

# **Citizen-centred services: a discussion of the aims and methods of the White Paper**

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## **Citizens want services that work**

No one could argue with the White Paper's ambition to have more responsive public services. However, I find the White Paper to be confused and confusing about method – how we achieve that aim.

My experience of working with the public sector has taught me people want services that work. People don't go to public meetings to express their views on a cold Autumn night if things are working well. If things are not working well, many people put up with it. In my previous paper I noted how people claiming benefits may make several journeys and/or have considerable difficulties getting what they want and are due, but few will complain. Those who do complain often cause political representatives to question why it is that services that have been awarded stars, Chartermark and the like, don't actually work very well from the users' point of view.

## **Why don't services work?**

Sometimes it helps to re-state a problem. Instead of asking what do we need to do to improve services we should ask what stops services being good (from the user's point of view)?

The design and management of public sector services has changed substantially over the last decade. Call centres, computers systems, 'back offices', Customer Relationship Management (database and 'work object' IT systems), targets, standards, out-sourcing and shared services are just the policy tip of the iceberg; public services are also subject to specifications about how things should be done, how services should be designed and managed. My previous paper argued that the measures used to evaluate these changes are unreliable and the associated bureaucracy is, and creates, waste.

As I noted in my previous paper, ministers equate access with service. While people may be able to access, for example, a call centre, what happens when they get through is how they judge the service provider. Many local authority call centres have achieved beacon status, but from the user's point of view the service is dire.

When we study the work in these organisations we discover the following phenomena:

### *High levels of failure demand*

Failure demand is demand caused by a failure to do something or do something right for the customer. It is the case that many public services didn't (and don't) work very well, but introducing a call centre does not, in itself, improve services. Any service that doesn't work very well attracts high levels of failure demand. Moving this work to a call centre and then allowing only electronic communications (CRM systems) between the call centre and the service provider simply locks in waste.

### *Measures driving the wrong behaviour*

Call centre agents are typically measured on activity: how many calls they take, whether they handle the calls in the specified time and so on. These measures engage the call centre agent's ingenuity in making activity targets, not the same as serving customers.

Managers are pre-occupied with meeting service levels: the requirement to pick up the phone in a number of rings engages management's ingenuity in meeting that standard. It is not unusual to find answering machines promising a return call or computers controlling the volume of in-bound calls such that only those that can be answered in the required time get through, others receive an engaged tone.

To understand and improve the work, workers and managers need different measures. That was the focus of my previous paper.

### *Demoralisation of the workers*

Being evaluated on measures that bear no relation to the purpose of the work and which clearly cause problems in the work, demoralises people who have to deliver the service.

These phenomena reinforce the need to question the reliability of assessments of these organisations. The phenomena are common across the public sector; they constitute the hallmarks of command-and-control service designs, they have been responsible for call centres earning the sobriquet 'sweat shops'.

Command-and-control thinking has been promulgated as 'modern management' throughout the public sector. The promise, following the original work of Henry Ford, is to achieve economies of scale. That economies of scale are achievable is not in question, but as Toyota has shown in manufacturing, economies of scale hides an enormous amount of waste. When you learn to focus on flow rather than function you can remove waste and achieve far higher levels of performance. It is, by comparison to achieve economies of flow rather than scale.

Service differs in important ways from manufacturing, nothing is 'made' or 'stored', the customer and service agent are involved in production and, most importantly, there is a massive variety in the nature of demand. Translating the principles<sup>1</sup> behind the Toyota Production System leads to designing service organisations to be capable of responding to and absorbing the variety of customer demand.

As I indicated in my previous paper, we have many examples of profound improvement of local authority services using these principles. To work this way requires, first of all, a preparedness to question management conventions. Deming reminded us that the modern organisation is our invention; it should and can be re-invented. Policy should avoid the promulgation of command-and-control ideas and should provide room for those who want to step outside of convention.

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<sup>1</sup> It should be emphasised this is not a set of tools, much damage is being done to TPS principles by the inappropriate use of manufacturing tools in service organisations, the current debacle at HMRC is an example.

## **Do people want ‘choice’?**

Choice is an attractive idea; it is a relatively new idea on the political landscape. It presumes that the power to choose will act as a lever on those who provide services. However, many public services can only be provided by a monopoly; to duplicate services like waste collection could only add to costs; to duplicate services like planning would be administratively unworkable.

