

Lean in Nottinghamshire Probation - Part One



Background

Nottingham Probation Trust (NPT) has a strong track record as a high performing organisation, but from the early part of 2009 recognised that the need to prepare to deliver their services at significantly reduced cost. Along with other Probation Trusts, NPT faced the possibility of budget reductions of 20% or more over the next two years which would require a major rethink on how the organisation operated and was managed.

Nottinghamshire Probation Trust identified that they could make a large proportion of the savings through natural staff attrition rather than redundancies, but simply reducing staff numbers meant that those who remained would be expected to do more work.

NPT had developed a relationship with Ad Esse over many years through several improvement projects, for example, using Lean tools to address performance shortfalls in Drug Rehabilitation Requirements (2006) and applying Lean in the Courts Service (2008). The successes of these projects demonstrated to the Senior Management Team (SMT) that Lean could reduce costs without compromising service delivery standards. They recognised that in order to develop a sustainable improvement culture they would need to commit to a full Lean programme.

The SMT delivered a proposal to the Trust's Board on the benefits of Lean, and requested approval to undertake a full organisational diagnostic. Ad Esse were subsequently invited to give a presentation to the Board on the benefits of Lean, and in July 2009, NPT got agreement from the Board to proceed with a Trust wide Lean diagnostic with Ad Esse.

From Possibility...

The diagnostic assessed the Trust's potential for improvement and possible barriers to a successful Lean implementation. It also identified areas to prioritise Lean activity in order to achieve quick wins.

Diagnostic activity included:

- Structured interviews with local managers
- Walking the floor to get a feel for the environment
- Workshops with staff
- Focus-group style interviews
- Diary sampling

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- Sample value stream mapping
- Identification of process wastes
- Data analysis and findings.

The diagnostic found that only 27% of Offender Management time is spent face to face with Offenders, and that implementing Lean would give NPT savings in excess of £1 million over the first two years.

Other key findings from the diagnostic included:

- No standardised way of managing team performance. Performance was managed retrospectively and focused on 'fire-fighting' problems
- An estimated 25% - 40% of Senior Probation Officer (SPO) time is spent following up on reported non-compliance and cleansing data
- High variability of office layout, organisation and functionality
- Circulars and guidance notes were often sent in an unfiltered manner with no summary of key points or actions required
- Limited consultation with staff and middle management groups or, utilisation of their skills and knowledge in policy development
- Evidence of process variations in different offices, despite a process management system being available to all staff

The Trust decided that it would proceed with a Lean implementation and following a competitive tendering exercise, Ad Esse began working with the Trust on the programme.

The Trust's first task was to establish the internal Lean programme team which involved recruiting one full time and two part time Lean Practitioners who would become the organisation's internal Lean experts. One of these practitioners had been involved in the diagnostic phase and therefore already had some Lean exposure.

Eight part-time Lean Champions were also recruited from within the organisation. Their role was to support the Practitioners and Consultants during roll out and to champion Lean in their geographic areas alongside their day jobs.

A Master Schedule for the Trust was developed with the Senior Management Team and rolled out. Master Schedules are a key communication and monitoring tool that are used to ensure visibility of all key organisational activities and to keep track of Lean actions against target completion dates.

The Practitioners and Champions were then trained. This took the form of training workshops but was delivered mostly as 'on the job' experience. The Practitioners, in particular, would be expected to take over the running of all the improvement workshops with the Champions in support.

Development occurred in three phases:

1. Observation of Consultant delivery
2. Delivery with Consultant Support
3. Solo delivery with observation and feedback from Consultants

In February 2010, the Trust-wide roll out of Lean commenced.

The first steps were to:

- Set up Information Centres and Daily Meetings to focus on performance and create a better flow of communication up and down
- Undertake 5S in each work environment to create order and more efficient functionality
- Analyse and improve value streams in key processes.

The Diagnostic had identified five key processes that would deliver initial savings. In agreement with the SMT, these areas were addressed first. These were:

Process Name	Description	Diagnostic Findings
Commencements	From point of sentence to first appointment	Process Value Add Ratio is 3.8% This means that the rest of the time in this process is spent doing wasteful activities.
Breach and Recall	From the trigger failure to resolution / recall of offender or withdrawal of breach/recall	42% of all breaches are withdrawn, suggesting that a significant amount of breach commencements is wasted work
Supervision of Offenders	The day to day activity of Offender Managers and the bulk of Probation work	27% of OM time is spent face to face with offenders suggesting that valuable OM time is spent on things other than this core task, some of which will be legitimate and valuable, some less so
Unpaid Work Requirement	From court disposal of requirement to completion	Process Value Add Ratio is 9.2%
Accredited Programmes Requirement	From court disposal of requirement to completion	Long lead times into a Programme and high attrition rates.

Alongside the improvement activity, the organisation conducted an awareness drive, which introduced Lean from the Board down to front line staff, using media such as newsletters, team meetings and emails.

