

		AGENDA ITEM NO.																																								
Report Cover Sheet																																										
Name of Meeting:		EXECUTIVE																																								
Date of Meeting:		10 th December 2007																																								
Report Title:		Business case for the re-location of the Customer Service Centre to Shire Hall, Warwick.																																								
Summary of report:		Members to consider the business case for the relocation of the Customer Service Centre from Riverside House to Shire Hall.																																								
For Further Information Please Contact (report author):		Andrew Jones 6830 andrew.jones@warwickdc.gov.uk																																								
Would the recommended decision be contrary to the Policy Framework:		No																																								
Would the recommended decision be contrary to the Budgetary framework:		No																																								
Wards of the District directly affected by this decision:		All																																								
Key Decision?		Yes																																								
Included within the Forward Plan?		Yes																																								
Is the report Private & Confidential		No																																								
Background Papers:		None																																								
Consultation Undertaken																																										
Below is a table of the Council's regular consultees. However not all have to be consulted on every matter and if there was no obligation to consult with a specific consultee they will be marked as n/a.																																										
<table border="1"> <thead> <tr> <th>Consultees</th> <th>Yes/ No</th> <th>Who</th> </tr> </thead> <tbody> <tr> <td>Other Committees</td> <td>Yes</td> <td>Executive Overview</td> </tr> <tr> <td>Ward Councillors</td> <td>n/a</td> <td></td> </tr> <tr> <td>Portfolio Holders</td> <td>Yes</td> <td>Norman Pratt</td> </tr> <tr> <td>Other Councillors</td> <td>n/a</td> <td></td> </tr> <tr> <td>Warwick District Council recognised Trades Unions</td> <td>Yes</td> <td>Unison</td> </tr> <tr> <td>Other Warwick District Council Service Areas</td> <td>No</td> <td></td> </tr> <tr> <td>Project partners</td> <td>Yes</td> <td>Warwickshire County Council</td> </tr> <tr> <td>Parish/Town Council</td> <td>n/a</td> <td></td> </tr> <tr> <td>Highways Authority</td> <td>n/a</td> <td></td> </tr> <tr> <td>Residents</td> <td>n/a</td> <td></td> </tr> <tr> <td>Citizens Panel</td> <td>n/a</td> <td></td> </tr> <tr> <td>Other consultees</td> <td>n/a</td> <td></td> </tr> </tbody> </table>				Consultees	Yes/ No	Who	Other Committees	Yes	Executive Overview	Ward Councillors	n/a		Portfolio Holders	Yes	Norman Pratt	Other Councillors	n/a		Warwick District Council recognised Trades Unions	Yes	Unison	Other Warwick District Council Service Areas	No		Project partners	Yes	Warwickshire County Council	Parish/Town Council	n/a		Highways Authority	n/a		Residents	n/a		Citizens Panel	n/a		Other consultees	n/a	
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Officer Approval

With regard to officer approval all reports must be approved by the report author's relevant director, Finance Services and Legal Services.

Officer Approval	Date	Name
Relevant Director(s)	23/11/07	Karen Pearce
Chief Executive	23/11/07	Chris Elliott
CMT	23/11/07	All
Section 151 Officer	23/11/07	Mary Hawkins
Legal	23/11/07	Simon Best
Finance	23/11/07	Mike Snow

Final Decision?	Yes

Suggested next steps (if not final decision please set out below)

1. RECOMMENDATION(S)

- 1.1 To agree the business case (Appendix) for the relocation of the Customer Service Centre (CSC) to Shire Hall, Warwick; and that this relocation takes place in a phased way to facilitate the integration of District and County Council services, subject to the Chief Executive, Monitoring Officer and Chief Finance Officer being satisfied that the exit strategy and contract exit arrangements are robust.
- 1.2 To agree that officers work with the Trade Unions for the transfer of current CSC staff to County Council terms and conditions whilst retaining employment with Warwick District Council.
- 1.3 To agree that once integration of services begins, new CSC Customer Service Advisors should be employed by the County Council but that the management team (Team Leaders and Manager) remain employed by Warwick District Council regardless of staff turn-over.
- 1.4 To agree that prior to relocation officers develop a Service Level Agreement (SLA) and Licence Agreement with the County Council to ensure that District Council service delivery is not compromised and additional costs are not incurred at a future date.
- 1.5 That the Executive extends the remit of the One Stop Shop Programme Board to oversee the development of a joint CSC, and prior to the finalisation of the new arrangements this includes responsibility for
 - completing the partnership checklist as agreed by the Executive in September 2005.
 - the compilation of a risk register for the partnership

