



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE – 8TH DECEMBER 2014

SUBJECT: SAVINGS PROPOSALS FOR 2015/16 - CUSTOMER SERVICES

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

1. PURPOSE OF REPORT

- 1.1 To advise Members of proposed service changes within Customer Services that are required to achieve the Budget Savings for 2015/16 as proposed by Cabinet on 29 October 2014.
- 1.2 To seek Members' views on these proposals.

2. SUMMARY

- 2.1 As part of the Medium Term Financial Plan, a budget saving of £250,000 has been proposed for the Customer Services budget. To allow sufficient time for the proposals to be implemented £125k of the saving will be delivered in 2015/16 with the balance being realised in 2016/17.
- 2.2 While considering how the £250,000 can be achieved, to minimise impact on customers, officers have reviewed the non-staff costs in the existing Customer Services budget in detail and have identified savings of £89,348 (which includes a reduction of £50,348 in property costs relating to the relocation of the Blackwood Customer Service Centre to Blackwood Library). A further £30,000 will be saved by reducing the Agency Staff budget. Vacancy Management will yield savings of £45,597 through the deletion of two vacant full-time Customer Service Advisor posts. To achieve the total required savings the salary budget will therefore need to be reduced by a further £85,055. Based on the costs of a Customer Services Advisor at the middle of the grade, this equates to a staffing reduction of 3.7 Full Time Equivalent (FTE) staff.
- 2.3 The proposals in this report will reduce the staff resource by 5.7 FTE's, which is in addition to a reduction of 2 FTE's in 2014/15. Members have indicated that they wish to retain the current network of Customer Service Centres, however, it is not feasible to maintain current levels of service with this reduction in staffing levels. To maintain the current network of Customer Service Centres customer waiting time standards will have to be reduced across the service (including the Contact Centre); opening hours at Centres will have to be marginally reduced and the part-time payments service withdrawn from Newbridge Library.

3. LINKS TO STRATEGY

- 3.1 The work of Customer Services, in particular the Customer Service Centres, contributes, in particular, to strategic objectives 3 and 4, Physical Access and Communications Access.

4. THE REPORT

- 4.1 To support the Medium Term Financial Plan, a Customer Services savings proposal of £250,000 has been identified as part of a package of proposals endorsed by Cabinet on 29 October 2014. To allow sufficient time for proposals to be implemented £125k of the saving will be delivered in 2015/16 with the balance being realised in 2016/17. The total budget for this service area is currently £1.54m. To minimise the impact of this budget reduction on customers, officers have reviewed non-staff costs in detail and have identified savings of £89,348. This includes a reduction of £50,348 in property costs relating to the relocation of the Blackwood Customer Service Centre to Blackwood Library, which will also deliver service improvements for customers. The lease for the current premises in the Market Place ends in 2015, and a move of the service to the library will be consistent with our approach in our other major towns. The capital cost of the move is expected to be in the region of £70,000 to £100,000, which includes adaptations to the structure of the existing Library building and some internal fit-out. In addition there will be dilapidation costs relating to the termination of the lease on the current building. The costs of dilapidations have not yet been established but Building Consultancy are in contact with the landlords to identify what the cost will be. It is proposed that these one-off costs are funded from Corporate Services Reserves.
- 4.2 A further £30,000 will be saved by reducing the Agency Staff budget that is used to cover seasonal demand changes and long-term absence such as maternity leave. Vacancy Management will yield further savings of £45,597 through the deletion of two vacant full-time Customer Service Advisor posts.
- 4.3 The remainder of the savings will be found through reducing the salaries budget by £85,055. Based on the costs of a Customer Services Advisor at the middle of the grade, this equates to a staffing reduction of 3.7 FTE. The proposals in this report will reduce the staff establishment by 5.7 FTE's (including the 2 FTE vacant posts referred to in para 4.2), which is in addition to a reduction of 2 FTE's in 2014/15. Members have indicated that they wish to retain the current network of Customer Service Centres. However, it is not feasible to maintain current levels of service with this reduction in staffing levels, therefore changes will have to be made in the provision of Customer Services to accommodate this reduction.
- 4.4 The Authority has six Customer Service Centres offering "in-person" services in communities across the County Borough including three within Libraries. The Customer Service Centres are much valued by residents and provide a valuable service to residents who are digitally or financially excluded, have limited access to transport or need to deal with the Council in-person rather than by phone, mail or digital channels. During 2013/14 the Customer Service Centres dealt with 116,000 customer enquiries, and handled 278,000 payments with a total value of £29.7 million, of which £12 million was in cash. Providing excellent service for customers and communities has always been a key driver in the development of Customer Services and customer access standards in the Customer Service Centres (including waiting times and opening hours) have therefore been set at a high level. It would be fair to say that customer waiting times compare well with other parts of the public sector and with the private sector. Our opening hours compare well with similar services within local government. The service has complied with very high standards, but this does lead to a service that is more expensive than most other public sector bodies.
- 4.5 The current waiting time performance target for Customer Service Centres is that 80% of customers will be seen within 10 minutes. Actual performance is similar across all 6 sites and has been between 75% and 89% during most weeks over the last 12 months. Customer satisfaction with the service is very high with more than 97% of customers telling us that they were satisfied with the service they received during several surveys since 2012 and 95% saying that waiting times were acceptable during a survey in 2014. To accommodate the proposed reduction in staffing levels this target will need to be reduced to 80% of customers being seen within 15 minutes. This will still compare well with other similar services in the public sector, however it may result in a reduction in customer satisfaction levels.

