

<b>NAME OF SCRUTINY COMMITTEE</b>	<b>CORPORATE SCRUTINY COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>31 JANUARY 2013</b>
<b>TITLE OF ITEM</b>	<b>SYSTEMS THINKING SCRUTINY INVESTIGATION</b>
<b>CHAIRMAN OF THE INVESTIGATION</b>	<b>COUNCILLOR GARETH THOMAS</b>
<b>CABINET MEMBER</b>	<b>COUNCILLOR PEREDUR JENKINS</b>
<b>PURPOSE</b>	<b>TO CONSIDER THE INVESTIGATION REPORT</b>

# **Scrutiny Investigation Report**

## **Systems Thinking**

### **Members of the Investigation**

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Councillor Trefor Edwards  
Councillor Jason Humphreys  
Councillor Dafydd Meurig  
Councillor June Marshall  
Councillor Gareth Thomas (Chair)**

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**January 2013**

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## Introduction

Presented in this report are the main issues highlighted by the Systems Thinking Scrutiny Investigation in two pilot schemes in the Arfon Area for the consideration of the Cabinet Member for Resources.

The Investigation was established by the Corporate Scrutiny Committee on 19 July 2012 and the Report will be submitted to the Corporate Scrutiny Committee today, 31 January 2013.

A Scrutiny Investigation was established to seek answers to the following questions:

- a) What was the effect of both pilot schemes in the Buildings Maintenance Services (Intervention Team) and the Homelessness Service on the people of Gwynedd
- b) Has it improved service to users?
- c) Has it realised a saving?

## Summary

### A Activities of the Investigation

- i. The main work of the investigation was to do with collecting information from customers and partners of the two services – Homelessness and Building Maintenance in the Arfon Area.
- ii. Although the number of the customers and partners interviewed were comparatively small, there are quite clear and consistent messages here in some areas although there isn't unanimity conveyed each time.
- iii. We interviewed Managers of leisure centres, care homes and five schools in respect of the Building Maintenance project; and four external establishments and one internal unit were interviewed as regards homelessness in the area.
- iv. We questioned the relevant internal stakeholders namely five Cabinet Members, two Directors, two Heads of Departments, operational officers of the scheme and external Consultants.
- v. Members of the investigation are confident that the report gives a balanced and independent interpretation of the two project schemes based on the evidence collected.
- vi. An analysis was made of the information received in line with the Vanguard methodology.

### B Main Findings

- vii. The Members of the Investigation are of the opinion that there is a need to expand Systems Thinking across the Council.
- viii. Although the evidence shows that some purposeful and worthwhile input were given by a number of officers, our main concern is that there is not

enough clear evidence that there is sufficient ownership at the highest level.

- ix. We do though consider that it is worth giving it another attempt to deal with this in order to empower officers to execute effectively.
- x. There is real potential in the systems thinking style to improve services for customers and as a result we recommend that the Cabinet Member should develop this in this Council's lifetime.

C Main Recommendations to the Cabinet Member

- xi. The Cabinet Member is asked to consider these recommendations:

**Recommendation 1**

The Members of the Investigation are of the opinion that there is a need to expand Systems Thinking across the Council.

**Recommendation 2**

Ensure thorough understanding by the Cabinet Members and Senior Managers on the principles of Systems Thinking in order to realise the potential to re-designing the Council's business for the benefit of the customer.

**Recommendation 3**

Provide full support to maintain the 'day job' while officers work on the systems thinking scheme.

**Recommendation 4**

To develop the scheme across the Council by striking a balance between carrying out this work internally and getting external and independent input as necessary.

**Recommendation 5**

Consider the information obtained from the customers and partners thoroughly in order to assess the demand and the true needs of the customer.

**Recommendation 6**

Consider the value of appropriate measures carefully to assess success and problems with implementing the scheme across the Council and reporting on any matters of concern to Cabinet.

**Recommendation 7**

The process so far has been too slow. It is crucial that the work goes ahead quicker in future.

### **Recommendation 8**

That work is carried out immediately to assess the cost of this scheme in order to identify the sum of the expenditure and any savings that have derived from it so far and to consider the projection over the life of this Council.

## 1. INVESTIGATIONS CONTEXT AND PURPOSE

### Context

- 1.1 Presented in this report are the main issues highlighted by the Systems Thinking Scrutiny Investigation in two pilot schemes in the Arfon Area for the consideration of the Cabinet Member for Resources.
- 1.2 Systems Thinking is based on the assumption that normal **efforts to improve organisations' culture** in the past have been unsuccessful and that Systems Thinking is a manifesto for a better way. The Vanguard Method (John Seddon) was used as a basis for both projects.
- 1.3 The Vanguard Method is used by organisations to change the planning and management of work. The intention is to move from an arrangement where the control occurs by command from the 'top' down (command and control); using instead a style whereby the organisation gives priority to maintaining systems that arm officers in order to deliver the customers' needs (systems approach)
- 1.4 In this regard, it was noted several times during the investigation by practitioners and researchers that operating Systems Thinking successfully is a matter of 'common sense'!
- 1.5 One of the enthusiastic messages received from the practitioners in both services was that it's aim is to be a 'paperless system'. Despite efforts to keep this report concise, we apologise for the longer than intended content but would draw your attention to the main conclusions and recommendations.
- 1.6 We have also sought to keep the language as jargon free as possible in accordance with scrutiny good practice. We have, however failed in some situations and apologise in advance for this.
- 1.7 In addition, although we have included what has struck us as the

main issues in the report, we have received several other comments that have not been fully addressed in the report, in order to focus on the most important elements.

