



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE - 17TH JUNE 2014

SUBJECT: OPTIONS FOR SERVICE REDUCTIONS WITHIN CUSTOMER SERVICE CENTRES

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide Members with options for service changes within Customer Services as part of the savings required by the Medium Term Financial Plan (MTFP) for 2015/16 and 2016/17.

2. SUMMARY

- 2.1 As part of the MTFP, services have been asked to consider reductions in the provision of discretionary services, including Customer First. Two options are proposed for reducing the level of service provision. One option generates a potential saving of £95,351 with a limited impact on customers and communities. The second option generates a larger saving of £239,281 but has a greater impact on customers and communities and presents some potential risks to other service areas.

3. LINKS TO STRATEGY

- 3.1 The Council's Medium-Term Financial Plan (MTFP) requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- 3.2 The options presented in this report are linked to savings identified in the MTFP and have an impact on the Council's response to Welfare Reforms and the Council's Strategic Equality Plan, in particular strategic objectives 3 and 4, Physical Access and Communications Access.

4. THE REPORT

- 4.1 The Council operates six Customer Service Centres offering "in-person" services in communities across the County Borough, including three within Libraries. An additional cash payment only facility is located within Newbridge Library. During 2013/14 the Customer Service Centres dealt with 116,000 customer enquiries. This figure is likely to rise as it only includes 3 months of activity at the new Customer Service Centre in Caerphilly. The Centres (including the Newbridge Cash Desk) also handled 278,000 payments with a total value of £29.7 million. Almost £12 million of this was in cash. Customer satisfaction with the service is very high with 98% of customers being satisfied with the service they received.

The Centres are located in: -

- Pontlottyn
- Hanbury Chapel, Bargoed.
- Ty Penallta
- Caerphilly Library and Customer Service Centre
- Blackwood
- Risca Palace
- Newbridge Library (cash desk only)

4.2 The Centres provide access to a wide range of council services, the most popular being: -

- Blue badge applications and assessments.
- Housing Benefit applications.
- Payments.
- Housing Repairs.
- Verification of documents for Housing Benefits, Licensing, and DBS (CRB) checks.

4.3 **Option 1** consists of three elements - Closing Pontlottyn Customer Service Centre, withdrawing the cash desk service within Newbridge Library and relocating Blackwood Customer Services Centre into Blackwood Library. Closing Pontlottyn Customer Services will save £43,161 per annum. This is made up of £34,791 staff costs (1.5 FTE staff) and the remainder being property costs (NNDR, Energy, Cleaning, etc). This is in addition to a reduction in opening times as part of cost savings for 2014/15. Some of this loss of provision will be offset by the Mobile Customer Service Centre (MCSC), which will be regularly visiting four communities within the Pontlottyn catchment area, (Deri, Fochriw, New Tredegar and Rhymney), to which Pontlottyn could be added.

4.4 There will also be displacement of service resulting from the closure. Some customers will opt to make payments using a Post Office card. If 50% of customers switch to this payment method the cost to Corporate Finance of operating the scheme will increase by £6,167. A number of customer enquiries relate to housing repairs and will result in an increase in the workload of the Central Repairs Team and the Gilfach Housing Office. There is also likely to be some displacement of workload to Hanbury Chapel Customer Services, Penallta House Customer Services, Housing Benefits (telephone calls and mail), Council Tax (telephone calls) and Housing Rents (telephone calls).

4.5 The cash desk within Newbridge Library opens for only 17 hours each week and is our least used site, with 14,072 payments being received during 2013/14 (about 5% of all payments at cash desks). Withdrawing this service will reduce staffing requirement by 0.5 FTE saving £11,597 p.a. There is likely to be some displacement of service to Blackwood and Penallta House Customer Services Centres. There will be an increase in the number of calls to the Contact Centre, Council Tax and Rents. If 50% of customers switch to Post Office cards there will be an additional cost of £3,588 within Corporate Finance.