- 4.6 The Contact Centre handles nearly 140,000 calls and 42,000 emails each year. The current waiting time performance indicator target for the Contact Centre is that 80% of telephone calls will be answered within 20 seconds. During 2013/14 85.2% of calls were answered within 20 seconds and in 2014/15 the year to date figure was 80.2% at the end of September which compares favourably with other services across the public and private sectors. In recent surveys, 97% of customers were satisfied or very satisfied with the Contact Centre service. To accommodate the proposed reduction in staffing levels this target will need to be reduced to 70% of calls being answered within 20 seconds, which will still compare well with other similar services in the public sector, but again may lead to some initial customer dissatisfaction.
- 4.7 As well as reducing service standards there is a need to review the opening hours of the Customer Service Centres. To ensure that opening hours reflect peak customer footfall officers have analysed the footfall profile of each of the Centres, including daily and hourly averages, which has identified the quietest times at each site. The analysis has also compared activity levels across all sites.

Customer contacts per site (includes service requests and payments) 2013/14

Site	Service	Payments	Total footfall
Caerphilly	14,610	75,943	90,553
Blackwood	17,676	66,970	84,646
Ty Penallta	23,317	46,885	70,202
Bargoed	6,478	32,169	38,647
Risca	7,902	28,352	36,254
Pontlottyn	5,546	24,084	29,630
Newbridge	-	13,887	13,887

- 4.8 To ensure that opening times best match customer demand whilst reducing hours, opening times will be adjusted on a tiered basis with quieter sites seeing greater reductions in opening hours than busier sites. Adjustments will also be made to allow for differences in footfall patterns across sites and to coordinate with co-located services, in particular libraries and services based at Ty Penallta. An anomaly in this approach is the Customer Service Centre in Ty Penallta where total footfall is less than either Caerphilly or Blackwood, but the number of customers visiting the service desks rather than the cash desks is significantly higher than any other site. In addition, the total value of payments received at Ty Penallta is twice that of either Caerphilly or Blackwood. The Ty Penallta Customer Service Centre also delivers customer services on behalf of several services based in Ty Penallta, which operate throughout the working week.
- 4.9 Based on this tiered approach Ty Penallta will open throughout the working week. Caerphilly and Blackwood will close one afternoon per week. Risca and Bargoed will close two afternoons per week. Pontlottyn will close 3 afternoons per week. There will be some adjustments in opening and closing times at all sites to better match operating times to customer demand and to provide better consistency across sites, e.g. Ty Penallta Customer Services will open at 09:00 rather than 08:30 as there is little customer footfall before 09:00. To ensure consistency all sites apart from Ty Penallta will close at either 13:00 or 17:00. Details of existing and proposed opening hours are included in appendix A.
- 4.10 The Customer Service Centres in Caerphilly, Risca, Bargoed and Blackwood are also open on Saturday mornings, albeit with fewer visits than weekday mornings, but more comparable with late afternoons. They are open on Saturdays to allow customers having difficulty in

visiting during the week to access services such as making cash payments, help with Housing Benefits or applying for Blue Badges. On this basis it is proposed that Saturday opening will be retained at all four sites.

- 4.11 Although there is no Customer Service Centre in Newbridge, Corporate Customer Services provide a payments service within Newbridge Library. This service only provides a payments service and does not deal with the wide range of services offered within the Customer Service Centres. The volume and value of payments processed by Newbridge is lower than any of the other sites, accounting for just 4.8% of all payments. In terms of total contacts (advice and payments), it accounts for just 3.8% of footfall across all 7 sites. A comparison of the volume of payments at each site can be found in the following table.

