

Report of	Meeting	Date
Director (Customer and Digital) (Introduced by Executive Member (Customer and Streetscene Services))	Executive Cabinet	Thursday, 20 January 2022

Is this report confidential?	Partly The appendix is restricted by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 as the report contains information relating to any individual.
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Is this decision key?	Yes
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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## Shared Customer Services and Revenues & Benefits Review

### Purpose of the Report

- To outline the background, approach and findings of the service review for Chorley and South Ribble Councils' Customer Services, Revenues and Benefits, setting out recommendations for the service restructure and service development plan.

### Recommendations to Cabinet

- The Executive Cabinet approve the following proposals:
  - the proposed shared Customer Services restructure including ERVS requests.
  - the development of the shared service as set out in the service development plan.
  - Principles for:
    - Flexible and multi-channel working
    - Making best use of technology and automation
    - Waste services

### Reasons for recommendations

- Approval of the recommendations will enable the Customer Services and Revenues & Benefits service to develop into a shared service with a single operating model, as previously agreed by both councils.

## Other options considered and rejected

- Alternative options for the Customer Services & Revenues and Benefits structure have been considered in the production of the report and the final proposal is considered to be the most effective approach to achieving a single operating model as previously agreed by the councils.

## Executive summary

- This report sets out the background, approach and findings for the Customer Services and Revenues & Benefits service review as part of phase 2 of shared services between Chorley Council and South Ribble Borough Council. The full service review report is available in appendix A.
- This report also includes feedback and changes made through presenting the proposals to Shared Services Joint Committee and formal consultation. This has included increasing the number of posts from 84 to 90 to allow for extra capacity for the service.

## Corporate priorities

- The report relates to the following corporate priorities:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	✓

## Background to the report

- Chorley Council and South Ribble Borough Council have a shared senior management team and currently share services within Finance, Communications and Visitor Economy, Transformation and Partnerships, Governance and ICT.
- The councils have already secured some significant benefits from the expansion of their shared services partnership. This includes the ability to share resources quickly, even in services that are not directly shared, for example with HGV drivers ensuring that waste collections have continued without disruption. Sharing services has also already secured significant budget savings for the two councils, supporting the delivery of their medium-term financial strategies.
- As part of proposals for phase 2 of shared services, the councils agreed to extend their shared services arrangements to the Customer Services and Revenues and Benefits functions.
- A review for the Customer Services and Revenues and Benefits service (which is a confidential appendix to this report) was presented to the Shared Services Joint

Committee in November 2021 and the Committee endorsed the proposals for consultation with all staff.

12. Formal consultation was carried out for four weeks and ended on the 23 December 2021. The feedback received during the consultation has been considered and presented within this report.

### Approach

13. The councils have agreed broad aims and principles in relation to shared services, which have been considered in the development of the Customer Services review:
- Working towards single operating models in all functions. Only exceptions would be where it does not meet organisational needs and priorities.
  - We will identify the need for systems and process development and changes before achieving a single operating model across whole functions – this may mean a phased implementation.
  - Aim to secure savings for both organisations, referencing the core principle agreed by SSJC that opportunities will be prioritised on the likely return in terms of savings but also on the needs of both councils.
  - Build in resilience in service delivery and in achieving corporate priorities
  - Provide development opportunities for staff
  - Undertake succession planning
  - Include staff in development of new shared services
14. In relation to the principles outlined above and the Shared Change Policy for both councils, the approach for the review has followed a process of staff engagement alongside gathering of evidence and reviewing current models, challenges and opportunities.

<b>Desk based review</b>	<p><b>October 2020 - January 2021</b></p> <p>Initial data gathering and consideration of evidence</p>
<b>Team and service level engagement</b>	<p><b>January 2021 - April 2021</b></p> <p>Explore service priorities, challenges and opportunities through workshops with officers and written feedback.</p>
<b>Service review report</b>	<p><b>May - June 2021</b></p> <p>Consider staff feedback and input, leading to the production of the service review report.</p>
<b>Consultation and final sign off</b>	<p><b>June - August 2021</b></p> <p>Staff consulted on management report and final sign off.</p>

<b>Stage 2</b>	<b>August - October 2021</b> New management team consider service review and consult with staff on individual roles through activity directory exercise.
<b>Stage 2 consultation</b>	<b>November- December 2021</b> Following endorsement from Shared Services Joint Committee, formal consultation is carried out with staff and the Union. This has included the opportunity for 1:1 meetings with managers to discuss individual roles and concerns.

