

Service design is

giving people  
what they want,  
the way they  
want it, when  
they need it

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*By and For Asset Management  
Leaders*

## DO WE CONSULT TOO MUCH?

**Remember our Quiz from the last issue?** Here we give you the answers. But do go back to Issue 239 (back page) and try to guess first, it will make your reading much more interesting.

**In this issue:**

**Chris Champion, CEO, IPWEA** sounds a cautionary note on service levels, consultation, and the AMP

**Kathy Dever Todd, CEO, NAMS-NZ** shows how consultation - done right! - can save you money and win you friends.

**Debra Hall, Principal, Synergy, NZ** - tells us how New Zealand residents responded to the question "do we consult too much".

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**We start with Chris Champion**, who would like to raise some reservations on service levels and consultation for discussion. He suggests that sometimes we can aim too high, too early - without really understanding or appreciating the full AM process. Implementing AM is not an easy task and getting all of your information together even when we seek to implement basic or core AM is a big job. There is evidence of some seeking to make Step 1 of the process, the first AMP, a step straight into advanced AM - where core or basic AMP might be best.

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## Yes, Service Levels and Consultation are Important. but... First, A Cautionary Note:

from Chris Champion,  
CEO, IPWEA

### Don't try to run before you can walk

Chris says he is keen to protect Australia from initially going down a path too advanced where this may not be needed in LG in many cases for smaller organisations. The same goes with consultation. He considers that this can be a great diversion if you are still struggling to get the basics in place. For some organisations there may be too much early emphasis on levels of service and consultation when we haven't even got the basics adequately right, costed or even understood.

Some may ask how we can 'get the basics right' if we don't have a fair idea of what service levels we are aiming for. After all, isn't the role of asset management to provide a service? If we focus on getting a 'first cut AM Plan in place' without ensuring that plan is driven by the need to meet understood service levels are we not opening ourselves up to two problems: (1) we send the message that the AM Plan is all about technique rather than outcomes and (2) (and this is related to the first) we establish no path to future refinement through better understanding of service levels.

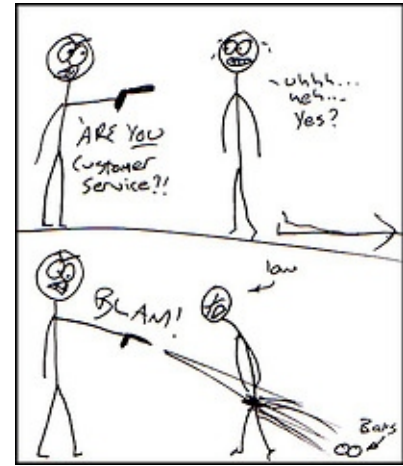
### The first plan should be qualitatively different

Chris appreciates these concerns - he is not saying that we just stop with first cut plans and no consideration of levels of service. Rather people can have trouble, in the first instance, understanding the full AM process and defining levels of service. What he is suggesting, particularly if resources are limited, is to go through the process first (often costing and just reflecting current levels of service) and then you will have a better appreciation of the whole AM process.

It is likely that you will end up with an unfunded AM plan as a first cut - but you will now better understand the process and can start on the AM continuous improvement path. You can now set about relating your plan to service outcomes being sought or that can be afforded. You can now better appreciate and consider how you are going to 'manage the gap'. This will be done through a combination of re-assessing levels of service being sought or that can be afforded, refining your assumptions and data, looking for other revenue sources, prioritising service within your organisation, considering the disposal of some assets, and consulting with your community on its priorities and acceptable service levels.

Before commencing consultation, it helps to know the answers to possible questions from the community. Completing a 'first cut' AM plan, then developing future scenarios with associated service levels and costs will assist in achieving a successful professional consultation outcome. We have an important opportunity to get this right. Don't waste it.

*[Ed: See also, SAM 227 "The first plan is qualitatively different"]*



# WHAT TO CONSULT ON : Part 1.

by Kathy Dever-Todd  
CEO, NAMS-NZ

*Kathy is currently involved in training workshops all over New Zealand working with councils to understand the importance of a service level focus for their asset management. Here she shows why understanding what aspects of a service are important to your ratepayers/customers enables you to win friends and keep the budget under control.*

## Service Delivery

Regardless of how you look at it, the reason assets exist is for the delivery of a level of service to an end user, for example “safe drinking water”. Levels of service are the driver of asset management and we must understand the level of service we are being asked to deliver before developing asset management strategies. Too often we focus on the assets we manage rather than looking at the contribution these assets make to delivering levels of service. Gaining an understanding the services our users want us to deliver, and the contribution these services make to their everyday life, is one way in which to make real improvements to the way in which we manage assets.