### A Wider Context

- 1.8 The report of Professor Zoe Radnor and Dr Ann Esain of the Cardiff Business School to the Neath Port Talbot Council (Evaluation Report on the Impact of Service Improvement Activities at Neath Port Talbot County Borough Council – 2012) on the Council's activity in the field of systems thinking notes, as follows, in closing the report:

*The approach taken by NPT (Neath Port Talbot) has shown that with improvement approaches such as systems thinking and lean it is possible to become more efficient. However, in order to develop further – to become more effective delivering appropriate services at the point of need – there may be need for some of the fundamentals of the system to be challenged. This would mean change in policy and approach from within Welsh Government as well as NPT. For example, considering system changes which allow improvement and audit to be more aligned, driving the delivery of services in terms of service dominant logic and not product or policy dominated (Osborne et al, 2013) and, engaging the citizen in co-production.*

This is a telling comment!

### Purpose of the Scrutiny Investigation

- 1.9 A Scrutiny Investigation was established to seek answers to the following questions:
- a) What was the effect of both pilot schemes in the Buildings Maintenance Services (Intervention Team) and the Homelessness Service on the people of Gwynedd
  - b) Has it improved service to users?
  - c) Has it realised a saving?
- 1.10 The Investigation was established by the Corporate Scrutiny Committee on 19 July 2012 and the Report will be submitted to the Corporate Scrutiny Committee today, 31 January 2013.
- 1.11 It became clear early on that it would not be possible to fully address the request in 1.9 above within the period of the Investigation and that it only partially succeeded in doing this.
- 1.12 However, given the limited resources in terms of time and capacity

of members and officers, we believe that the recommendations contained in the report are worthy of careful consideration by the Cabinet Member in considering the way forward to systems thinking in Gwynedd Council.

1.13 What emerges in this report and appendices are details of the comments received from the service users, partners, lead members, senior managers and executives together with the analysis and opinions of members of the investigation.

1.14 Members and officers of the investigation would like to thank everybody for their willing co-operation and valuable input the investigation including Council members and officers and all the external bodies.

## 2 MAIN ACTIVITY OF INVESTIGATION

### July 2012

2.1 Six members of the Scrutiny Committee were appointed to conduct the investigation with one lead officer and two support officers from the Strategic and Improvement Department.

### August 2012

2.2 Prior to the commencement of the investigation a series of informal meetings and talks were held between officials in order to obtain background information and two of the officers attended a presentation by John Seddon on the Vanguard Method.

### September 2012

2.3 A Presentation was given by the Cabinet Member for Resources and the Director that was responsible for commissioning the two pilot schemes and it was given to understand that the objective was to ascertain the value of systems thinking in two different services within the Council. Then to consider expanding the practice across the Council or not.

2.4 A detailed work programme was drawn up containing a series of questions to be aired with the officers who implemented both pilot schemes and the meetings were arranged between the members and officers of the investigation and the executives. See Appendix.

### October/November 2012

2.5 Convene the meetings with the officers of both pilot schemes.

2.6 Consider and analyse the observations made by the officers.



- 2.7 Arrange and conduct visits between members and officers of the investigation and service users and partners of both pilot schemes. We must note here that the users interviewed were site officers and managers, and the service users were the external bodies and not the 'user in the street' (end user). Homeless people were not interviewed.

December 2012

- 2.8 Undertake the visits
- 2.9 Analyse the visits
- 2.10 Arrange meetings between members and officers of the investigation and the Cabinet Members, Directors, Departmental Heads and Heads of Service.

January 2013

- 2.11 Convene the meetings and analyse the information
- 2.12 Draw up the report to the Corporate Scrutiny Committee.

3 MAIN OBSERVATIONS

A Basic Principle

- 3.1 We have used the Vanguard Method's central theme in order to give this part of the report some structure, namely to see how successful both pilots schemes were in terms of moving from an arrangement where the control occurs by command from the 'top' down (command and control); using instead a style whereby the organisation gives priority to maintaining systems that deliver the customers' needs (systems approach) by empowering officers.