2. REASON(S) FOR THE RECOMMENDATION(S)

- 2.1 On 11th, June 2007 the Executive agreed that officers should prepare a full business case for the delivery of a joint District and County Council CSC.
- 2.2 The full business case has now been prepared and it is able to demonstrate real benefits to the customer whilst at the same time incurring no extra cost for Warwick District Council.
- 2.3 The business case is based on the premise that the joining-up of the District and County Council CSC teams will not occur from day one: There will be a phased approach to change. Initially the District CSC team will simply re-locate to Shire Hall. This in itself is of benefit to the council as it frees-up accommodation as detailed in the *Building on Excellence Programme*. Thereafter the respective CSC teams will work together to join up services. Consequently this is not a short-term programme but one lasting three to five years.
- 2.4 When considering the proposal for a joint CSC it is crucial that members appreciate the significant investment that the council has made in the Customer Relationship Management (CRM) system which provides the council's "front-of-house" phone and counter services. This investment has led to a position where the CRM system will shortly be able to record and retain a customer contacts regardless of whether contact is made via the District or County Council.

- 2.5 There is therefore a real opportunity to provide the customer with a truly joined-up approach to service delivery, not only answering an enquiry about a service at first point of contact but also providing advice and information in respect of many other related services.
- 2.6 The move to an integrated operation also provides the opportunity to develop a more robust staffing structure. The District CSC team is comparatively small with 20 advisers currently providing the phone and e-mail contact service for 35 different council services. The breadth of knowledge required to deliver these services has meant that the team has suffered from significant staff turn-over: Exit interviews record staff feeling that they are unable to retain all the knowledge required.
- 2.7 Given this situation there is a desire from the CSC management team to move to a structure which splits the staff into teams dealing with different but related services. This means that groups of advisors can develop an expertise in a number of services which have common themes. However, the size of the team has meant that there is not the capacity to do this. Moving to a joint service in partnership with the County Council provides such an opportunity.
- 2.8 To ensure that the partnership succeeds it is strongly recommended that the current staff move to the County Council's employment terms and conditions although retaining their employment with Warwick District Council. This means that any concerns that one group is being treated more favourably than another is immediately removed. It is an approach that has proved successful in the pilot One Stop Shop phase and officers consider that if this approach was not taken there would be a major barrier to successful joined-up working.
- 2.9 It is recognised that Warwick District Council must take steps to protect its service delivery and that joining-up CSC's cannot compromise the experience of customers wishing to access District services. Therefore in conjunction with Legal Services an SLA will be developed with strict performance and service standards/requirements in place. Officers will also develop a Licence Agreement with the County Council thereby protecting the council's right to occupy Shire Hall. It is proposed that the agreement is for an initial term of ten years with appropriate break clauses. It will be made clear to the County Council that the District must be liable for no occupation charges throughout the duration of the agreement. Neither will the council be liable for any termination charges.
- 2.10 The District Council Executive and the County Council Cabinet established a Programme Board to oversee the work of the One Stop Shop programme. As many of the issues arising from that programme of work are similar to those likely to be encountered with a joined-up phone service, it is recommended that the remit of the Programme Board be extended to cover this programme of work.

3. ALTERNATIVE OPTION(S) CONSIDERED

3.1 Option 1 – Retain the status quo

- 3.11 There is the option to continue with the District's CSC at Riverside House and continue to transfer customer calls when the enquiry relates to the County Council. To take this approach questions the strategic decision of the substantial investment

in a CRM system which facilitates joint working by removing the need to hold separate customer details at District and County level.

- 3.12 A CRM system that collects information about an individual but then does not seek to use that information for the benefit of the customer is of little use. There are many Council services that the County provides which would be of benefit to the customer who contacts the District Council. However, due to the split in administrative responsibilities, the customer is not alerted to those services.
- 3.13 As an example, a person registering for council tax with the District could be advised about Assisted Travel, Benefits, Electoral Services and Domestic Waste but would miss out on School Admissions, Parking Badges, Education Transport and Free School Meals – The customer would need to make a separate call and repeat the same details to the County Council.