As a first step, we record the levels of service our assets are currently delivering, from the users’ point of view for example “a safe and convenient route for travelling between the city and my home”.

## Understanding Values

We then need to consult with the community on these levels of service. The consultation should focus on gaining an understanding of the values held by the community about the current level of service. This is quite a different approach to the past when we came up with asset solutions and asked the community which option they preferred. The values approach works for levels of service as community values about services are usually quite stable over time, and different communities of interest generally value the same aspects of a service, albeit to varying degrees.

Community values underlying levels of service generally fall under one or more of the following headings:

Accessibility, Affordability, Customer service, Equity – whole community benefits, Health and Safety, Reliability, Responsiveness, Sustainability and Quality/Quantity

A focus on values allows the service provider to not only understand areas where the services might currently fall short of community expectations, but also to understand which aspects of the service on which to focus management strategies in order to make the biggest impact on levels of service for the lowest overall cost. A New Zealand example is that library users told a Council that they wanted longer library opening hours. Council officers met with members of the community to understand the reasons underlying why extended hours were desired. It soon became apparent that the underlying issue was *accessibility*. The current library hours were not convenient for everyone: people had other commitments when the library was open and/or the library was closed when they tended to visit other service providers nearby. Rather than

recommending to Council to extend the library hours, as the users had requested, the Council officers developed three scenarios for further consultation- these were extended hours, the current number of hours but spread differently throughout the week and the status quo. The community strongly supported the option of redistributing the current library hours- with no impact on the overall cost of the service.

Once we understand which aspects of a service are important to our users, we need quantifiable performance measures to indicate how the organisation is performing in relation to that aspect of a level of service over time.

### There are two main types of performance measure.

Customer performance measures, focused on how the customer receives the service (“what the customer gets”) and technical performance measures focused more on technical criteria that demonstrate effective organisational performance (“what we do”).

### For example

Levels of service description	Customer performance measure	Technical performance measure
Refuse and recycling services are available to the community	Kerbside refuse and recycling is collected on the usual collection day – (as recorded by complaints register)	Collection of Kerbside refuse and recycling is collected in accordance with contract specifications- (as recorded by contract monitoring process)
	Refuse transfer facilities are available in all communities- (as recorded in Asset Register)	Transfer facilities are available for use by the public during stated opening hours- (as recorded by Contract monitoring, complaints register)
Council provides homes with access to a water supply that meets their needs	Decreasing number of complaints received (five yearly trend) about lack of pressure. (as recorded by complaints register)	Supply pressure is not less than x Kpa as measured at the household boundary- ( as measured during pressure testing programme)
	Decreasing number of complaints received (five yearly trend) about lack of pressure. (as recorded by complaints register)	

**The first example** above was developed by a Council following consultation on their Waste Management Strategy. Accessibility to services has been a key community issue- rural areas receive a lower level of service to urban areas, and as result pay a lower level of rates for refuse and recycling. The community still supports the notion that the Council should provide some level of refuse and recycling service to all residents in the District. During consultation on the existing levels of service, the community stated that their

biggest level of service issue was the reliability of the current services provided by Council and raised examples of closed facilities and refuse bags being left behind by contractor. As a result, the council decided to focus its management strategy on the reliability of the current service rather than developing new services. They adopted new customer performance measures focused on what the community gets- e.g. access to services supported by corresponding technical measure measures covering what the Council does to provide access- e.g. when the services are available.

**The second example** is from a Council that manages a city water supply. During consultation on existing levels of service, the community raised their concern that although all households paid the same level of rates, the level of service provided by the Council differed across the network with the main concerns being water pressure at the boundary and discoloured water. As a result of this consultation the Council developed a works programme to address localized pressure and discolouration issues. The resulting increase in user charges was supported by the community. The Council had previously used compliance with Drinking Water Standards for New Zealand 2005 as its levels of service indicator. As this standard does not consider pressure and discolouration it is now seen to be an inadequate measure of the levels of service from a customer's point of view. The newly adopted measures are better level of service indicators and will be a useful gauge of the success of the new works in addressing the existing level of service issues.

## Conclusion:

Many Councils in New Zealand have moved towards gaining an understanding of what their community values about their existing services, and focusing their performance measurement on those aspects of the service. The extent to which the community values a particular aspect of the service can be tested by their willingness to pay for changes to the current level of service, once the asset manager has developed options for those aspects of the service where the community has expressed a desire for change. Finally the effectiveness of the agreed asset strategy, as it is implemented, can be measured by the asset manager through its impact on the levels of service indicators, and the results used to improve future asset management strategies.