Awareness of the Principle

- 3.2 There was evidence that members and officers who had received the training and had been part of the detailed planning sessions with Vanguard officers were totally aware of this basic principle.
- 3.3 This was noted by an officer from the Maintenance Scheme:  
*There is no hierarchy in systems thinking. There is no leader. The goal is to try to split tasks between project members. There is no top-down managers BUT it is difficult to share and change the hierarchical roles and culture.*

*The system gives us the right to do anything to assist the customer –*

*approach the Service Manager (in another Service or Department) to make something happen.*

- 3.4 In terms of the Cabinet Members, Directors and Heads interviewed, they did not give clear statements in the interviews indicating their awareness of this basic principle (noted in 3.1 above). Although, as seen below, they gave at least two different interpretations of how this principle could be implemented. (3.9 – 3.11 below)
- 3.5 This raises a fundamental question about some senior management's understanding of the basic principle of systems thinking of placing the customer at the centre, and the same theme rears its head from time to time throughout the investigation.
- 3.6 This is completely understandable in one sense as we noted at the beginning of the report since this is an extremely difficult issue to address effectively.
- 3.7 However, it is worth noting at this point that there is a significant difference in the opinion of the investigation between the understanding of executives who were part of the intensity of the detailed checking at the beginning of the two projects with Vanguard officers on the one hand: and some of the senior managers and Members of the Council Board (before May 2012) who were given presentations and / or training sessions
- 3.8 Specifically in terms of organisational hierarchy, two different interpretations were given by two of the Directors.
- 3.9 It was noted by one senior officer that the purpose of systems thinking is to empower the officer involved in the issue of delivering for the customer and to deal with the appropriate officer at whatever level he may be within the Council.
- 3.10 Another senior officer suggested that the best course of action would be to escalate the issue to the attention of an officer at a senior level in order that he/she deal with the matter.
- 3.11 The investigation believes that the first method is the appropriate course of action through systems thinking as much as possible but where that failed, then, an officer at a higher level needs to operate. For this to succeed there needs to be a clear understanding of this principle across the Council at least at the level of senior managers and members of the Cabinet. They are responsible for supporting implementation such as this across the Council and in their departments and services

### Implementation of the Basic Principles

- 3.12 Clear statements were had by the officers in both projects that they considered themselves to have been empowered to act in accordance with this principle. The comments received from the officers of the two pilots:

*Systems Thinking has changed our and other individuals' way of thinking. Now we think from the customer's perspective.*

*The system gives us the right to do anything to help the customer BUT go to the service manager to make something happen.*

*There is no practice of implementing 'command and control' in the Unit. As officers we have to think on our feet and sometimes bounce off each other to come up with a solution to a customer's problem. We were doing this before systems thinking.*

*See the benefit of operating through the system but need support from the top.*

*Initially, the project officers were informed that anything within reason was possible – there was no need to worry about additional resources if they thought it necessary.*

- 3.13 Although a lot of good work has been achieved by the two projects, much more development is required to realise the potential of systems thinking.
- 3.14 Observations were made by two senior managers who suggested that identifying a problem or barrier and placing it 'on the wall' was sufficient in terms of the role of systems thinking. Members of the investigation did not get the impression that the fact that some of them had been 'on the wall' for over twelve months was a cause of concern for them.
- 3.15 This is of some concern to members of the investigation. There was the impression that the two pilot schemes had been running for far too long and that this slowed down the operation for the benefit of the customer.

## 4 THE CONSULTANTS

- 4.1 The response received from officers drew attention to these main elements in terms of the consultants':
- a) It was felt that the Consultants' lack of information on Homelessness and to a lesser extent, on maintenance
  - b) It was felt that their enforcement of officers to be pedantic and nauseous when analysing every minute step in the system

- c) The intensity, length and timing of their input.
- ch) One senior Council officer noted that being challenged by Vanguard officers had, at times, been an uncomfortable experience.
- d) The Vanguard officers were very efficient in conveying the principles of the Vanguard method without any documents.

4.2 Some of the Council officers' observations on the above are as follows:

- *Vanguard came from a completely different professional background to us and, therefore, had no real understanding of the content of our work*
- *Vanguard did not understand the homelessness service at all and a long time was spent explaining the statutory requirements to them and making them understand that every individual was different*
- *The project began with a long introduction with the consultants*
- *Vanguard was with the team for a long time and then quickly disappeared, leaving the team on its own. It would have been better had the transfer occurred gradually*
- *Undertaking the pilot scheme for a shorter but full time period would have been better*
- *It would have been better and taken less time had we had a backfill of staff to provide a service while we were seconded to do the systems thinking work*
- *The Vanguard team was with us for four or five days a week for months and then we were left on our own. The lead-in period was too long*
- *A Vanguard officer was here for three days for a six month period*

## 5. STEPS IN THE VANGUARD METHODOLOGY

5.1 The next sections of the report cite evidence obtained from service users and members of the Board / Cabinet and executives in terms of achieving the three elements noted by the Vanguard method to study the organisation from the customer's perspective and to redesign it to provide better customer service:

- Check
- Plan
- Do

5.2 Check  
Collate information of what the current system is doing; and why the system is doing this.

### What is the Purpose of the system?

- 5.3 Officers of both pilot schemes appeared to understand the purpose of both systems:
- *Homelessness: Help me*
    - *to resolve my problem / tenancy in order to prevent me from becoming homeless*
    - *to find an affordable and permanent house / home*  
(Refer me to the experts who can help to resolve my problem)
  - *Our first purpose was 'When I brake, fix me and maintain me' and 'I've got a problem with my building – help me'. This was reviewed later in order to enhance the remit to include the whole Maintenance Unit.*
    - *Now our purpose is 'I have a problem with my building – help me'.*

### What is the Nature of the Customer's Demand?

- 5.4 In the case of the Building Maintenance Pilot scheme, a list was available of all the buildings within Arfon that were part of scheme. The site managers for all of these buildings were considered customers.
- 5.5 In the case of the Homelessness Pilot Scheme, the customer list was not so clear. It was felt that the homeless people were the customers and that a list of them could not be considered for this scheme.

Tai Eryri made the following comment: *"We do not usually hear comments about the Homelessness Service by the homeless people as we have agencies such as GISDA in between us and the Homelessness Unit"*.

### Nature of the Demand

- 5.6 Considerable emphasis is placed by Vanguard on looking in detail at this element. This means that in this part of the process information and data should be collated in order to understand the nature of the demand. The definition is as follows:
- Customer demand is generally much more consistent and predictable than is perceived. Therefore assembling precise data on the real nature of demand is **invaluable** for designing better processes.*
- 5.7 The fact that this is considered an '**invaluable**' step in terms of the Vanguard method therefore merits some attention.
- 5.8 In the case of both schemes, evidence was obtained that detailed

work had been done to analyse the demand in terms of the calls received. Both schemes indicate incredibly similar figures in terms of the difference between failure Demand and Value Demand.

5.9 Vanguard Definitions

*Failure Demand – Demand caused by a failure to do something or to do something right for the customer.*

*Value Demand: This is a demand that you do want. This comes from customers who are requesting new services and updating accounts. It is the reason the organisation exists.*

5.10 The Homelessness figure was

19 October 2010

Failure Demand – 32%

Value Demand – 30%

In Progress – 38%

30 April 2012

Failure Demand – 19.5%

Value Demand – 80.5%

5.11 There was no figure from Maintenance for starting on the project – The figure received during the Investigation was

Failure Demand – 20%

Value Demand – 80%

5.12 This appears to be a comparable improvement in terms of system thinking and an issue upon which both pilot schemes should be congratulated as this adds value to the customer and Gwynedd citizens by making better use of resources.

5.13 The Members of the investigation feels that the demand needs to be assessed further in the hope that the initial work undertaken by the investigation, to identify the nature of the customer's demand, is a key area which requires detailed attention quickly before a full assessment is made of the Pilot Schemes' success in terms of identifying the real nature of demand from the customer.

5.14 We also believe it would be beneficial for the Homelessness Scheme to consider that the organisations they work with within and outside the Council are their customers and partners in terms of this work and it would be beneficial to obtain their views as customers and partners.

5.15 Although both pilot schemes consider that the service has improved

for the customer over the past two years, we saw no evidence from the investigation to indicate that customer service had improved during both pilot schemes. We understand that some information and feedback on performance is available on the two schemes that suggests otherwise. We suggest that it would be beneficial for the Cabinet Member to consider all the information carefully.

- 5.16 In fact, some of the comments received suggested that the situation had deteriorated in terms of feedback and communication with the customer or partner? Here are some examples:

Maintenance

*There is no communication with us now.*

*No frequent contact*

*Miss the annual service by the inspector - don't know who to contact now*

*But also*

*We also receive advice and feedback from the Intervention Team*

Homelessness

*If the Homelessness Department is dissatisfied with ----- or otherwise ----- with the Homelessness Department – that we note and discuss individual cases in order that we can address any unnecessary obstacles without delay.*

*But also*

*Collaborate well with officers from the Housing Department*

- 5.17 In general, it appeared to Members of the Investigation that neither pilot scheme had specifically contacted customers to ask what their needs were when working to identify the demand.
- 5.18 This raises some doubt about the value of the initial raw material for the two projects. An opportunity may have been missed here.

Capability

- 5.19 Definition : *A record of performance over time and an analysis of the variation in results.*

- 5.20 In order to analyse this section, we were looking for evidence that both pilot schemes were clear as regards:
- What performance information was needed in terms of serving the customer
  - Was the information available
  - What the analysis showed
- 5.21 There was no evidence that the information needed was readily available from a service planning and customer perspective to address that demand.

- 5.22 For example, in the Maintenance Plan, it was seen that information on visits from contractors was available somewhere but that it was not being used when assessing the demand for service.

