

## **CABINET**

**4 OCTOBER 2011**

### **BETTER FOR LESS PROGRAMME – ESTABLISHMENT OF NEW MODELS FOR CUSTOMER CONTACT AND ADMINISTRATION**

Portfolio Holder: Councillor Alan Jarrett, Deputy Leader and Finance

Report from: Neil Davies, Chief Executive

Author: Stephanie Goad, Assistant Director, Communications,  
Performance and Partnerships

#### **Summary**

Members have agreed the council wide transformation programme – Better for Less - as part of the Council Plan 2011/12. The programme is designed to deliver improvements in the council's efficiency and effectiveness, protect the frontline and increase customer satisfaction, whilst making savings as identified in the Medium Term Financial Plans 2011/14 and 2012/15.

This report seeks Cabinet agreement to the new customer contact and shared administration models, with any minor modifications required following the end of staff consultation to be delegated to the Chief Executive in consultation with the Leader.

Once Cabinet has agreed the model officers have responsibility to implement it. However, as this is a council wide change programme there are changes to staffing and budget transfers that cross directorate boundaries which, under the Constitution, require Council approval. This report seeks delegated authority to officers in consultation with the Leader and Deputy Leader to make these changes and transfers to allow timely implementation of the new models to deliver the planned improvements and savings.

#### **1. Budget and policy framework**

- 1.1 The Better for Less programme and the two main strands of work to transform customer contact and administration are part of the policy framework in the Council Plan 2011/12 as agreed by Council on 24 February 2011. The projected financial impact of the programme and the required capital investment were agreed as part of the budget on the same date. The Medium Term Financial Plan 2012/15 describes the contribution that the Better for Less programme is expected to make to help the council bridge the forecast deficit in funding.

- 1.2 Agreement of the new shared models of customer contact and administration is a matter for Cabinet, but the implementation involves restructuring across directorate boundaries and requires the movement of budgets across directorates as posts and funding will be moving from Regeneration, Community and Culture and Children and Adults to Business Support. Agreement of restructures that cross directorate boundaries and the decision to transfer budgets across directorate budget heads is, according to the Constitution (chapter 3, part 4, section 3.1 and chapter 4, part 3, section 5.1 respectively), a matter for Council.

## **2. Background**

- 2.1 The Better for Less transformation programme was agreed as part of the Council Plan 2011/12. It is designed to:

- Improve the experience we give to our customers
- Deliver efficiency savings.

- 2.2 It looks at how the council operates across all services, not at individual services in isolation, and, based on the principles of 'simplify, standardise and share' aims to improve the council's efficiency and effectiveness and ensure we maximise the amount of time spent on frontline service delivery.

- 2.3 The Better for Less programme currently comprises a number of projects – this report focuses on the first two:

- Customer contact
- Administration
- Category management – how the council commissions and purchases goods and services
- Better performance and intelligence – how to improve the quality of our decision-making and drive improvement.

## **3. Transforming customer contact and administration**

- 3.1 The Better for Less programme discovered, by looking in detail at how staff spend their time, that many staff dealt with customer enquiries as a small part of their job, which was leading to inconsistent and fragmented approaches to customer service. Less than 25 per cent of services were dealt with through the existing Customer First team, with over 100 phone numbers publicised putting the onus on customers to navigate the council's systems, rather than the council providing a single point of contact. In addition, we found that many frontline staff were being distracted from their core activities by support and administrative activity. We found potential for both service improvement and efficiency.

- 3.2 Following extensive staff engagement, new models of shared customer contact and administration have been developed. They build on and extend existing good practice present in different parts of the council, but ensure it is consistently applied. These models are scheduled to be implemented in four phases over three years, with the first phase due to go live in January 2012. The services in each phase are detailed in appendix 1. The models are attached at appendices 2 and 3.

