatives and changes.

This programme has highlighted the need for various functions within the council – as well as a range of external service providers – to work together and share information more closely.

Critical success factors

According to Yvonne Salvin, the Corporate Complaints Manager at Southwark who oversaw the project, the forensic analysis and identification of these substantial savings would not have occurred without the prompt of NI 14 and the mandatory requirement to measure avoidable contact.

Presenting the information as maps, with supporting evidence, helped to provide managers with 'clarity and practicality'. Such a factual depiction also helped to externalise and 'de-personalise' the message and supported productive discussions. Deconstructing each process into its constituent parts and presenting this graphically as a map (wherever possible) has helped to provide an objective basis for discussions with stakeholders, and provides a strong link between diagnosis and action.

Next steps

As well as introducing the tactical changes identified by the analysis, Southwark are now conducting a strategic review of the way that customer- and property-related information can be shared more effectively between various services to help keep track of contacts to the council and service requests.

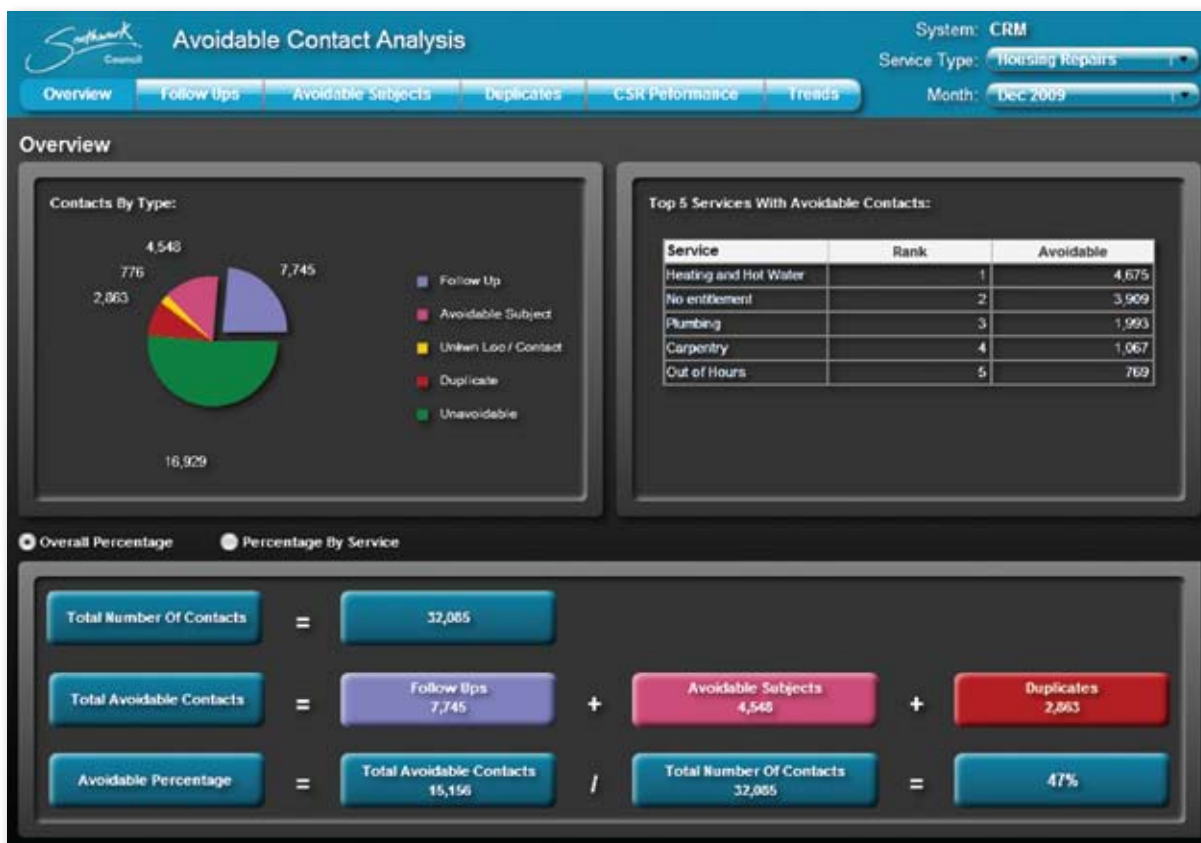
In order to measure the impact of change, Southwark have rolled out an “Avoidable Contact Dashboard” which collects and presents avoidable contact data for a range of services (see figure 2 below). The dashboard is updated monthly and embeds the concept of avoidable contact directly within the operational activities of the senior management within the council.

This whole approach to Service Improvement and ‘Getting It Right First Time’ is now being expanded across the breadth of the services managed by the council.

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Figure 2. Southwark’s Avoidable Contact Dashboard



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