*Monitoring call for shortcomings in the past (e.g. recording a dripping tap several times leads to an obvious need to look at the problem differently). This information has always been available but it was not used because targets did not request the information.*

*We are struggling with measures to assess success and the need to merge government measures e.g. there is only one measure on the Performance Management System that is valuable to us*

- 5.23 The Homelessness Unit noted that a significant proportion of performance measures were irrelevant to the customer. This was time-consuming. For example:

*It does not help that we have to report quarterly on national measures on the Ffynnon System.....The national measures are of no use to the service*

- 5.24 In the case of both projects there was no evidence to indicate that the officers had had an input into the Council's business planning process (Delivery Cycle).

- 5.25 Members of the investigation's opinion on this is:
- The officers have many ideas as to what information is needed
  - Although some information is collated it is not available to officers
  - Because of this, it is difficult to come to an opinion regarding the situation that there has been some improvement.

#### Flow – how does the work work

- 5.26 This element was analysed in great detail. It appears that this is where the most energy and effort was spent. There are many examples of very thorough and detailed work.

Here are two main examples of some of the main elements:

#### Maintenance

*The task (taking a call for work and completing it) contained 248 processes! Having gone through this from the bottom up, the number of processes fell to 114....only 11 steps were noted as necessary to completing the task successfully in reality.*



### Homelessness

*Unnecessary processes existed that we had not noticed previously. An example – when a person temporarily moved to a hostel, it was necessary to fill in a form for the Benefit Service and complete the same form again if the individual moved to another room within the hostel or moved temporarily to a different hostel.*

- 5.27 Although some very valuable elements have emerged in this part, members of the investigation are not sure whether there is a need to spend so much time with this element.

### System Conditions

- 5.28 Why does the system behave like this?
- 5.29 Both pilot schemes have had considerable success in this element of the work. In brief, the system conditions are wasteful, time-consuming activities but do not add value to the customer. In fact, they can exacerbate customer service.
- 5.30 The system conditions are often issues that are 'forced' into the system by somebody else and usually somebody from outside the scheme who can resolve them. These include measures, targets, inspections, IT systems, behaviour of senior managers and managers, institutional structure and requirements, rules and procedures
- 5.31 Once again, as with the Demand and Customer element, the Vanguard method notes that understanding the system conditions is crucial.
- 5.32 Contrary to the Customer/Demand element in this case, the members of the investigation believes that both pilot schemes have addressed this very thoroughly.
- 5.33 The Homelessness scheme notes 98 issues with 36 of them still unresolved.
- 5.34 The Maintenance scheme notes 36 issues with 26 of them still unresolved.
- 5.35 A substantial improvement has been made as regards identifying matters of benefit to the customer but there is a need to quicken the implementation.

### Thinking

- 5.36 This step is described in the Vanguard method as – '*Underlying*

*assumptions about how the work is managed.'*

- 5.37 This relates to the culture of the organisation in terms of some tenets and practices from a management and governance perspective.
- 5.38 It did not appear to us that this element had been addressed by both pilots. The investigation, therefore, arranged to interview the Cabinet Members and relevant Senior Managers in order to begin with this work.
- 5.39 Members of the Investigation feel that this is an issue which requires significant time and attention prior to or when expanding the work across the Council.
- 5.40 There were some observations which evidenced the need to give detailed attention to this element and some positive signs that some members and officers were beginning to understand their key role in terms of systems thinking.
- 5.41 In the case of one senior officer and a Cabinet Member, it was evident that they had not considered one of the issues that had been identified as a significant system condition by one of the projects.
- 5.42 A positive comment was made by one of the senior officers who suggested a 'shift' in thought since she was enquiring with officers in other services whether activity was a barrier to them from improving customer services, and had set a performance indicator.
- 5.43 The main message of the Vanguard method for the Check element is that it provides a way for leaders of the organisation to study their organisation as a system. There is little evidence that this is currently happening to acceptable levels across the Council and this needs to be embraced when expanding the work across the Council.

#### Planning and Implementing

- 5.44 There are details of several positive examples of work of redesigning the services for the better in order to realise customer benefits. In addition, there are a number of emerging issues needing attention.

The two last parts of the Report summarise these issues in Section 6 and 7 – Main Conclusions and Main Recommendations.

## 6 MAIN CONCLUSIONS OF THE INVESTIGATION

6.1 The aim of the investigation was to address the three points below:

- a) **What was the effect** of both pilot schemes in the Buildings Maintenance Services (Intervention Team) and the Homelessness Service **on the people of Gwynedd**
- b) Has it **improved service to users?**
- c) Has it realised a **saving?**

a) What was the effect on the people of Gwynedd?

6.2 There is nothing to be gained here in proliferating words. It became clear to the investigation members that it was too much to expect this matter to be addressed in a brief six months with the few resources available to us.

6.3 To put it very simply, we are not in a situation to express an opinion on this element. If the members of the Scrutiny Committee consider that this element of the work needs to be considered, our suggestion is that thorough work needs to be commissioned from outside consultants or that it be submitted for consideration by the Citizens' Panel.