4.6 The Customer Service Centre in Blackwood is located within Unit 5 of the Market Place shopping precinct and opened in 2003. Staff at the Centre dealt with 78,000 customer contacts during 2013/14, including 67,199 payment transactions with a total value of £5.9 million. The premises are leased at a cost of £32,602 p.a. and the lease is due to terminate in 2015. In addition to this are property costs of £17,746 (NNDR, utilities and cleaning). Vacating these premises and moving the service to Blackwood Library will save approximately £50,348 (£32,602 within Property Services and £17,746 within Customer Services). However, achieving this will require an investment to reconfigure Blackwood Library. Initial estimates of the cost of this reconfiguration, including dilapidation costs at Unit 5, indicate a capital cost of about £200,000. This investment would create additional space to reduce the impact on the Library. The current Blackwood Library is too small to meet the requirements of the Welsh Government Library Standard for a town the size of Blackwood and this project may slightly reduce library floorspace. Further detailed work will need to be completed to establish the cost

of this reconfiguration.

4.7 Summary of savings and costs: -

Close Pontlottyn Customer Service Centre	£43,161
Close Newbridge Cash Desk	£11,597
Relocate Blackwood Customer Service Centre	£50,348
Potential increase in cost of PO card transactions	-£9,755
Net saving	£95,351
Estimated capital cost of relocating Blackwood CSC	c £200,000

4.8 **Option 2** involves the closure of all cash desks and Customer Service Centres apart from Penallta House. The potential savings from this option are £326,944 (prior to additional costs in respect of workload displacement). This is made up of property costs at Blackwood and Pontlottyn Customer Services (£58,718) and a reduction in staff of 10 FTE Advisers and 1 Team Leader (£268,226). A significant proportion of customer contact will be displaced elsewhere, principally Penallta House and the Contact Centre. Transfer of staff to the Contact Centre and Penallta House Customer Services have been factored into the costing of this option. There is also likely to be significant displacement of workload to the following service areas: -

- Housing Repairs (Telephone Calls)
- Housing Offices (Telephone calls and visits)
- Housing Benefits (Telephone calls and mail)
- Rents (Telephone calls)
- Council Tax (Telephone calls and mail)
- ASDIT (Telephone Calls)
- Licensing (Visits)
- Libraries

4.9 It is likely that a significant proportion of payments will switch to Post Office cards. If 70% of transaction activity moves to Post Office cards there will be an additional cost of £87,663 within Corporate Finance. This would reduce the potential saving to £239,281.

4.10 If the Centres in Risca Palace, Hanbury Chapel and Caerphilly Library & Customer Service Centre are closed some modifications would have to be made to the buildings. There would be surplus space at these sites that could potentially be used by other services or Agencies. There will also be one-off dilapidation costs associated with the closing of Blackwood Customer Services, which cannot be quantified at this time.

4.11 There could be an impact in respect of footfall in those town centres affected by closures; however, this will be dependent on the future alternative use of the premises.

4.12 Summary of savings and costs: -

Close all Customer Service Centres apart from Penallta House. Close Newbridge Cash Desk	£326,944
Potential increase in cost of PO card transactions	-£87,663
Net saving	£239,281

5. EQUALITIES IMPLICATIONS

5.1 No full impact assessment has been undertaken on these proposals as yet, however, the withdrawal of face to face services may have a detrimental effect on customers who fall under some of the protected characteristics groups, in particular people with different types of disabilities and the elderly. The Mobile Customer Service Centre (MCSC) could help to reduce

this potential impact.

5.2 Support and signposting to alternative methods of service delivery to the minority groups affected will also help mitigate against any detriment caused by these proposals.

5.3 A consultation process will be undertaken on the preferred option.

6. FINANCIAL IMPLICATIONS

6.1 Option 1 is likely to generate net savings of £95,351. This may be higher if the number of customers who switch to Post Office cards is lower than expected. There could be a capital cost of about £200,000 to move Blackwood Customer Service Centre into Blackwood Library.

6.2 Option 2 is likely to generate a net saving of £239,281. However, it is likely that costs in other service areas may rise.

7. PERSONNEL IMPLICATIONS

7.1 Option 1 may be achieved through vacancy management and voluntary reductions in hours through the flexible working policy.

7.2 Option 2 affects a higher number of staff and would require staff redeployment with the potential for redundancies.

8. CONSULTATIONS

8.1 The views of consultees are included within the report.

9. RECOMMENDATIONS

9.1 Members of the Scrutiny Committee are asked to consider and comment upon the options set out in this report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

11. STATUTORY POWER

11.1 Local Government Act 2000.

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Consultees: Corporate Management Team

Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services

Paul Lewis, IT Development Manager

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Gail Williams, Interim Head of Legal Services & Monitoring Officer

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