15. Engagement activity has included Director briefings, written summary to outline key principles and objectives, manager, team leader and staff workshop sessions for teams from each council, and the opportunity to provide written staff feedback throughout the informal consultation period. Staff have also taken part in an activity directory exercise to identify the tasks and activities that they currently carry out as part of their role, and the percentages of time required for each part of their job.
16. The critical insights and understanding gained through this period have been used to inform the findings of the service review process and shape the final proposals including the service development plan.
17. These proposals have been consulted on with staff through formal consultation, with service briefings and question and answer sessions in place to allow any issues or questions to be addressed throughout the consultation process.
18. The service review process has culminated in a report outlining key recommendations which can be found in appendix A.

### Summary of review

19. The review makes proposals based around the principles agreed during the early stages of Phase Two, and at the council meetings last year. This section sets out a summary of the review, its findings and proposals.
20. The review identifies a **shared vision** that seeks to maximise customer satisfaction, with the service making best use of technology and a staffing model that can match capacity to changing demand.
21. The review draws on a number of principles, findings and recommendations which are then used to inform a new proposed structure and development. They include:
  - **Flexible and multi-channel working:** the staffing model will have flexibility so that the resources can match demand. Staff will work within specialisms, but will also be deal with customer enquiries received online, over the phone or face to face. This will improve the service provided to customers, with more queries answered at the first point of contact
  - **Working patterns:** while protecting existing arrangements for individual staff, over time there will be greater standardisation in working arrangements which will minimise handovers
  - **Making best use of technology:** the service will make use of existing technology to improve services. This is particularly relevant in processing

benefits applications, where automation will ensure that decisions are reached quickly and residents supported. It will also free-up capacity to support performance improvements in supporting customers who need additional help and in responding to other contact and service requests.

- **Waste services:** the management of the councils' waste teams will be shared. This will lead to greater shared knowledge in the management of the waste contracts, which are with the same contractor. It will also provide greater capacity to South Ribble as the current contract comes to an end next June.

22. The **proposed structure** is based around the management structure agreed in the first stage of the review of customer services. There will be three teams reporting to the Shared Service Lead (Customer Services):

- Customer Services: focussed on direct customer contact through any channel and support functions across the wider service. Capacity to respond to customer contacts will be supplemented with resources when the demand needs it
- Revenues: all aspects of processing and customer contact related to NNDR, Sundry Debtors, Council Tax billing and Council Tax recovery.
- Benefits: all aspects of processing and customer contact related to Council Tax support and Housing Benefit.

23. A small systems team will be created within ICT to manage the applications and systems used within customer services. This is in line with the principles agreed within the ICT review, that key line of business applications should be managed within ICT.

### **Changes following Shared Services Joint Committee**

24. The review of Customer Services and Revenues and Benefits was presented to the Shared Services Joint Committee in November 2021. In reaching their final decision, the committee asked for additional information and proposals to be developed on the following areas:

- Information and context on current performance, particularly around call handling, service requests and processing
- Development of principles and criteria to monitor the performance of the shared services in customer service, revenues and benefits in 12 months' time
- Ensuring that the staffing model provides enough capacity to maintain and improve performance, particularly over the initial period of change.

25. **Based on feedback from the Committee, the total number of posts in the structure was also increased from 84 to 90 to deliver additional capacity for the service.**

26. The sections below set out additional detail and responses to respond to each of those areas as information for Executive Cabinet.

#### Current performance and context

27. A greater understanding of the benefits this new model will bring can be gained from an insight into the way the services operate now.

28. Currently different working models are in place. There are nuances in service provision which have an impact on performance, the customer experience and turnaround times

for processing of information. There are different pinch points and areas of pressure within the services. Levels of resourcing have an impact on the performance as well as the technology in place.

29. Whilst in the main the same services are dealt with, there are some differences in the way the transactions are handled at the first point of contact. Both South Ribble and Chorley deal with information requests and enquiries on the frontline across all contact channels. At Chorley, a greater degree of processing takes place as part of a single interaction with the customer. For example, a change of address for council tax would be actioned end to end. At South Ribble, this information would be gathered on the frontline and there would be a handover to back-office specialists for processing.
30. The new working model will place greater emphasis on customer experience, resolution at first point of contact by a specialist, processing of information on the frontline at the point it is received, improving turnaround and response times. This will further remove the need for repeat contacts, providing a better service and increased satisfaction.

*Telephony performance*

31. Until July 2021, the contact centres used different telephony software. This, together with the fact that the operating models differ, means that the in terms of current call reporting a meaningful like-for-like comparison is difficult.
32. There are also differences in the way the telephony is configured and calls are routed. The table below shows full year performance 2020-21 and the latest performance for 2021-22, April 2021-October 2021.

