

Cherwell District Council

Executive

1 February 2016

<p>Proposal for a Joint Customer Service Team with South Northamptonshire Council</p>
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Report of Director of Operational Delivery

This report is public

The appendix is exempt from publication by virtue of paragraphs 1, 2, 3 and 4 of part 1 of Schedule 12A of Local Government Act 1972.

Purpose of report

This report presents the final business case following consultation for a Joint Customer Services Team for Cherwell District Council and South Northamptonshire Council (hereafter “Cherwell” or “CDC” and “South Northamptonshire” or “SNC” respectively).

The report recommends the arrangement of a two-way Joint Customer Service Team and in doing so seeks the Executive’s agreement for the non-staffing elements of the business case.

The proposal is part of the wider transformation programme across the two Councils.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the attached final business case in relation to non-staffing matters;
- 1.2 To note that the business case has been considered and approved on 14 January 2016 by the Joint Commissioning Committee with regard to staffing matters. This included consideration of consultation responses from affected staff and trade union representatives.
- 1.3 To approve and implement the proposed final business case to share a joint Customer Service Team between CDC and SNC, subject to similar consideration and approval by SNC Cabinet on 8 February 2016.
- 1.4 To delegate to the Director of Operational Delivery in consultation with the Leader of the Council any non-significant amendment that may be required to the business case following the decision by SNC Cabinet.

2.0 Introduction

- 2.1 Following the adoption of a Business Case for Joint Working by CDC and SNC in February 2015 and the commitment to deliver the business case objectives as soon as is practicable, the two way transformation programme was reshaped to meet the needs of CDC and SNC.
- 2.2 Following the decision of CDC and SNC Councils in February 2015 to approve the final business case for developing the approach to joint working and the delivery of local authority services, all services at both Councils are now included on the policy framework for consideration for shared working.
- 2.3 This business case for a two way Joint Customer Services Team across CDC and SNC following the adoption of the business case in November 2015 is part of the on-going transformation programme across the two Councils.
- 2.4 The business case for a Joint Customer Service Team is only one element of a much wider transformation programme workstream. This workstream includes the technology that underpins the service, channel shift and business process change to ensure that as much of our customer contact activity, (across both Councils and all services) is undertaken online or through the customer contact centre.

3.0 Report Details

- 3.1 The draft business case for the Joint Customer Services Team was endorsed for consultation with staff by the Joint Commissioning Committee (JCC) on 16 November 2015 having been previously discussed and endorsed by the Transformation Joint Working Group. The full business case, has been amended in order to reflect some of the comments made as part of the staff consultation process, is attached as Appendix 1 to this report.

Proposal

- 3.2 The business case sets out the rationale for sharing a customer services resource which will deliver savings, facilitate improved customer access through channel shift and would allow additional partners to join in the future (either as part of a joint working partnership or as paying customers).
- 3.3 Combining the current Customer Services teams at CDC and SNC will provide an improved and strengthened service to assist the Councils in providing a high quality of service for business and residential customers, through a range of channels.
- 3.4 The vision for this joint operation is an effective and high performing customer contact team who deal with as many customer queries from all council service areas as is possible and appropriate. The delivery of this vision is a central part of the Councils' transformation programme and it will ensure further savings can be accessed through channel shift and effective use of customer service resources, including freeing up back office technical and specialist service professionals to undertake their roles. The team will also enable fluctuations in peak customer contact activity within each council and between both councils to be better managed.

- 3.5 Establishing the joint team will allow the Councils to begin a programme of consolidating, standardising and harmonising processes and procedures across all services which will allow as much first line customer contact as possible to be delivered either online or through the customer contact centre enabling the organisations to realise future savings.
- 3.6 The service is structured to both meet the strategic objectives of each Council and to address areas of common interest.

The work will focus around the themes below:

- **A high quality frontline customer contact service:** Frontline customer queries dealt with at the first point of contact and a 'triage' approach that quickly refers technical or complex queries to the relevant professional;
- **Channel Shift:** Substantial channel shift, to facilitate online customer service requests and transactions;
- **ICT Systems:** Technology to underpin this transformation.

4.0 Financial Case

- 4.1 The financial implications associated with the business case are set out in detail in Section 13 of the attached final business case.
- 4.2 The business case is not based on achieving savings through a reduction in Customer Service staffing levels alone as in the longer term savings will be driven by channel shift and identifying all staff and services within CDC and SNC Councils who have a customer interface function which can be relocated into the Customer Service team. However, by consolidating the current teams into a shared service the councils will see an initial cost saving of £61,000 as set out below:

Team	Council	2016/17
Joint Customer Service Team (Cost Savings)	CDC	£40,500 (4%)
	SNC	£20,500 (6%)
Total Savings	CDC/SNC	£61,000 (4.5%)

- 4.3 There will be some transition support required, particularly in SNC's Forum Atrium function to ensure the team is fully operational from day one whilst the harmonisation of processes and systems is delivered. This means that SNC total saving in 2016/17 will be reduced by approximately £11,000.

5.0 HR Implications

- 5.1 The staffing implications relating to the proposal were considered and approved by the Joint Council Employee Engagement Committee (JCEEC) on 14 January 2016 and the Joint Commissioning Committee (JCC) also on 14 January 2016.