To give people choice when they are in no position to make a choice is hardly ‘choice’. I recall being embarrassed watching a representative of our government explaining to a Swedish audience how people should be able to choose treatment on the NHS. The Swedes took the view that doctors would know best and the patient would expect advice, not ‘choice’. Now in this hole he moved to the view that ‘choice’ meant choosing another hospital if the local hospital was full. The Swedes politely pointed out this was no choice (Hobson’s choice) and what mattered to the patient was getting sorted, not making choices. The NHS’s new ‘choose and book’ system involves the patient in substantial bureaucracy (form filling, calling call centres), this is not citizen empowerment, it is inefficient service design. As we see happening in so many examples, the new IT system drives behaviour (everybody must do as the IT system requires) and waste, it does not support an efficient design.

## **Examples of ‘choice’ in action are few and far between**

Choice-based letting is cited as an example of ‘choice’. We know that it can be designed in both efficient and inefficient ways. The most inefficient designs are those that use shared applicant databases, maintaining records creates a lot of waste. Ironically, these databases were created in response to government mandates.

The use of direct payments for the provision of social care is also cited as an example of ‘choice’, but as we have shown<sup>2</sup> the current service is shockingly poor and very inefficient. Making direct payments causes further problems for people who are already vulnerable.

‘Choice’ does not translate easily from the private to public sectors. Receiving benefits and services from your local authority is not akin to choosing telephone providers or choosing where to go to the cinema. Choice is not a good remedy for services not working. It might be attractive in the short term for the user but is likely to be limited to very few services and few real choices.

The remedy is to improve the design of the services. To use systems language: the problem is the user can’t ‘pull value’ – get what they want – from the system. When the service is designed against demand the user gets what he or she wants: a service that works.

## **Should local people have more say in running local services?**

It depends on what this means. Does this mean, as has sometimes been written, that local people should design local services? Perhaps, if we think about people’s

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<sup>2</sup> Adult Social Care: a systems analysis... [www.systemsthinking.co.uk/6-27.asp](http://www.systemsthinking.co.uk/6-27.asp)

‘involvement’ as meaning the services are designed on the basis of understanding customer demands and dealing with them efficiently, but local people have no special expertise in the design and management of work. They may have an interest in solving something they see as a problem; the White Paper confuses the nature and purposes of involvement.

The White Paper promises a reform of Best Value to ensure local authorities inform, consult, involve and devolve *where appropriate*. Appropriateness is the \$64,000 question for all four activities, not just devolving. This reform is likely to cross the boundary from aspiration to method, specifying what local authorities should *do*. Appropriateness should be thought about from the user’s – citizen’s – point of view. You are at risk of creating a further specifications and inspection bureaucracy that, like the current bureaucracy will both be and create waste.

The White Paper suggests ‘informing’ is about providing people with prompt information on performance so they can judge effectiveness. Is that what people want to do? Some, probably only a few, might have the time and be motivated to search for information on their and others’ authorities performance and make comparisons, but this will lead to no more than pressure on the authority to improve, something we can assume motivated the person in the first place. Chartermark-inspired information at train stations is confusing and suspicious (people know how timetabling and standards have been ‘gamed’ to improve the numbers, not the service); and few people are motivated to make claims; what they want is a service that works.

Information that would be useful would be that which is relevant to the customer in the provision of that service, for example, how long a customer can expect a service to take. Policies for ‘informing’ should encourage local authorities to employ measures that have relevance to the users of services.

The review of Best Value also signals new specifications and associated bureaucracy for complaints management. We should ask: why don’t people’s complaints get solved today? Is a new bureaucracy going to solve that problem or create more problems?

The majority of complaints are to do with the customers’ experiences of transactions; the causes of the problems are more associated with the design and management of work (the system) than anything service workers do (not the people). That is where management’s attention should be focused.

Creating standards, reporting and complaints-handling bureaucracies is to spend no energy on understanding and improving the work. Of course, you would think, that is the job of management in any event, and, you might argue, these bureaucracies merely put pressure on management to do as they should. But what you learn when you study these organisations is that much of the resource is focused on feeding the ‘improvement’ bureaucracy and not on the work.

Complaints are always the tip of the iceberg; much more can be learned by studying demand; you learn about the system’s dynamics that cause complaints (and high costs and poor service).

