

AGENDA
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SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	The Executive
DATE	2 September 2010
REPORT TITLE	Customer Services Shared Services
Report of	Tracy Winser Head of Customer Services
WARDS AFFECTED	

Summary of report:

The report seeks to advise members of work already carried out and to gain approval for the creation of a shared service for Customer Services.

The new service, if approved, would be created as soon as possible after the statutory consultation period, with the full service being delivered from January 2011 onwards.

Financial implications:

To provide savings in the region of £60,000 per annum, this will be shared equally between the two councils. Detailed set up costs are not yet known but will not exceed a full years saving and will therefore be funded from the first years savings.

RECOMMENDATIONS:

That Members agree to the creation of a Shared Service for Customer Services to be in place by the end of January 2010.

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BACKGROUND

- 1.1. The Customer Service Group at South Hams District Council currently comprises of the Revenues and Benefits Services for both councils, and the following services for SHDC:
 - Housing Advice
 - Corporate Post Room
 - Corporate Customer Service Team
 - Website content management & support
- 1.2. At WDBC there is currently a separate Customer Services team (CST). The scope of this proposal is to join the WDBC Customer Services team to the Customer Services Group
- 1.3. As a part of our overall Shared Services program, a Shared Revenues and Benefits Service was created in October 2009. The ongoing revenue saving that this shared service is delivering is in the region of £350,000 per annum. Performance has remained at a high level and in some areas, it has been improved. However the impact of the shared service has been significant on both Customer Services Teams at each Council and has required closer working between the two.
- 1.4. All Revenue & Benefits telephone calls, for both Councils are now handled by the Customer Service team at South Hams District Council (SHDC), whilst the face to face enquires for West Devon Borough Council (WDBC) are dealt with by the teams at Tavistock and Okehampton.
- 1.5. A percentage of calls for Revenues and Benefits coming from WDBC customers have customer demands that go beyond Revenues & Benefits service. This is typically where customers, who are new to the area, also want to sort out their waste collections or their registration for the electoral roll. At the moment these calls need to be handed-off to another Customer Services Officer from within the WDBC team. This causes double-handling and a less-than-seamless service for WDBC customers in contrast to what SHDC customers currently receive.
- 1.6. The management of two Customer Services Teams at both councils creates a significant degree of double-handling. The creation, operation and the future potential for expansion of the Shared Revenue & Benefit Service has been extremely successful and created significant savings for both councils. However we now need to focus on service improvements, such as accelerating the move to digitalised services and enabling transactions online. By avoiding duplication of activities of the two Customer Service Managers we can increase this capacity and create a new, more appropriate management structure based on providing services from the customer's perspective.

- 1.7. The need to continue to create savings for the foreseeable future but having a long term strategic plan for the service has initiated this proposal. It creates savings whilst protecting service delivery levels at the frontline.

2. ISSUES FOR CONSIDERATION

- 2.1. It is proposed that the West Devon Customer Service Manager joins the South Hams Customer Services Group, along with the existing West Devon Customer Services Team as soon as the appropriate consultations have taken place. At the same time the process will begin to create the new shared services structure in accordance with procedures laid down by the Head of Human Resources.. A comprehensive project plan is attached at Appendix A.
- 2.2. Currently there are two separate teams of Customer Service Advisors, comprising of 17 FTE's at SHDC taking over 210,000 telephone calls per annum and 8.8 FTE's at West Devon taking 81,000 calls. By creating a larger team, taking just under 300,000 calls and located at Follaton House we will create economies of scale.
- 2.3. However, such economies of scale are difficult to predict because call patterns are difficult to accurately quantify. For this reason it is prudent to be cautious in calculating the anticipated savings from the creation of a single team. Therefore the savings of £60,000 per year rely solely on currently identified posts that can be removed from the establishment if this proposal is approved.
- 2.4. As it is necessary to maintain face to face service delivery both at the Kilworthy Park and Okehampton Customer Service Centre, it is essential to ensure adequate cover whilst minimising 'unproductive time'. This means that the remaining CST staff at these locations will need to be given work which can be processed relatively easily, between dealing with customer demand.
- 2.5. To this end we will move all relatively simple post processing to these staff. Training has already commenced for WDBC Customer Services staff but this will need to be accelerated over the next few months. Some staff at Follaton currently engaged in processing will need to move to fill the increased requirement within the CST and again will need the appropriate training
- 2.6. The creation of the shared CST will mean the transfer of all frontline telephone calls currently received by WDBC to SHDC. The telephony infrastructure to enable this is already in place and was facilitated by the earlier Revenue and Benefit Shared Service.
- 2.7. The software applications needed to enable SHDC CST staff to be able to answer all calls for WDBC customers are already "Citrix enabled" due to the