- 3.3 The new models are designed to deliver increased customer and staff satisfaction and aim to ensure:
- Customers only have to tell their story once to the council
  - Customers get their enquiries, including those on a range of topics, dealt with fully, without follow up contact being required wherever possible
  - Customers can access services when they want to, through enhanced on-line and self service opportunities
  - Best and most flexible use of staff to ensure peaks and troughs of work across different services can be managed effectively
  - Opportunities for staff career progression.
- 3.4 Changes to ICT systems are required to ensure staff can work in new ways. A capital allocation of £2.4m was added to the capital programme by Council at 2011/12 budget setting. This is being used to buy a new customer relationship management system with integration to back office systems, mobile working solutions and improved electronic document record management system. Extensive staff training will also support the introduction of the new ways of working.
- 3.5 The models and associated staffing changes have been subject to formal consultation with those staff potentially affected within phase 1 services. Due to many staff currently carrying out a mixture of customer contact, administration and specialist activity, the numbers included in the consultation have been significant at over 500. Whilst many staff are likely to see a change in their roles as we create specialist teams dedicated separately to customer contact and administration, the reduction in posts for phase 1 due to the introduction of new and more efficient ways of working is estimated to be more modest at 60, with 30 of those being accounted for through holding vacancies. The staff consultation ran from 4 July to 30 September, with staff having the opportunity to submit counter proposals in accordance with agreed organisational change procedure. The creation of shared teams will require restructuring across directorate boundaries, which requires Council approval. It is recommended that this be delegated to the Chief Executive, in consultation with the Leader. In addition, Cabinet is asked to delegate authority to the Chief Executive, in consultation with the Leader, to agree any minor changes required to the customer contact and administration models flowing from the consideration of counter proposals.
- 3.6 In taking this project forward the Council is complying with the requirements of its Diversity Impact Assessment (DIA) process. The equality legislation requires that 'due regard' is demonstrated in the decision-making process. In practice the authority must show that it has considered any impact decisions could have on equality groups. A DIA is being carried out considering any issues that might arise as a result of staffing restructures, this is on-going and figures will be reviewed when the current consultation period closes. Once the DIA is completed for phase 1 it will be reported to Employment Matters Committee.
- 3.7 A separate DIA is being carried out to review the new customer contact model to ensure in its implementation that it is taking into account the needs of different groups of customers. This is being done by reviewing the proposed process changes and what they might mean for customers, to identify and put in place appropriate mitigations should issues arise. The findings of this DIA will be reported to the Better for Less officer Board. It should be noted that although equality impact assessments help to anticipate the likely effects of proposals on different communities and groups it can be the case that the full impact only

becomes apparent after implementation. To mitigate against any unintentional or unanticipated impact, monitoring of the customer contact service will be on going and will be reported so that corrective actions can be put in place if necessary.

#### **4. Required budget transfers**

4.1 To support the implementation of the new models for customer contact and administration, budget transfers will be required in three areas for this and all future phases of the programme:

- staff costs where customer contact and administration effort is moving from the two service directorates to the new customer contact team within Business Support
- non staff costs, eg stationery budgets associated with the new models and in a consequential move:
- the transfer of the budget for Libraries from Business Support to Regeneration, Community and Culture as the line management of the service has changed. The new Head of Customer Contact post within Business Support does not manage Libraries (which formed part of the previous Head of Customer First and Libraries role) and responsibility for the Library Service has moved to the Leisure and Culture division of Regeneration, Community and Culture.

4.2 The exact amounts of budgets to be transferred as a result of establishment of the new models will not be confirmed until staff consultation has concluded, staff have been recruited to new structures and negotiations have concluded with managers on the proportion of non staff budgets to be transferred. Non staff savings have yet to be quantified through the economy of scale of introducing the new models and ways of working.

4.3 To allow for the timely creation of the new budgets, delegated authority is requested for the Chief Finance Officer, in consultation with the Deputy Leader, to transfer budgets across directorate headings to support the establishment of the new model. Such transfers would be reported to Cabinet and Overview and Scrutiny through quarterly budget monitoring once the transfer was effected.

#### **5. Risk management**

5.1 There are no risks associated with the budget transfers and restructuring covered by this report.

#### **6. Financial and legal implications**

6.1 Financial and legal implications are covered in the body of this report.

6.2 Any consequential changes to the Constitution required as a result of the proposals will be undertaken by the Monitoring Officer under her delegated authority (paragraph 14.3 (Article 14 – Review and Revision of the Constitution)), such as moving libraries from the terms of reference of the Business Support Overview and Scrutiny Committee to the Regeneration, Community and Culture Overview and Scrutiny Committee and appropriate changes to the Employee Scheme of Delegation.