The White Paper promises new rights when people put forward suggestions or demand action. This emphasis, giving power to the citizen, reflects the fear that without ‘controls’ services will not improve. But will this new control mechanism deliver? Rather than assuming any new procedures will bite it would be wiser to ask: What stops this happening now? It would be better for local authorities to address that question by reviewing their current methods and their achievement of purpose rather than complying with new and untested procedures.

### **Measuring satisfaction**

It would seem plausible to insist that all local authorities measure customer satisfaction. However, there are important matters of method; not all satisfaction surveys lead to good decisions for improvement.

My own council sends me a yearly survey asking me for views on things I have no first-hand experience of, if I were to complete it (and I never do despite being chased – more waste), my answers could not be thought of as credible input to policy or action for improvement.

It does make sense to ask users of their experience of a service. We have found the best method to be simply to ask users for a rating of their experience overall and then, if it not rated ‘10’, ask what could have been done to make it ‘10’, the latter question revealing the vital information. This method avoids the pitfalls of asking what managers want to know (how long did you wait? did she smile? etc). To work this way, managers need to appreciate that it is each and every customer that sets the ‘specification’ (we call it the ‘nominal value’, following Taguchi’s important work). When managers set the ‘specification’ by choosing survey items or telling mystery shoppers what to look for, and then measure against that, they learn nothing about the customer’s experience.

People want services that work. Designing public services against demand leads to better service and lower costs. Designing against demand means removing all arbitrary measures, for example, service standards, and instead using measures derived from the work that give workers and managers reliable information about the users’ experience of the service.

The consequences are massive reductions in failure demand and better ability to handle value demand – both of which mean customers are getting what they want – services that work. A further consequence is improved efficiency, for as service improves costs fall.

The prerequisite to working this way is measurement. Government policy needs to move away from harmful measures like targets and standards and instead ensure that measures relate to the purpose of the service from the customer’s point of view.

Many readers might be thinking that this, surely, would push the costs up. Many public sector managers assume exactly that, for, as I said in my previous paper, they have been persuaded (wrongly) to the belief that service management is concerned with solving the following operational equation: How many people do I have? How much work is there to do? How long do people take to do it? So they assume that

giving customers what they want will constitute more work, meaning transactions will take longer and costs will go up; or will constitute more resource from the budget they seek to protect. But the very measures these managers are using are causing a greater number of transactions and greater costs in resource terms. It is a paradox, if you manage with costs, costs go up.

Management's 'operational equation' also infects the IT-driven 'BPR' initiatives that have led to front- and back-office factories. Managing services as transactions is to ignore the fact that the true cost of service is end-to-end from the customers' point of view. If it takes seven transactions where it could have taken one... You are aware that there is little cost/benefit information on the value of these designs in practice and any evidence of reductions in transaction costs should be treated with suspicion. Many of the initiatives have been financed on the basis of 'investing to save' where the investment has been assumed rather than proven to be beneficial.

The White Paper promises that the review of Best Value will not squeeze out local innovation or upset arrangements that are working well, it promises 'lots of room for local flexibility'. It is my hope that the review should promote experimentation and learning, for many of the current variety of means in use by local authorities to assess satisfaction don't work very well. But when I read paragraphs 2.19 to 2.22 of the White Paper I see looming a specifications industry that will have the same problems as the current one.

### **Where do people want a say?**

Do people want to get involved in neighbourhood management? In some circumstances yes, as examples in the White Paper demonstrate. What is distinguishing about these examples is that people wanted to solve a problem. Their motivation for getting involved is peculiar to the circumstance and we should not assume, therefore, that they might want to get involved for other reasons or purposes.

We know of good examples of police forces involving local communities and other agencies in solving problems of youth disorder<sup>3</sup>. But policies for police/community engagement activities have led to meetings and 'bureaucratic' activity which often has no value to the purposes of police work (but the police get a 'tick in the box').

The risk is a policy on involving people could create 'involvement' activities and bureaucracies for which there is no need. The subsequent risk is that people may be less inclined to be involved in what they feel is a talking shop.

The White Paper gives neighbourhood participatory budgeting as an example of involvement. It is an interesting idea; it has been shown to be effective in other countries. It is something that policy should allow and encourage rather than mandate, for experimentation is more likely to lead to learning than compliance. We need to learn more about, for example, what problems people want to solve, the means for

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<sup>3</sup> Neighbourhood policing, as the White Paper points out, is to be everywhere by 2008 with dedicated resources. It is the wrong method. To treat this as 'different' work is to ignore the fact that it is a large part of current demand. Designing policing against demand avoids wasteful functional design.

devolving control, how well it works and what impact it has on the local authority's and other services' work.