To Actuality...

With the first phase of implementation now complete, significant progress has been made across the organisation. The Senior Management Team quickly established their Information Centres, and these have been cascaded along with daily meetings and across the rest of the Trust. All operational teams have been trained in how to identify key performance indicators, how to set up and Information Centre and running of daily meetings. These are currently operating with differing levels of effectiveness, but overall the daily focus on performance is seen as beneficial as well as the opportunity for the entire team to get together every day. KPI measurement is still not as effective as it could be because this has meant teams having to think about performance in a different way, with a larger focus on process-type measures (e.g. volumes, error rates, completion rates, utilisation) as opposed to measures of target achievement.

Most teams have completed the first phases of implementing 5S (see below), that is creating the obvious office and visual workplace. This was done over two days in most teams, and consisted in the first place of a major office tidy up, with broken, unwanted or unused items placed in a quarantine area and eventually thrown out.

5 S STEPS

5 S = Establishing a clean, orderly and safe working environment

It is important to follow the process step by step - it is equally applicable to all areas - office, workshop, meeting room...



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Not only did this reduce general clutter and waste in the work areas, it was also helpful in finding a number of missing files and identifying unused stationery which could be brought in to prevent unnecessary re-ordering. Most teams are in the early stages or establishing visual standards and implementing standardised work, but this will form part of the continuous improvement process in the future.



In the five areas identified for process improvement, we conducted 2-day value stream analysis workshops with teams of staff actually involved in the work. These have been completed for all five processes, and pilots have are under way for the Breach and Commencement improvements. The approach followed for each value stream was to:

- Define value – what would improvement actually mean for each process?
- Map the value stream – define the key activities, processing times, queues and waiting times
- Identify problems and deficiencies – rework from errors, duplication and delays, poor customer service, examples of 7 Wastes
- Define root causes of problems
- Identify potential solutions and prepare for senior management review.

All improvements identified in the workshops had to undergo a SMT 'Process Challenge Session'. These sessions were an opportunity for management to review the proposed solutions and give consideration of potential risks to the business and performance.

Three of the initial five processes worked on were brought for challenge at the end of the first quarter of the project and identified savings in excess of £190,000. These savings primarily came from a reduction in duplicated activities such as data entry and record-keeping, reduction of checking / sign offs, approval actions for managers, and removal of unnecessary staff and file movement.

Other organisational benefits that were harder to quantify and have not been counted in the £190,000 figure include:

- Reduced error rates and resulting re-work
- Improved process cycle times
- Improved offender experience
- Increased staff awareness of wasteful activities and empowerment of the staff to challenge each other and management over existing practices.

What next?

The project's management has now been taken over by the Practitioners with light touch support from Ad Esse Consultants. In addition to the continued roll out of Lean Foundation tools, a further 15 processes have been identified for improvement workshops, which will be led by the Practitioners with support from the Lean Champions.

The Lean Practitioners are overseeing pilot implementations of the new ways of working and, once completed, will be scaled up and rolled out across the organisation.

Throughout this Lean Journey there have been some lessons learnt, the most important of which has been that benefits are maximised if work on implementing foundation tools happens first before value stream mapping and improvement takes place. Nottinghamshire, because of pressures to save money, commenced the Improvement Workshops before rolling out the Lean foundation tools and this made staff engagement harder in the long run.

It takes between 3 and 5 years to become a Lean Organisation and Nottinghamshire Probation Trust are only just starting on that journey. The initial benefits they have seen is an encouraging start, with the increased involvement and experience of the Lean Practitioners and Champions, the organisation will move further towards becoming a self sufficient Lean organisation.

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Postscript:

As at September 2010, total potential savings of £576k have been identified. This has taken just over 8 months (see detailed breakdown below).

Process Name	Mins Saved	FTE	£ Savings
Breach in Magistrates Court	158,286	2.0	£54,753
Reduce Processing on Withdrawn Breaches	154,645	2.0	£49,850
Recall	88,064	1.1	£35,988
Commencements	60,698	0.8	£20,745
Unpaid Work	318,091	4.2	£125,160
Accredited Programmes	280,223	3.7	£96,860
Court Reports	426,940	5.6	£193,580
Total	1,486,947	19.4	£576,936

Analysis of staff attrition rates has shown that savings of £484k have already been cashed due to non-replacement of staff, and projections indicate that natural attrition will be sufficient to meet the level of savings required over 3 years.

“Nottinghamshire Probation Trust Board has a key strategic objective of “Improving and sustaining quality service delivery”. However, the changing economic climate challenged the achievement of this objective. Against this background the service provided by Ad Esse Consulting has enabled Trust wide Lean implementation resulting in the ongoing achievement of this critical strategic objective.”

– **Shelia Wright**, Deputy Chief Executive, Nottingham Probation Trust

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