6.4 In our view, it is premature to be doing so at this time.

b) Has it improved the service to the users?

### Homelessness

6.5 There are no clear and definite comments on whether, "an improvement has been seen after introducing systems thinking". The opinion varies. The mark out of ten was 6.6.

Here are some comments:

*Have not seen a difference since the systems thinking method was put into operation, but not certain either...*

*Have taken part in the discussion with the Homelessness Unit on systems thinking and \_\_\_\_\_ have also looked at improving their systems through 'Lean'. The concept is understood. The idea is that they do more over the phone but it is not yet working perfectly.*

### Maintenance

6.6 There is no clear statement from the customers here either. But

there are some perceptions by customers that the service has deteriorated. Even so, the mark out of ten is fairly good. The mark out of ten was 6. Here are some comments received from customers and partners:

- *Not relevant – Head had only been in post for a year.*
- *Has deteriorated – more paperwork, slower.*
- *The main weakness of the service is lack of consistency – sometimes an email is sent to acknowledge a request for repair work, but at other times this does not happen. Some tasks are completed quickly, but not always.*
- *No difference but more paperwork/administration.*

#### Has it achieved a saving?

- 6.7 It is not yet clear what the savings will be and the effect on the Council's Financial Strategy.
- 6.8 Members of the Investigation are of the opinion that there is a need to put a clear plan in place to track the information in order to identify what the expenditure sum is and any savings that derive from the project.
- 6.9 It is premature, therefore, to make an assessment as regards the realisation of savings.

## 7 MAIN RECOMMENDATIONS AND OPPORTUNITIES FOR IMPROVEMENT

- 7.1 Members of the Investigation suggest expanding the work across the Council.

### **Recommendation 1**

**The Members of the Investigation are of the opinion that there is a need to expand Systems Thinking across the Council.**

- 7.2 John Seddon and Charlotte Pell state in the publication – 'Delivering Public Services that Work – Volume 2' that '*The method provides **leaders** with the means to study their organisation as a system and, on the basis of the knowledge gained, to re-design their services to improve performance and drive out costs*'.

This, briefly, is the main objective of systems thinking. As we noted at the beginning of the report for Neath Port Talbot in point 1.9 "*there may be need for some of the fundamentals of the system to be challenged*". In the Investigation's view, this is a tremendous responsibility on the Cabinet Members and Senior Managers to achieve.

It is not expected this will be fully achieved within the lifetime of two pilot schemes, and the Investigation was glad to see there had already been effective examples of action by the senior managers. Even so, it was considered there was a considerable way to go in order to improve their role. We are of the opinion that priority needs to be given to addressing this need.

There is a danger that officers digress if Heads of Department do not keep an eye on leading the team to keep on the path.

### **Recommendation 2**

**Ensure thorough understanding by the Cabinet Members and Senior Managers on the principles of Systems Thinking in order to realise the potential to re-designing the Council's business for the benefit of the customer.**

#### 7.3 Time in which to achieve

The work and conviction of the Directors and Heads of Departments and the operational officers in the two pilot schemes in favour of Systems Thinking was very heartening to the members of the Investigation.

They had complete commitment to the work, but officers involved with both schemes noted there were considerable periods of strain and low morale. Without the special commitment of the Directors, Head of Services and officers, both pilot schemes could have very quickly collapsed.

### **Recommendation 3**

**Provide full support to maintain the 'day job' while officers work on the systems thinking scheme.**

#### 7.4 Roll-in

Vanguard's Definition: *A method to scale up a change to the whole organisation that was successful in one area. Change is not imposed. Instead each area needs to learn how to do the analysis of waste for themselves and devise their own solutions. This approach engages the workforce and produces better, more sustainable solutions.*

### **Recommendation 4**

**To develop the scheme across the Council by striking a balance between carrying out this work internally and getting external and independent input as necessary.**

### 7.5 Nature of the Customer Demand

It was not obvious to us in the Investigation that the two schemes had tackled assessing the real nature of the demand from customers. The main emphasis was seen instead to be on the Flow element - how does the work work.

Few comments were received from the customers on behalf of the end user. Although this is a particularly difficult element to address, we are of the opinion it needs to be looked at. One officer in the Homelessness Unit noted as follows:

*The customers are receiving a better service. It was seen that people who had obtained accommodation gave positive responses in a questionnaire eliciting opinions on the service.*

Although quantitative information and historic data are valuable, in the Investigation's view analysing and discussing direct information e.g. possibly recording phone calls, visits and meetings and conversations with customers and analysing them in detail is an activity worth considering.

#### **Recommendation 5**

**Consider the information obtained from the customers and partners thoroughly in order to assess the demand and the true needs of the customer.**

### 7.6 System Conditions

The matters raised by the two schemes were an extremely effective way of identifying the main matters deserving attention at corporate level.

All the customers and partners interviewed in the homelessness field seem very positive in their willingness to collaborate, but there is considerable dissatisfaction in terms of the slowness of action at strategic level. But it appears there is some movement in this direction.