## WHAT TO CONSULT ON: Pt 2

by Debra Hall, Synovate



- 1. Is this significant?** Councillors almost unanimous, but decide to consult anyway. Wellington city councillors have now voted in favour of a 24 hour ban on drinking in public in the central city - but it wants more public consultation before the ban is introduced
- 2. Or this?** Councillors divided, but consultation considered “a waste of time and money”. Manakau City Council debates the flying of the Maori sovereignty flag. The idea was put to the council around Watangi Day but now a group of councillors say its time to say ‘no’ to the idea altogether. It wasn’t allowed to fly on the Harbour Bridge and it wasn’t allowed to fly at Auckland international airport - but the Maori sovereignty flag got a ‘maybe from Manakau City Council when they decided a decision should only be made after 3 months of public consultation.



## DO WE CONSULT TOO MUCH?

So what does the public really want?

By Debra Hall  
Synovate

*On the back page of the last issue we published a couple of survey questions that were asked of New Zealand residents. If you haven't tried to answer it, doing so now will make the rest of this article more relevant for you. The survey was online which some may argue reduces its relevance, but more and more residents are now web connected and the sample was matched to the characteristics of the population at large. This enabled the poll to be run over 5,000 residents for Question 1 and different set of 5,000 residents for Question 2.*

### Do we consult too much?

New Zealanders - who have been consulted a lot since the introduction of the 2002 Local Government Act and the development of Long Term Council Community Plans - said, in answer to this question:

**NO, CONSULT MORE!**

### Let's look in more detail

Wouldn't the public just prefer the council to get on with it? Aren't the elected councillors there to represent their communities? Or do they really want more people to be consulted about more things?

*Statement: I d prefer my council to **just get on with doing what s right** for the community, with much less community consultation.*

- \* Only 1 in 8 agreed. (12%)
- \* Men twice as likely as women to agree but levels still low (16% and 9% respectively)
- \* Highest agreement from men aged <30 at 18%

*Statement: It s the elected councillor s job to reflect the views of their community - we don t need lots of consultation*

- \* Only 1 in 7 agreed. (14%)
- \* Men were slightly more likely than women to agree (16% and 13% respectively)
- \* Agreement increased with age, but men over 60 dropped back, indicating their specific desire to be more consulted. In any case, at no age was agreement more than 30%

**Clearly, most people DO want consultation to happen and DON'T want to just hand over the decisions to the council**

*Statement: I m worried that **too much consultation is adding to the cost** of my local body rates bill*

- \* 1 in 4 people agree. (26%)
- \* Men and women have similar concerns (27% and 26% respectively)
- \* Concerns rise with age, levelling off at around 1 in 3 of those aged 40+

*Statement: I m worried that **too much consultation delays** my council from making the right decisions*

- \* 1 in 5 were concerned. (21%)
- \* Men are somewhat more concerned than women (23% vs 19%)
- \* Particularly men in the middle age groups (26% amongst men aged 30-39)

**So, while there is some concern (though from a minority) about the COST of consultation ...**

**There is even less concern about the delays that it may cause**

*Statement: I think that my council **does a pretty good job** of balancing the needs of different parts of the community*

- \* Only 1 in 5 agree (19%)
- \* Men & Women have similar views (20% and 18% respectively)
- \* There is a slow increase with age in the proportion who believe this is true, peaking at 26% in the 60+ age group

*Statement: I think my council would make better decisions if **more people took an interest in who they voted** onto council*

- \* More than 4 out of 10 agree (42%)
- \* Men and women have similar concerns (40% and 43% respectively)
- \* Concerns take a step up at age 40 (to 50%) and rise to 57% in the 60+ age group

Note: Local body election turnout dropped from 46% 3 years ago to 41% this time.

**We're not happy that our councils are balancing different people's needs in our communities ....**

**And we really should take more interest in who we vote for (or so think those who probably voted!)**

### **In review**

- \* We consulted the 'public' about the level of consultation, and they said they want MORE not less even if we explicitly link that consultation to time and resources
- \* A significant minority think that there'd be better outcomes if people took more effort in voting - but for the moment, **consultation is their security blanket.**



### **So, did you get it right?**

Is this what you expected the heavily consulted New Zealanders would say? No? Well, neither did Debra Hall, who has been in the community consulting business for a long time!

**How do you imagine YOUR residents would respond?**