Volume of payments made at each site during 2014/14

Site	Payments
Caerphilly	75,943
Blackwood	66,970
Ty Penallta	46,885
Bargoed	32,169
Risca	28,352
Pontlottyn	24,084
Newbridge	13,887

- 4.12 The catchment area for the Newbridge Cash Desk has been analysed to identify where the majority of customers are travelling from to make payments. A map showing this distribution can be found at appendix B. This analysis indicates that the majority of customers using the Newbridge Cash Desk live in communities that are served by a Post Office where they can make payments in person using a Post Office payment card. Two of these communities (Pantside and Trinant) are also visited by the Mobile Customer Service Centre. Approximately 20% of the payments received at the Newbridge Cash Desk are made via either a credit or debit card. Customers wishing to pay by credit or debit card can also make their payments 24 hours a day using either our website or our automated payment line. They can also make their payments by phoning the Contact Centre during office hours. Based on the significantly lower levels of customer demand and the availability of other methods of making payments, it is proposed that the payments service be withdrawn from Newbridge Library.
- 4.13 Some of the customers who use the Customer Service Centres may be able to use other, less expensive, ways of contacting the council, such as phoning the Contact Centre, using automated phone lines or using the web site. If these customers can be encouraged to use these lower cost methods of contact, customer demand in the Customer Service Centres will be reduced. This will ensure that Advisors have time to deal with our more vulnerable customers and those who are financially or digitally excluded. Although levels of digital exclusion in Caerphilly County Borough are higher than in many areas, there is evidence that persuading customers to use these lower cost contact channels can be achieved. Over the last few years use of these lower cost contact channels to make payments has increased significantly with more than 20% of payments now being made via these channels compared to 4% in 2008/09, with little active marketing.
- 4.14 Work is now underway to persuade some customers to switch to the web including the development of a new web site optimised for use on smartphones and a project which has been running successfully within Libraries, Customer Services and Housing Benefits to

persuade customers to make benefit claims on-line. This work, including a marketing campaign, will continue and is likely to form a significant part of the Customer Service Strategy that is being developed. The focus of this work is to redesign services so that they are “Digital by Default”, in other words digital channels become the first and preferred choice for customers when they need to interact with the Council about these services.

- 4.15 Any proposed changes in opening hours will be implemented in September 2015 to allow sufficient time to notify customers of the changes and to allow time to realign staff working patterns.

5. EQUALITIES IMPLICATIONS

- 5.1 No full impact assessment has been undertaken on these proposals as yet. However, the reduction in availability 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.
- 5.2 Consultation on these proposals with service users, ensuring that elderly and/or disabled people are specifically included, will ensure that any final decision taken has been done robustly, and if challenged on the grounds of failure to take due regard of the Public Sector Equality Duty in Wales, can be fully and properly evidenced.

6. FINANCIAL IMPLICATIONS

- 6.1 These proposals will generate savings of £250,000 as part of the MTFP. However, due to the nature of the reductions it will not be possible to achieve these savings in full during 2015/16. As a result these savings will be phased in over 2 years with £125,000 being saved in 2015/16 and a further £125,000 in 2016/17.
- 6.2 The Blackwood Customer Service Centre is located within a leased unit in the Market Place shopping centre. Moving the Customer Service Centre to Blackwood Library will yield a saving of £50,348 per annum due to the cancellation of the lease and savings in property maintenance costs. The capital cost of moving the Customer Service Centre in to the Library is expected to be in the region of £70,000 to £100,000 which includes adaptations to the structure of the existing Library building and some internal fit-out. In addition there will also be dilapidation costs relating to the termination of the lease on the current premises. These are one off costs that can be funded from Corporate Services Reserves.
- 6.3 Summary of budget savings within the Customer Services Budget

Move Blackwood Customer Service Centre in to Blackwood Library	£50,348
Other non staff costs	£ 39,000
Agency Budget	£ 30,000
Vacancy Management: delete 2 vacant posts (2 FTE)	£ 45,597
Staff costs (3.7FTE)	£ 85,055
Total savings	£250,000

7. PERSONNEL IMPLICATIONS

- 7.1 As part of these proposals the staff establishment will reduce by 5.7 Full Time Equivalent (FTE) staff, including 2 FTE vacant posts. This reduction is likely to be made up of a mixture

of full-time and part-time staff which will result in the loss of between 4 and 6 staff. This reduction will need to be achieved by September 2015 to achieve the required savings.

- 7.2 Every effort will be made to avoid compulsory redundancies and full use will be made of the recently updated personnel policies to achieve this if redeployment of the staff is not achievable in the first instance.
- 7.3 The staff and the Trade Unions have been advised of the potential reduction in staff numbers.

8. CONSULTATIONS

- 8.1 The views of consultees are included within the report. Following the Policy and Resources Special Scrutiny Committee, the proposals will be made available to users at all of the 6 sites that currently operate the full range of Customer Services. The one site that operates a payment service only will also make the savings proposals available to service users.

9. RECOMMENDATIONS

- 9.1 That the new arrangements highlighted in the report that minimise impact to the public and service user are endorsed for further public and user consultation.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To inform Members of proposed changes within Customer Services to deliver savings requirements identified in the Cabinet Report of 29 October 2014.

11. STATUTORY POWER

- 11.1 Local Government Act 2000.

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Consultees: Cllr Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services
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Appendices:

- Appendix A - Proposed changes to opening hours of Customer Service Centres
Appendix B - Catchment area of Newbridge Cash Office