- *The Housing Strategy is not sufficiently detailed – there is a need to clearly note what the needs are in terms of housing in the area.*
- *Clear guidance is needed from the Council's Strategic Unit.*
- *No input was provided to the Town Centre Improvement Scheme.*
- *We are not aware of any bureaucrats affecting the service.*

Members of the Investigation consider that this could be an opportunity to develop reporting procedures on performance to Council members on the achievement of the Council for the benefit of Gwynedd citizens. We are of the opinion that there is a place to

air this and propose that the Corporate Scrutiny Committee could receive six monthly presentations noting the achievements against the system conditions of the two pilot projects.

**Recommendation 6**

**Consider the value of appropriate measures carefully to assess success and problems with implementing the scheme across the Council and reporting on any matters of concern to Cabinet.**

7.7 Quicken up the Change

We had a unanimous opinion by all the stakeholders and the consultants that the work of the two pilot projects had taken too long. It isn't clear to us what those reasons were, but it is essential to ensure that there is an improvement in this when expanding the work across the Council.

**Recommendation 7**

**The process so far has been too slow. It is crucial that the work goes ahead quicker in future.**

7.8 Finance

We are of the opinion that there is some justification over the fact that there isn't detailed information as regards the cost details and savings in the wake of the two pilots but we stress that there is a need to present an agreed procedure quickly regarding how to identify and track this information correctly and clearly.

**Recommendation 8**

**That work is carried out immediately to assess the cost of this scheme in order to identify the sum of the expenditure and any savings that have derived from it so far and to consider the projection over the life of this Council.**

<b>NAME OF SCRUTINY COMMITTEE</b>	<b>CORPORATE</b>
<b>DATE</b>	<b>19 JULY 2012</b>
<b>TITLE</b>	<b>SYSTEMS THINKING</b>
<b>AUTHOR</b>	<b>Gareth James Members Manager – Support and Scrutiny</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"> <li>• <b>Comment on the report and question the Author</b></li> <li>• <b>Decide to establish a Scrutiny Investigation or not</b></li> <li>• <b>If establishing an Investigation – Appoint members to the Investigation</b></li> </ul>



CORPORATE SCRUTINY COMMITTEE	
SCRUTINY INVESTIGATION – SCOPING SUMMARY	
SUBJECT UNDER CONSIDERATION	<b>SYSTEMS THINKING</b>
REFERENCE	YMCH 0.01
Scrutiny Committee LEAD MEMBERS Group	1 2 3 4 5 6
TRACKER A member of the Group responsible for updating the other members of the Committee and for tracking the recommendations. This will allow the Committee to assess the impact of the Investigation in 12 months' time.	
LEAD OFFICER An independent officer appointed to ensure that the Investigation runs smoothly. This officer will act as a Project Manager; ensuring the clarity of tasks, setting a timetable, facilitating meetings, advising those giving evidence and regularly reporting back to Members of the investigation on the developments based on evidence	Gareth James
SUPPORT Independent officers who will provide support and administration to the Investigation.	Ann Roberts – Research Eirian Roberts - Administrator

1 Background

In 2009 the Council pledged to improve services to customers by using *Systems Thinking*.

*Systems Thinking* is a recognised method within the field of business development, which aims to rationalise business processes whilst maintaining standards or improving customer service.

This would be expected to achieve a saving.

2 Purpose of the Investigation

The Investigation will aim to answer these main questions:

- a) What was the effect on the people of Gwynedd of the two pilot projects in Property Maintenance Service and Homelessness Service?
- b) Has it improved services to the users?
- c) Has it achieved a saving?

3 Effect

If we are successful, the Scrutiny Investigation will:

- Produce clear recommendations based on evidence for consideration by the Cabinet Member
- Identify the systems potential to better address the needs of service users
- Assess other/alternative approaches of creating necessary changes to service design with the same benefits as noted in point 2 above
- Give appropriate consideration to any contractual, economic or legal barriers facing the Council in this field
- Demonstrate clearly how to improve the service within the requirements of point 2 above.

4 Period of the Investigation

Start of the Investigation	10 September 2012
End of the Investigation	21 December 2012
Submit a report to the Corporate Scrutiny Committee	31 January 2013
A report from Scrutiny to the Executive	February 2013

- 5 Programme (in addition to the following members will need to undertake additional work in between meetings)