## **7. Recommendations**

- 7.1 Cabinet is asked to approve the establishment of the new models of customer contact and administration, as set out in paragraph 3 of the report and appendices 2 and 3 and to delegate authority to the Chief Executive, in consultation with the Leader, to make any minor modifications required to the customer contact and administration models flowing from consideration of counter proposals.
- 7.2 Cabinet is asked to recommend to Council to delegate the authority to the Chief Executive, in consultation with the Leader, to implement any subsequent restructure that crosses directorate boundaries as set out in paragraph 3 of the report.
- 7.3 Cabinet is asked to recommend to Council that the budget for Libraries totalling £4.1m be transferred from Business Support to the Regeneration, Community and Culture Directorate.
- 7.4 Cabinet is asked to recommend to Council that the Chief Finance Officer, in consultation with the Deputy Leader, be given delegated authority to make such budget transfers across directorate headings as required to implement the new models of customer contact and administration, for this and subsequent phases of implementation, with reports of the delegations exercised to be included in quarterly budget monitoring reports to Cabinet and Overview and Scrutiny Committees.

## **8. Suggested reasons for decision(s)**

- 8.1 The authority to make the structural and budget changes is required to allow implementation of the new models for customer contact and administration. Staff recruitment to the new model is scheduled to take place from November onwards, to allow the new models to go live for phase 1 services in January 2012.

### **Lead officer contact**

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### **Background papers**

Council Plan 2011/12  
Medium Term Financial Plan 2011-14  
Budget 2011/12  
Medium Term Financial Plan 2012-15  
Staff consultation documents available on the Better for Less website



**Services in each phase**

**Phase 1: April – December 2011**

*Children and Adults*

- Adults Integrated Health and Social Care Teams
- Business Support (within Children and Adults)
- Learning Disability, Integrated Health and Social Care Teams
- Mental Health
- Older People Services (Linked Service Centres and Day Services)
- Physical Disability
- Social Care Commissioning and Client Financial Services

*Regeneration, Community and Culture*

- Development Management
- Festivals, Arts, Theatres and Events

*Business Support*

- Customer First
- Housing Solutions
- Medway Revenue and Benefits
- Strategic Housing

**Phase 2: January – September 2012**

*Children and Adults*

- Children and Adults Management Team\*
- Early Years Services
- Integrated Youth Services
- Research and Information\*
- Systems and Support\*

*Regeneration, Community and Culture*

- Greenspaces and Heritage
- Parking
- Integrated Transport
- Leisure Services
- RCC Corporate Management Team \*
- Tourism

### *Business Support*

- Accounting Services \*
- Adult and Community Learning
- Asset and Property services \*
- Bereavement and Registration
- BSD and RCC Finance Team \*
- Building and Design Services \*
- Business Support Management Team \*
- CEO and Support \*
- Children's and Adult's Finance Team \*
- Strategic Procurement \*
- Communications and Marketing \*
- Democratic Services \*
- Finance Support \*
- Health and Safety \*
- Housing Performance and Service Improvement \*
- Housing Revenue Account (Landlord, Estate, Sheltered and Repair Services)
- Legal Services \*
- Libraries
- Local Land Charges and Licensing
- Member and Mayoral Services \*
- Performance and Management Information \*
- Research and Review \*
- RMI Exchequer (creditors and debtors)
- Workforce Development \*

### **Phase 3: October 2012 – June 2013**

#### *Children and Adults*

- Children's Integrated Area Teams
- Psychology and Inclusion
- Public Health
- Specialist Services

#### *Regeneration, Community and Culture*

- Building Control Partnership
- Economic Development and Social Regeneration
- Highways Maintenance\*\*
- Planning Policy and Design
- Medway 2012 and Sports Development
- Safer Communities (including CCTV)\*\*
- Traffic, Road Safety and Capital Projects\*\*
- Waste Services (including Pest Control)\*\*

#### *Business Support*

- Children's Independent Safeguarding and Review Team (including MSCB)
- Electoral Services
- Internal Audit and Fraud
- RMI Exchequer (insurance)