3.2 **Option 2 – Develop a Virtual Integrated CSC**

- 3.21 Given the development in technology, it may be possible to retain District Council staff at Riverside House and develop an integrated CSC “from afar”. This model is based on the concept that the customer would still contact one of the two councils with an enquiry but the technology would allow both council’s services to be accessed even though staff are not physically located together.
- 3.22 This approach means that staff do not feel part of the same team and there is the possibility that depending upon where the first contact is made, that council’s services may be favoured. If a truly joined-up service is to be developed, it is essential that the respective teams have the opportunity to work and learn together. This would be particularly important for the two management teams as they develop an understanding of the services offered by each of the organisations.

4. **BUDGETARY FRAMEWORK**

4.1 **Revenue**

- 4.11 There will be no revenue consequences for the authority and staffing changes to be discussed with the Trade Unions can be accommodated from within current budgets.
- 4.12 The relocation of staff from Riverside House to Shire Hall does allow property to be freed-up and providing a more efficient use of the council’s accommodation so facilitating an element of the *Building on Excellence Programme*. However at the end of the 10 year agreement or at any point at which a break clause is exercised the Council could find itself with the need to find accommodation, and associated rental costs, together with any other costs of setting up a new arrangement. This is why it is proposed that the recommendation is subject to the three statutory officers agreeing a robust exit strategy and exit contract arrangements.

4.2 **Capital**

- 4.21 There are no capital costs as a consequence of a move.

5. POLICY FRAMEWORK

- 5.1 A key Corporate Strategy Objective of the previous administration was for the Council to manage its services openly, effectively and efficiently. The Best Value Review of Customer Access sought to make this objective a reality. Whilst the Corporate Strategy of the new administration has only just been determined, it is not at odds with its predecessor with regard to customer access to services.
- 5.2 In September 2005 the Executive agreed that all new partnerships should complete a partnership checklist. It is also important that the partnership considers its risk register from day one, and so it is recommended that the One Stop Shop Programme Board be responsible for completing these tasks before any arrangements are finalised.

6. Background

6.1 The Warwickshire Direct Partnership

- 6.11 The Warwickshire Direct Partnership came together in 2003 with a Vision, “to exploit the benefits of partnership working in delivering a customer experience that is high quality, consistent, cost effective and provides convenient access to well-managed services.” The partnership consists of the first and all second tier councils in Warwickshire. With the aid of a Government grant, the partnership purchased CRM and telephony systems provided by *Northgate Information Solutions* and *Macfarlane Telesystems* respectively to help deliver the vision by managing customer contacts (regardless of the access channel used) at a single integrated point.
- 6.12 During the course of the last four years, Warwick District Council has made a significant investment in the CRM and telephony systems. The systems have enabled the authority to develop a corporate CSC and joined-up OSS's with the County Council. Whilst there have undoubtedly been issues as the CSC has sought to establish itself, the problems have not been due to the technology but as a consequence of the desire to achieve the vision described above i.e. free-up the time of the back-office staff; provide a consistent front-office service; and dramatically reduce the number of calls that are abandoned because no one is available to take the call.
- 6.13 Despite significant demands on the CSC (New waste proposals, Decriminalisation, Council Tax enforcement), so far this financial year the following performance has been achieved:

Enquiries dealt with at first point of contact –	86%
Percentage of calls answered in one minute –	80%
Percentage of calls abandoned –	7%
Percentage of customer calls answered through the CSC –	70%

However, this should not mask the significant ongoing issues which are explored in greater detail below.

- 6.14 The same technology deployed in the CSC is also available at the OSS's and members have received a number of reports about the success Warwickshire Direct

– Kenilworth is proving to be and also the continued growth of enquiries at Warwick Connection based in Warwick Library. Therefore the excellent relationships developed through the work on the OSS's, encouraged District officers to examine whether there was a potential for closer working with the telephone service.