Meeting 1	Setting the Context
	Presentation by the Cabinet Member for Resources and the Director
	Member Briefing notes by Scrutiny Officers: <ul style="list-style-type: none"> <li>• Budgets</li> <li>• Staffing</li> <li>• Property</li> <li>• Performance Results</li> <li>• User Profiles</li> <li>• Relevant legislation</li> <li>• Consultation outcomes</li> <li>• Summary of any internal or external audit reports</li> <li>• Link with the Community Strategy</li> <li>• Link with the Council's Strategic Plan</li> <li>• Relevant plans/strategies/policies</li> <li>• Examples of other organisations providing this service</li> </ul>
	Planning Session Consider the situation and the next steps
Meeting 2	Gather observations from Internal and External Partners <ul style="list-style-type: none"> <li>• Customer Care Cabinet Member</li> <li>• Head of Customer Care Department</li> <li>• Cabinet Member for Housing</li> <li>• Director</li> <li>• Head of Housing and Social Services Department</li> </ul>
Meeting 3	Gather observations from staff and service users <ul style="list-style-type: none"> <li>• Front-line operational staff</li> <li>• .....</li> <li>•</li> </ul>
Meeting 4	Gather observations from external users and experts <ul style="list-style-type: none"> <li>• -----</li> <li>• -----</li> </ul>
	Planning Session Consider the information to date and plan the remainder of the work programme
Meeting 6	Visits <ul style="list-style-type: none"> <li>• Neath Port Talbot County Council</li> <li>• Blaenau Gwent County Council</li> </ul>

Meeting 7	Analysis <ul style="list-style-type: none"><li>• Consider and summarise the information and experiences</li><li>• Further question the Cabinet Member</li><li>• Agree the main recommendations for the report and the way forward</li></ul>
	The Scrutiny Committee to consider the draft report and the recommendations

6 ‘;

Draft

## Questions to Staff and Managers of the Service Units

### Questions to ask on the visits to the Service Units – for guidance

1. What happened previously? What happens now and have things improved?
2. In what way has the service changed? Give examples.
3. What effect did the pilot scheme have? Has it improved the service your opinion? Give examples.
4. What in your opinion has worked well, and what hasn't worked so well?
5. What was good and what was poor about the Vanguard system?
6. What, in your opinion, was difficult to change?
7. Is this another management system?
8. Has the service improved? Are you more effective? Has morale improved amongst staff? What evidence is there to show this?
9. Do you feel empowered?
10. Are you confident to act outside the boundaries?
11. Have you succeeded to resolve a matter for the benefit of the customer without discussing it with your manager first? Give an example.
12. Has the pilot been helpful for you to identify obstructions?
13. How can you solve the obstructions?
14. Do you get more satisfaction from your work following the change to the working method?
15. Does everyone know the purpose of the service?
16. Are you clear what the customer's needs are?
17. If people state that they need a house in a specific area, do you ask why? (*A question for the Homelessness Service only*).
18. How many 'value' and 'failure' calls have you had?
19. Has changing the working method had an effect on another department? What happened previously?
20. Has the pilot realised a saving in your department, or in another department? (*A question for the managers only*)

## **Questions to Staff and Managers of the Service Units**

21. Manager – Has the pilot been of assistance to identify if the service is giving value for money?
22. Manager – have your service measures changed to focus on measuring outputs and service value to the user? (Moving from measures that manage staff and costs)
23. Is there anything else that you would like to tell us?

## Questions to Customers of the Building Maintenance Unit's Service

### Questions to Customers – for guidance

- 1 Could you say briefly why do you use the service?
- 2 Does the School or the Council look after the buildings/maintenance budget?  
2a Have you retained your maintenance budget  
2b Do you have a Service Level Agreement?
- 3 Does the School or Council pay for:  
3a New Boiler?  
3b New tap?
- 4 Approximately how often do you contact the service?
- 5 Is the service usually able to sort out your problem or enquiry successfully:
  - Could you specify one particularly good example and when did this happen?
  - Could you specify one example of failure to deal satisfactorily with your request or enquiry and when did this occur?
  - Is there a recent example where the service had to return more than once to look at the same problem?
- 6 Have you seen an improvement or deterioration in the service over the past two years? What are the reasons for that?
- 7 What in your view are the main virtues of the service at present?
- 8 What in your view are the main weaknesses of the service at present?
- 9 How could the service be improved?
- 10 Could you give a score for the service as it is at present (where 1 is Grim and 10 is Excellent)?  
10a The service in general  
10b How quickly is a problem solved
- 11 Could you note any other matters?

## **Question to Users of the Homelessness Unit's Service**

Questions to users – for guidance

- 1 Could you say briefly why do you use Gwynedd Council's homeless service? And how often?
- 2 Have you seen a difference in the service you receive from the homeless service since 2 years ago? What do you think are the reasons for this?
- 3 Approximately how often do you have to contact the service per case? Is the frequency per case less than it was 2 years ago?
- 4 Do you find it easy to collaborate with the Homeless Service in finding homes for people quicker?
- 5 Do homeless people comment on Gwynedd Council's homeless service?
- 6 What in your view are the main virtues of the service at present?
- 7 What in your view are the main weaknesses of the service at present?
- 8 How could the service be improved?
- 9 Could you give a score for the service as it is at present (where 1 is Grim and 10 is Excellent)?  
10a The service in general  
10b How quickly homeless people are housed
- 10 Could you note any other matters?