CALL SUMMARY	South Ribble		Chorley	
	2020-21	2021-22 Apr-Oct	2020-2021	2021-22 Apr-Oct
Call received	111,896	59,494	139,525	86,156
Calls answered	103,222	53,786	124,541	67,152
Abandoned rate	8.0%	10.6%	11.0%	22.1%

*Housing benefit processing performance*

33. The key technology is already in place at Chorley which has enabled an improvement in housing benefit processing times over the last few years.

Housing Benefit performance as at 31 October 2021	South Ribble	Chorley
Case load	6,363	7,222
Processing of housing benefit claims	21.49 days	7.94 days
Processing of housing benefit changes in circumstances	22.75 days	3.28 days

*Reviewing capacity within the proposals*

34. The last eighteen months have presented challenges in terms of a significant increase in workload across customer services and revenues and benefits relating to the pandemic. Business grant applications, Test and Trace Support Payment applications and additional council tax support awards are just some of the one-off activities which have been undertaken. Whilst the challenges have been different, relating to technology at

South Ribble and staffing levels at Chorley, this additional work has been contained within current resourcing levels. As workload returns to pre-pandemic levels, these pressures should reduce.

35. The substantive proposals protect the current staffing levels and remove existing vacancies. This is possible because the new staffing model enables greater flexibility to match the resourcing to customer demand. As an example of this, set out below are the number of officers currently available (after vacancies, secondments, maternity leave etc.) to deal with direct customer enquiries for each council and how many will be available under the proposed staffing model.

Resourcing

<b>Existing face to face and contact centre FTE</b>	<b>South Ribble</b>	<b>Chorley</b>
FTE available to deal with direct customer enquiries as at 31 October 2021	11.65	8.9
FTE assuming full staffing	14.65	15.6
Difference	-3.00	-6.7
<b>Under the proposals FTE across the service</b>		
Business Rates and Sundry Debtors	3	3
Council Tax	8.71	8.71
Customer Services	8.76	8.76
Housing Benefits	6.75	6.75
FTE available to deal with direct customer enquiries	27.22	27.22
Available FTE across the service	31.02	31.02

36. Under the proposals, there will be a greater capacity to support customer enquiries directly because the staffing model and technology will allow the team to respond to demand and support customer contact. This resource has been modelled as an equal split of FTE between the councils but may fluctuate to reflect demand at each council.
37. While the capacity available to the service will be the same as the current capacity, the development plan that is set out in the review report will mean that there will be continued change. The next sections consider how the proposed arrangements should be reviewed, and additional capacity that may be needed in that period.

Reviewing the arrangements

38. One of the key roles of the Shared Services Joint Committee is monitoring the effectiveness of the shared services partnership. In endorsing changes to a large and frontline service, the committee asked for assurance about how the new shared service arrangement would be monitored to ensure it maintains or improves performance for residents.

39. The performance of the service will be monitored through the sovereign councils' performance management approach. These are broadly similar, and will include:
- Monthly monitoring of key performance indicators and the delivery of business plan actions by the directorate management team and Executive Members
  - Reporting the relevant panels of the Overview and Scrutiny Committees of business plan and directorate performance
  - Inclusion of key indicators in quarterly performance reports presented to Cabinets.
  - The implementation of the development plan and other key information (such as staff satisfaction) will be reported in the six-monthly reporting to the shared services committee.
40. In addition to these existing monitoring arrangements, it is proposed that there will be a review point in 12 months' time to ensure that the new service is operating effectively. The criteria and scope of the review will be:
- Customer satisfaction
  - Call waiting time and abandoned call rates
  - Processing times for processing of benefits
  - Use of online channels for service requests
  - Staff satisfaction
41. The majority of these areas for review have existing measures and targets contained within the business plans for the service. The aim within the review will be to assess whether those targets have been achieved within the shared arrangements and whether there are any issues. Where there is not currently a target and there is a difference in performance between the two councils, the aim will be to improve to the better performance council's current baseline. The existing measures within the service business plans are outlined below:

<b>Measure</b>	<b>Chorley target</b>	<b>South Ribble target</b>
Percentage of Council Tax collected	96.98%	97.50%
Percentage of Business Rates (NNDR) collected	94.93%	98%
Average days to process a new housing benefit claim	11.65	17
Average time taken to process new housing benefit claims and change in circumstances	3.37	n/a
Average days to process change in circumstances	2.55	6
% calls abandoned before being answered	Not currently included on business plan	5%