#### **Phase 4: July 2013 – March 2014**

##### *Children and Adults*

- 14 – 19 Commissioning and Strategy
- School Improvement Team – inclusion and diversity
- School Meals
- School Organisation and Student Services
- Well-Being Services

##### *Regeneration, Community and Culture*

- Safer Communities (Regulatory Services and CSP)

##### *Business Support*

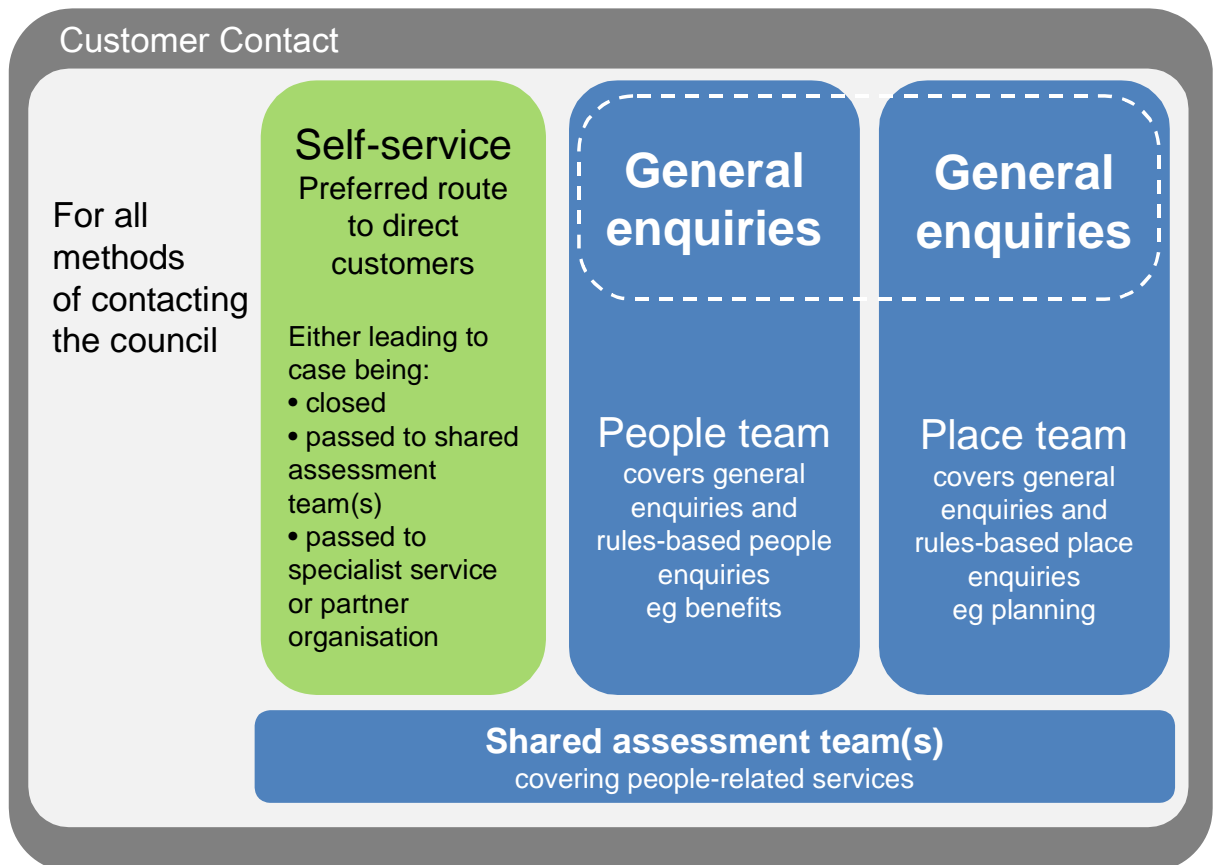
- Human Resources
- Human Resources (Schools)
- ICT

**\* Indicates implementation of shared administration only will take place for this service in this phase. This is because these services do not perform significant customer-facing activities and are unaffected by the customer contact changes.**

**\*\*Indicates services that will commence Phase 3 early (September 2011 – March 2012)**



New model for shared customer contact





New model for shared administration