The examples in the White Paper show how community participation works where people have a problem to solve. But to mandate other communities to do the same could be a disaster. If the primary motivation is not there (we have a problem) we should be concerned about what might motivate people to become involved.

### **Three different kinds of citizen-engagement**

The White Paper describes three different kinds of citizen involvement or engagement. Place-shaping, problem-solving and local authority services. Each is quite different in terms of purpose and outcomes; each has quite different characteristics when we think about methods of involvement. Place-shaping, involving the community in determining the future for an area is something we (Vanguard) have not studied but as citizens we have experiences of the process. Problem-solving is something we have some experience of, particularly tackling youth disorder between agencies. We also have extensive experience of local authority services.

In general my advice is to avoid, wherever possible, detailed prescriptions for action. Instead policy should encourage local authorities to review and develop better methods for each type of involvement.

#### ***Place-shaping***

Place-shaping, determining the future for an area or community is a particular kind of citizen involvement. There are already structures and processes in existence for place-shaping – structure plans, planning processes, appeals and so on. Consultation is a feature of the current regime. Rather than replace what may be a sub-optimal or failing system for involving people in place-shaping, more would be learned by studying how and how well the current system works. Understanding the failures and their causes is far more likely to lead to local authorities improving citizen engagement in place-shaping than mandating local authorities to implement untested ideas. This work should seek to understand the user's experience of consultation (an outside-in view) rather than adherence to procedures (an inside, top-down, view). Understanding the value created for the user through the current system or method will create a strong platform from which to build better methods.

The alternative is to risk promulgating new procedures may simply add to the current activity rather than replace it and may fail to improve the value created for the user.

#### ***Problems that need to be solved***

Many of the examples of citizen involvement given in the White Paper are of this kind. If people live in an area suffering some kind of blight some or many might be motivated to do something about it. Mandating involvement would not motivate people to be involved. Policy needs to provide an umbrella under which such problem-solving encourages the involvement of the community in both understanding the problem (an essential first step that is often ignored or assumed) and then

designing solutions. Once again, understanding the problem and its solution should be governed by an ‘outside-in’ perspective. Sharing an outside-in perspective makes it far easier for agencies to cooperate, if this is done by all parties sharing in the knowledge-generating phase (studying how it works today) it improves the quality of the solution and speeds the process immensely.

Involvement in problem-solving local issues is a method problem. Working on it in a systemic and systematic way leads people to trust that outcomes are critically dependent on their involvement, are not pre-determined and that consultation is not simply a ‘tick in the box’.

However, the key point of this paper is that it will be more effective, cheaper and faster to understand what matters to people by understanding their current transactions with authorities and improving those experiences. Listen to citizens when they deal with you – not when they don’t.

### ***Local authority services***

People take a view of their local authority’s services from the transactions they have with them. We have much evidence to show how services that are designed against demand lead to better citizen satisfaction and greater efficiency. It is worth noting that the improvements would not have been thought achievable if set as targets. The key requirement is to measure performance of services in terms that matter to their customers.

To illustrate with two examples where end-to-end time is what matters to service users:

Planning applications from an average of 60 days to 30 days (includes statutory 21 day notice); refusal rates down from 20-30% to 2%

Housing benefits applications from an average of 50+ days to 6 days

In both of these cases targets have to be removed as they drove the wrong behaviour. Targets for dealing with planning applications drive up refusal rates; targets for seeing people within 15 minutes in benefits services drive up the number of visits.

This may lead you to conclude that mandating the measurement of true end-to-end times would be a step forward. It might, but first you have to determine which services are time-critical from the customer’s point of view. It would be better for policy to dictate that measures should be chosen that represent the purpose of the service from the customer’s point of view, then local authorities should determine their choice of measures. I am making the point I made in my first paper, you need to change the locus of control from the centre to the services.

As I illustrated in my first paper, if you use arbitrary targets in an organisation they create a ‘de-facto’ purpose (‘make the target’) which may undermine the achievement of purpose and constrain method. When you take measures of achievement of purpose from the customer’s point of view and put those to work where the work is done, you liberate method.

Policy should provide the framework for the right things to happen. Policy should provide strong direction for local authorities to focus on the citizen's experience of 'involvement' and encourage them to use measures to understand and improve the same. The less you detail forthcoming policies, the more effective they will be.

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