6.0 Decision making timetable

- 6.1 The JCC considered the staffing implications arising from this proposal and approved all recommendations.

The timetable and recommendations arising from the democratic process for both Councils is outlined in the table below:

Democratic process and decision

Date	Committee and Council	Decision
14.01.2016	JCEEC	Noted the staff consultation responses with no comment or proposed business case amendment for JCC.
14.01.2016	JCC	Approved the HR implications arising from the process including one request for voluntary redundancy and supported the business case with no change.
01.02.2016	CDC Executive	To be determined
08.02.2016	SNC Cabinet	To be determined

7 Conclusion and Reasons for Recommendations

- 7.1 The business case represents another milestone in the revised transformation programme across CDC and SNC.
- 7.2 A two-way customer services team with a standardised approach to delivery and performance management would allow customer contact demand to be measured and managed reliably across both councils, including increasing the amount of service transactions delivered online.

8 Consultation

- 8.1 Councillor George Reynolds, CDC Deputy Leader;
Councillor Rosie Herring, SNC Portfolio Holder for Customer Services.
All affected staff within the two Customer Service teams.
Union representatives from each council
Joint Council Employee Engagement Committee
Joint Commissioning Committee
Transformation Joint Working Group
JMT
Section 151 Officer
- 8.2 Consultation with the employees in scope of the proposed business case and the Unison representatives commenced on 17 November 2015 initially for a period of three weeks until 11 December 2015 in line with the Council's Joint Organisational Change Policy.

The consultation period included an initial meeting with all employees.

The full consultation log along with the answers provided was considered by the JCEEC and JCC prior to a decision being made on the staffing elements of the business case on 14 January 2016.

9.0 Alternative Options and Reasons for Rejection

- 9.1 The alternative options have been identified and considered as part of the business planning process. The reasons for each option being rejected are set out in Section 4.2 of the business case (exempt Appendix 1).

10.0 Financial and Resource Implications

- 10.1 The detailed financial implications are set out in section 13 of the business case. However in summary, the proposal will deliver a £61,000 (4.5%) saving on staffing costs per annum. The savings are achieved predominantly through moving to a single manager and removing temporary posts currently in place.
- 10.2 However, this is based on the inclusion of the Customer Services Improvement and Development Officer which is a new dedicated resource for supporting, shaping and developing opportunities for further customer service improvements. Excluding this additional investment, the proposal would deliver a 7.6% saving on staffing costs.
- 10.3 Based on a cost allocation model the proposal results in a saving of £40,500 for CDC and £20,500 for SNC. The cost allocation model is based on the anticipated level of resource required for the customer service demand in each Council.
- 10.4 During the consultation process, three members of staff requested that they be considered for voluntary redundancy. Two of the requests are from members of staff who are to be assimilated into the proposed structure and since the redundancies would not be in the interests of the service are not recommended for support.
- 10.5 The third request is from a member of staff who has been ring-fenced to a position which is perceived to be lower than their substantive post and could be at risk of redundancy through the implementation process. JCC considered that this voluntary redundancy would be in the best interests of the service and therefore agreed that it be accepted. The redundancy costs are included within the implementation costs as outlined in section 15 of the business case and should be split equally between the two Councils, with the costs being funded through earmarked reserves.

Comments checked by:

Paul Sutton, Head of Finance and Procurement, 01295 221634;

paul.sutton@cherwellandsouthnorthants.gov.uk

11.0 Legal Implications

- 11.1 As with all two way shared services this proposal, if implemented, will be covered by the Section 113 agreement (as amended) entered into between the two Councils.
- 11.2 Decisions regarding human resources cannot be made by CDC Executive or SNC Cabinet. Human resource elements of the business case are considered by the JCC. The business case must be approved by CDC Executive and SNC Cabinet in respect of non-staffing matters and by the JCC in respect of staffing matters before the Councils can be deemed to have approved the business case.
- 11.3 A redundancy situation arises where the requirement of the employing council for work of a particular kind to be undertaken are expected to cease or diminish as a result of the proposed changes.

Comments checked by:

Kevin Lane, Head of Law & Governance, 01295 221661,
kevin.lane@cherwellandsouthnorthants.gov.uk

12.0 Risk Implications

- 12.1 Section 14 of the draft business case sets out the risk implications.

The risks associated with the HR elements of the business case relate to the usual range of employment risks which will be considered by the JCEEC and JCC. The Councils have HR policies in place to ensure that the change is managed in line with best practice and the law which mitigates these risks as far as possible.

Comments checked by:

Claire Taylor, Business Transformation Manager, 01295 221563;
claire.taylor@cherwellandsouthnorthants.gov.uk

13.0 Equality Implications

- 13.1 An Equality Impact Assessment initial screening assessment has been carried out and it has been determined that the proposal does not have any adverse impact on equality groups and as a result a full impact assessment and associated action plan is not required.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586;
caroline.french@cherwellandsouthnorthants.gov.uk

14.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

Wards Affected

All wards

Links to Corporate Plan and Policy Framework

Sound Budgets and Customer Focused Council - Reduce the cost of providing our services through partnerships, joint working and other service delivery models and improve customer service through the use of technology and responding to customer feedback.

Lead Councillor

Councillor George Reynolds, Deputy Leader

Document Information

Appendix No	Title
1	Joint Customer Service Business Case – Exempt
Background Papers	
None	
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