6.2 Drivers for Change

- 6.21 Whilst the spirit of partnership has been one important driver, there have been other important issues which officers have needed to be cognisant of. These are reproduced below in full from the business case:
- 6.22 Central Government Agenda – “The current mood in Government is that shared services are the way forward for local government. It is considered that the joining-up of services can lead to considerable efficiency savings. The current Joint One Stop Shop initiative based in Kenilworth is a proven example of how the District & County councils can work together.”
- 6.23 Accommodation Needs – “WDC has limited accommodation and it is recognised that the CSC working environment is not ideal. The current Joint One Stop Shop initiative based in Kenilworth freed-up property costs at a saving of £80,000.”
- 6.24 Capacity to Deliver the Service – “There are a limited number of advisors available to take calls. Joining with another organisation provides the potential to increase capacity.”

6.3 A Joint Service

- 6.31 In developing the CRM system the partnership has a product which supports a central countywide property database maintained by the boroughs and districts for use by all the partners and enables the delivery of services on behalf of other partners. Very shortly this functionality will be taken one step further to allow a consolidated “view” of the customer right across the partnership regardless of which partner the customer contacts.
- 6.32 Consequently it will soon be possible for a customer to contact the County Council and then when a subsequent enquiry is made at the District Council, that customer's complete contact history can be viewed. This provides the opportunity for the customer to receive the complete “Council” service.
- 6.33 This service could be developed in a “virtual” way, however, it is considered that the aim of providing the greatest benefit to the customer would be compromised and so a physical move of staff is advocated.
- 6.34 This approach is proposed having learned from the development of the integrated OSS, as a key factor has been for staff of both organisations to consider that they are equal partners in the project. This was achieved by unifying the employment terms and conditions of the staff from the outset. Therefore it is proposed that officers begin such negotiations with the Trade Unions.

6.4 Ongoing Issues

- 6.41 As indicated earlier the CSC is experiencing ongoing difficulties. This is partly due to the fact that it is a new service in the process of taking the calls from the “back-office” Service Areas, however, there are issues which will not resolve themselves even when the transfer of calls is completed unless the way the service is delivered is tackled. These issues have been identified as follows:

1. Knowledge required to deliver the service – By the time the transfer of calls is complete, the customer service advisors will need to answer enquiries for more than 40 different Services. As the transfer of calls has progressed it is clear that the team is not able to retain all the knowledge necessary to assist the customer.

Whilst certain tools are available to assist with service delivery such as scripting and the website, the nature of many local authority services requires access to the back office system and the specific details of a case. These type of enquiries will never be resolved by simple scripting and so a good understanding of many back office services is always going to be necessary.

If the authority is to tackle this issue it must limit the amount of knowledge that an advisor needs to digest.

2. Staff turnover and recruitment exercises – Over the last year the Centre has experienced staff turnover rates of over 50%. Not only does this have a demoralising effect on the team but it means that managers are devoting a considerable amount of their time to recruitment thereby distracting them from service development and improvement. Whilst Customer Service Centres do suffer from retention difficulties, the industry average is more in the region of 10-20% and therefore it is clear that steps need to be taken to encourage staff to stay.

The reasons for staff leaving are often diverse but a constant theme is the issue mentioned at point 1. It is interesting to note that despite extensive research, no other District Council appears to have progressed at the speed of Warwick and therefore solutions have to be designed from scratch.

A potential solution is to create career grades for staff and limit the number of services that need to be delivered. However, given the limited number of advisors the District can call upon, this could only be done in conjunction with a bigger organisation.

3. Initial and Ongoing training – As a consequence of points 1 & 2 the training investment required to skill staff is significant. This is not only training provided by Team Leaders in the CSC but also back office colleagues. Members will appreciate that with staff retention difficulties mean that training is a never ending task with the training programme having to be started every other month. This is not sustainable and leads to considerable de-motivation for managers.

The training issue can be tackled with the help of a training/coaching resource which will need to come from current staffing budgets, however, it is not a solution in isolation and must be linked to the issues described at points 1 & 2.

- 6.42 It is strongly felt that a number of these issues cannot wait until any relocation to Shire Hall therefore recommendations will be put to March's Employment Committee which seek to deal with these issues whilst at the same time preparing the service for amalgamation with the County Council (should Executive agree).