### Providing enough capacity

42. To help support the transitional capacity of the service during the transformation to the shared single operating model, and to ensure that the councils can have confidence that service performance will be maintained or improved during the period, several fixed-term apprenticeship posts will be created to provide additional resilience for the service and maintain high standards of service delivery.
43. The apprenticeship posts will also help to enable future succession planning for the service, a need which has been identified based on the current age profile of people within the service and Early Retirement Voluntary Severance requests that have been considered as part of the review.
44. The review proposed creating six apprenticeship posts within the service to support ongoing development and succession planning. It is proposed to create a further six apprenticeships, which will ensure an enhanced capacity during the review period. The cost of these posts is set out below:

Post	FTE	Grade	Salary	Total with oncosts
Apprentice- fixed term 24 months	6	Living Wage Foundation	£17,907	£137,256 (total cost over 24 months is £275,052)

45. The costs of these posts for the 24 month period will be split, two posts to South Ribble and four to Chorley in line with performance and resilience requirements during the period of transition. Apprentice development and progression will support succession planning both within customer services and across the wider organisations given the scope for transferable skills that can be applied across a range of functions.
46. The effect of the additional apprenticeships will be to increase the number of people working within the service, excluding management posts and vacancies, from 84 currently to 90.

### **Consultation Feedback**

47. 88/90 responses have been received for the formal consultation from affected staff. The feedback from the consultation, alongside the responses provided, is available in appendix B.
48. The majority of feedback is around individual job roles and descriptions, alongside questions around the structure and ways of working in the shared service, which have been clarified where necessary.
49. Following formal consultation, the proposals in appendix A show an updated structure and costings for the service and restructure. Staffing costs have increased slightly from the proposals presented prior to consultation, to reflect an increase in FTE from 73.4 to 75.03. These changes were made during the consultation process in relation to flexible working arrangements and expressions of interest in ERVS, to ensure that all staff have a role within the new structure.

## Next steps

50. Following approval by the two councils through Cabinet/ Executive Cabinet, a selection process will take place for the new shared roles following the process outlined within the shared change policy.
51. Following appointment to the roles, costs for the permanent posts will be split between the councils on a 50:50 basis except for the additional apprentice posts as described. Staff would only move onto shared terms and conditions when appointed to a shared role within the structure.
52. The employer for each member of staff will stay the same as there is a broadly equal number of staff employed by each council within the Customer Services teams. If further staff are brought into shared services or take up a shared role, it will be ensured that parity is maintained in terms of the number of staff employed by each council.

## Budget

53. As outlined in Appendix A, the current and proposed budgets for both Councils is as follows:

	<b>South Ribble Council £</b>	<b>Chorley Council £</b>
Current	<b>1,335,093</b>	<b>1,431,225</b>
Proposed	<b>1,250,139</b>	<b>1,250,139</b>
Saving	<b>84,954</b>	<b>181,086</b>

54. The annual contribution from reserves towards the apprentices will be £45k (South Ribble) and £91k (Chorley Council).
55. In addition to the customer services staffing budget, the following budgets are proposed for the introduction of a Shared Waste Manager post.

	<b>Current</b>	<b>Proposed</b>	<b>Saving</b>
<b>Chorley</b>	£116,560	£91,315	£25,245
<b>South Ribble</b>	£93,346	£92,346	£1,000

56. The proposed ERVS relating to these changes is £83,869. In line with the established principle, the ERVS costs associated with the expansion of shared services will be split 50:50 between the councils.

## Climate change and air quality

57. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

## Equality and diversity

58. The Equality Impact Assessment (EIA) is currently being finalised and will be included as an update to the report when it is available.

## Risk

59. A full risk register has been developed for the wider shared services programme to monitor the risk of sharing arrangements between the councils, with relevant measures in place. An update on the shared services risk register is provided to Shared Services Joint Committee as part of scheduled reporting.

## Comments of the Statutory Finance Officer

60. As detailed in the report, the Customer Services and Waste changes result in savings of £206k for Chorley. These savings, once approved, will contribute toward the Shared Service savings targets within both Councils MTFs. Any ERVS costs will be met through the change management reserves at both councils that are set aside to aide the councils in delivering transformational change.

## Comments of the Monitoring Officer

61. This is part of our ongoing Shared Services agenda. It is to be noted that there has been significant engagement with affected staff throughout the process. Proper HR policies have been followed and will continue to be followed. On that basis there are no concerns with what is proposed from a Monitoring Officer perspective.

## Appendices

Appendix A - Customer Services and Revenues and Benefits Service Review Report

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