existence of the Okehampton caller office. This means that any additional ICT work is minimised, although significant testing will need to take place.

- 2.8. In large part, the ICT costs that this project would otherwise have incurred have already been paid for by the Shared Revenue & Benefits project. Any significant potential further costs would be incurred by the need to purchase further licences for core systems, if following a licence audit, they are required. It is impossible at this stage to accurately estimate this cost as it is dependent upon negotiations with the suppliers. However it would be prudent to estimate a worst case scenario of £20,000.
- 2.9. One of the lessons learned from delivering the Revenue and Benefits shared service has been that substantial investment in training is required to deliver such a change in working practices. To this end within the new structure we will reduce the numbers of Team Leaders within the service from 11 to 9 and redirect one of these officers to create a dedicated training resource. However it is still likely to take several months to deliver all necessary training and for that reason the earliest anticipated start date of the full shared service would be the end of January 2011.
- 2.10. The move of the telephone calls to Follaton from Kilworthy and the move of the Revenue work from Follaton to Kilworthy and Okehampton will mean that some posts will be at risk of redundancy. However the new posts within the CST at Follaton required to deal with the additional calls, will be ring fenced to the staff involved.
- 2.11. Taking this fact into account and by effectively managing the staff turnover that normally occurs within this service, it is unlikely that redundancies will be required. However in any event, such redundancies would be at a relatively low cost and would be funded from the first years saving.

3. LEGAL IMPLICATIONS

- 3.1. This report is necessary in order to obtain the Executive's agreement to the development of this particular shared services delivery between both Councils.
- 3.2. The relevant powers for the delegation are contained within Section 101 Local Government Act 1972

4. FINANCIAL IMPLICATIONS

- 4.1. Salary savings of at least £60,000 per year have been estimated purely on the joining of these teams. It is anticipated that further savings could be achieved by introducing a stronger transactional website and moving some callers onto automated phone processes, if and when appropriate. It should be noted that part of the aim of this proposal is to create greater management capacity to enable us to pursue and evaluate these opportunities in the near future.
- 4.2. Start up costs will not exceed annual revenue savings and will therefore be funded from the first year's savings.

5. RISK MANAGEMENT

- 5.1. The risk management implications are:

Opportunities	Benefits
<ul style="list-style-type: none"> ➤ To create financial savings ➤ To create greater management capacity ➤ To create greater resilience 	<ul style="list-style-type: none"> ➤ Revenue savings of approximately £60,000 per year ➤ Greater training capacity within the service ➤ Improved seamless service to our customers ➤ Greater management capacity to deliver further improvements and savings for both councils
Issues/Obstacles/Threats	Control measures/mitigation
<ul style="list-style-type: none"> ➤ Loss of confidence in the new service internally ➤ Lowering of staff morale 	<ul style="list-style-type: none"> ➤ Detailed communication plan to be drawn up and delivered with appropriate consultation ➤ Frequent and consistent communication, effective management of the establishment to avoid any need for redundancies

Corporate priorities engaged:	<ul style="list-style-type: none"> ➤ Value for Money ➤ An accessible council
Statutory powers:	Section 101 – Local Government Act 1972
Considerations of equality and human rights:	An equality impact assessment will be carried out at the outset of this project
Biodiversity considerations:	
Sustainability considerations:	
Crime and disorder implications:	
Background papers:	JSG shared Services Report – 28 June 2010
Appendices attached:	Appendix A – Shared Customer Services Project Plan