

Committee: Financial Monitoring Task Group

Date: 4th April 2019

Wards: All

Subject: Learning from Lean reviews

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Recommendations:

A. Discuss and comment on the report

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report sets out the background behind the use of Lean methodology in Merton, describes how the Service Improvement Programme is created, approved, and monitored, and provides some examples of learning from service improvement activities.

2 DETAILS

Background – Lean and its application in Merton

2.1. Originally developed by Toyota in the 1950s, Lean has long been embraced by a variety of private and public sector organisations. The fundamental principles behind Lean as a methodology are based on eliminating all forms of waste, and creating or increasing value to customers.

2.2. Following a detailed programme of work undertaken with Deloitte's in 2009, relating to business planning, transformation and improvement, Merton adopted Lean as its preferred service improvement methodology. Since then, in various guises, it has provided a framework for the organisation to encourage continuous improvement, as well a range of tools and techniques for use in specific reviews.

2.3. There are a large number of elements, tools and techniques that come under the umbrella term of 'Lean'. Merton has mainly focused on the following approach:

- Observation and study of the front-line to understand how work actually gets done
- Mapping the "as is" processes, with a particular emphasis on 'end-to-end' and the customer journey
- Identifying where processes are adding value, where they are necessary but not adding value (for example fulfilling legislative requirements), and where they are waste
- Developing improved "to be" processes
- Piloting and rolling out improvements via the Plan-Do-Check-Act model

- 2.4. Experience has demonstrated that taking a purist, textbook approach to Lean risks alienating staff and reduces their engagement with reviews. The council's approach to Lean – and to service improvement in general – has therefore adapted over the intervening years since 2009. A range of alternative service improvement tools are used where appropriate (such as Six Sigma, Service Redesign and Systems Thinking), to tailor the offer to the service's needs. At the same time, the aim is to reduce the amount of jargon or complicated concepts used, and to work with departments to embed any changes.
- 2.5. Currently, there are two Business Improvement Advisers (BIAs) who support managers to deliver service improvement. Merton's model is based on heads of service leading and ultimately being responsible for improvement in their areas, supported by the BIAs. In an attempt to embed a culture of continuous improvement in the organisation, training materials have been developed and published on the intranet, and managers are encouraged to be responsible for implementing improvements in their services.

Service Improvement in Merton today

- 2.6. The primary source for identifying a programme of lean and other service improvement works comes through the development of the Target Operating Model (TOM) documents – the council's long-term service planning process. As part of the TOMs, managers were asked to consider:
- the major processes in their services, when these were last reviewed, and where there may be opportunities for streamlining or improving them
 - the purpose of their services (from the perspective of the customer), and whether current processes help achieve this purpose
 - where there is demand on their services, if they understood why, and whether some of that demand might be preventable
- 2.7. The most recent TOMs were completed in September 2018. Potential lean reviews and other service improvement works were identified from these TOMs, combined with other requests or outstanding reviews, and validated and prioritised by Directors and their Departmental Management Teams (DMTs). After DMTs had signed off departmental requests, the Service Improvement Programme went to Merton Improvement Board (MIB) for overall prioritisation.
- 2.8. The categories that enabled prioritisation were:
- Whether the review would lead to income generation or deliver savings (and whether savings were part of the Medium Term Financial Strategy)
 - The level of impact or potential improvement for customers
 - The level of impact or potential improvement for staff
- 2.9. On a quarterly basis, DMTs and MIB are provided with updates on progress and given the opportunity to add, amend or re-prioritise their list of reviews. The feedback loop also provides an opportunity for the sharing of learning across services and departments, and ensuring that actions or recommendations for improvement are implemented.

Learning from Lean reviews and service improvement work

- 2.10. Learning and sharing of good practice has resulted from a wide variety of the lean reviews, service improvement work, and other continuous improvement activities. Some examples are described below.
- 2.11. **Blue Badges.** Following impending new legislation that will expand the Blue Badges scheme to people with 'hidden disabilities' (e.g. autism), a review was commissioned to identify how the service could adapt to cope with the likely increase applications, given that no additional resources are being made available. The review is still ongoing but a number of recommendations are already being piloted and evaluated on an ongoing basis.
- 2.12. **Streamlining Adolescent Panels.** Children's Social Care Services commissioned a review into the approach taken by the council (and our partners) to oversee children's issues, via the use of a range of Adolescent Panels. Many of the review's recommendations that were implemented – particularly around membership, length and frequency of meetings, and communication between panels – affected a number of different services across two departments, as well as impacting on partner organisations. They were also applicable more generally to how the department could run its meetings.
- 2.13. **Managing Public Spaces.** After completing an environmental enforcement process review for waste services, Environment & Regeneration DMT, commissioned additional work to better understand cross-divisional working for a range of services involved in managing public spaces. Workshops helped the service to identify a number of areas for improvement, which in turn were used to inform the department's TOMs.
- 2.14. **Early Years Digital Strategy Rapid Improvement Event.** To help the Early Years service think about their strategic technology needs, a short, focused, facilitated session was held to bring together service managers, staff and IT representatives. The outcomes from this session were shared with the wider department, which helped other services think in a more structured way about how technology could support their processes.
- 2.15. **Customer Contact Programme process mapping.** One of the BIAs was temporarily seconded to work on the Customer Contact Programme to assist with the creation of process maps and development of e-forms for a number of services, most notably leisure. The upskilled member of staff was able to share this learning in a number of future process mapping and requirements gathering exercises.
- 2.16. **Information Centre (IC) Boards refresh.** All services use IC Boards to display up-to-date service information, provide transparency about what is being delivered, and as a focal point for conversations about continuous improvement. The BIAs have developed guidance for teams to create an IC Board that works for them, as well as offering detailed sessions where managers have requested it (in particular for the IT and Public Spaces teams).
- 2.17. **Performance management.** Following a presentation to MIB on new ideas and a complementary approach to performance management, elements of

this approach are being piloted or adopted by officers responsible for performance management in Safer Merton, Adult Social Care, and Children, Schools & Families.

Next steps

- 2.18. Implementation of the Service Improvement Programme will continue to be monitored by DMTs and Merton Improvement Board – with best practice shared across services by the BIAs.
- 2.19. The training programme for managers is currently being refreshed, in order to increase the organisation's maturity in its approach to service improvement and enable managers to lead change themselves.
- 2.20. The organisation is looking to change and grow the offer in line with best practice and new techniques, including comparing ourselves with our peers through discussions at groups such as the Pan London Transformation Network.

3 ALTERNATIVE OPTIONS

- 3.1. Not applicable.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Reviews have included consultation and engagement with residents, customer and service users, as part of evidence gathering and to understand the journey of the customer.

5 TIMETABLE

- 5.1. Not applicable.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Responsibility for savings rests with the relevant department. However, reviews are used to assist services in delivering budgetary savings, efficiencies, productivity increases, or helping bring about income generation.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Reviews are carried out mindful of the statutory frameworks that services have to adhere to. It is recognised that the most efficient approach according to Lean principles may not be appropriate in the context of legal requirements, and therefore recommendations are modified appropriately.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. Reviews are carried out mindful of equalities legislation and other community cohesion considerations. It is recognised that the most efficient approach according to lean principles may not be appropriate in the context of equalities requirements, and therefore recommendations are modified appropriately.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. Not applicable.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. Not applicable.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- None.

12 BACKGROUND PAPERS

12.1. None

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