

WYRE FOREST DISTRICT COUNCIL

CABINET
25th SEPTEMBER 2008

Worcestershire Hub – Strategic Direction

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Stronger Communities
CORPORATE PLAN AIM	A Well Run & Responsive Council
CABINET MEMBER	Councillor Nathan Desmond
HEAD OF SERVICE	Paul Ryder, Head of Human Resources
CONTACT OFFICER	Paul Ryder
APPENDICES	Appendix 1

1. PURPOSE OF REPORT

This paper is an update of the proposed development of the vision and business case for the future strategic direction of the Worcestershire Hub.

2. RECOMMENDATIONS

- 2.1 **That the Cabinet notes the County Council’s intention to reduce the funding for the Wyre Forest Hub by £47,000 from 1st April 2009.**
- 2.2 **That the County Council be asked to recognise the strong performance of the Wyre Forest Hub in relation to County services and to limit any reduction in funding to £30,000 particularly as we provide hub services in Kidderminster, Stourport and Bewdley.**
- 2.3 **That Option 2 (incremental move to a single telephony centre) be adopted in principle as a way forward with progression dependent on a reasonable “fit” with the Council’s Shared Services Strategy 2008- 2011 and full consultation with Trade Union and employee representatives.**

3 BACKGROUND

- 3.1 The Hub was established as a partnership between the County and six District Councils and has operated on a decentralised model; each District providing local teams and facilities to deal with enquiries in person, by telephone and to a lesser extent electronically. In addition the County Council has operated a telephone contact centre at Bridgewater House. More recently, some telephony services have also been delivered on a virtualised basis between County and District call centres.

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- 3.2 When the Hub was formed it was the intention that a range of County services would be delivered on a consistent basis through the network of District service teams and centres. It was also anticipated that the volume of County services delivered would be broadly equal to the volume of District services, reflected in an intention that the costs of operating the Hub would be met in equal shares between County and District. This ambition has not been realised, with a number of major services outstanding. County have also grown increasingly concerned regarding the consistency and quality of service delivery by some Hub partners and the value for money that this returns on their sizeable investment in the Hub. County have in particular become concerned that their contribution to funding of District centres is proportionately greater than the level of County business transacted.
- 3.3 At the direction of the Worcestershire Local Government Leaders and Chief Executive's Group, the Hub Strategic Management Group has invested considerable effort over recent months exploring and testing options to enable the Hub to develop forwards, bringing further improvements for the customer and addressing the challenges and concerns of partners detailed above. This work has culminated in the development of a future vision for the Hub and a three stage programme of change, described in more detail below.

4.0 FUTURE STRATEGIC DIRECTION

- 4.1 The vision for the Hub:

“Is an organisation that is owned by the Local Government family in Worcestershire to deliver excellent services to our communities and being capable of delivering services to a variety of depths”.

- 4.2 This vision sees the Hub developing as the primary point of contact for all Council services. It means the Hub becoming a single entity owned by, but operating independently of all partners, providing the potential to deliver services on behalf of other organisations. It envisages services that are both lean and customer focused, wherever possible carried out in full, end-to-end, within the Hub (as is currently the case with Blue Badge). Recognising the value of all channels in meeting our customers needs and focusing development on those having the widest availability (online and telephony).
- 4.3 It is recognised that achieving such an ambitious vision requires a staged approach and one which will allow the various Hub partners to progress at a pace appropriate to their own circumstances. A three stage process is proposed as follows.

Stage 1. Move to a Single Telephony Centre (Call Centre)

Stage 2. Business Process Review

Stage 3. Move to a Single Management Structure.

There are options under each stage which need to be evaluated before we commit to action. Contact Centres dealing with “Face to Face” enquiries and transactions will remain at all District Hubs.

A profile and current statistics of the Wyre Forest Hub is attached in the Appendix. It should be noted that we operate in Kidderminster, Stourport and Bewdley and outperform other districts in relation to County enquiries and transactions.

5. KEY ISSUES

STAGE 1 – MOVE TO A SINGLE TELEPHONY CENTRE

5.1 The Worcestershire County Council (WCC) is looking to re-align the costs of funding county services currently handled by the District Hubs. This will enable the WCC to fund the establishment/development of a Countywide single telephony centre or call centre. Initially, the call centre will deal with current and additional county enquiries and transactions e.g.:

- School admissions;
- Environmental Services;
- Library Services;
- Registrations;
- Adult Community Services.

5.2 However, provision can be made to handle district enquiries and transactions if required and subject to a negotiated resource. WCC have already agreed to accommodate Revenue and Benefit calls for the three southern Worcestershire districts within this centre.

5.3 The total number of staff in the first instance will be approximately 12.

STAGE 2 – BUSINESS PROCESS REVIEW

5.4 The second stage of the transition process, Districts would need to undertake a programme of end-to-end business process re-engineering to transform both back office and customer interfaces.

5.5 WCC have indicated that there are monies available to meet some of the costs and that they would seek funding through REIP (Regional Efficiency Improvement Partnership).

5.6 A number of activities have been highlighted such as:-

- Environmental Health

- Licensing
- Street Scene
- Revenues & Benefits
- Highways
- Planning

5.7 This would also result in a need to align ICT Strategies and progress areas of joint procurement. It would also be related to the business processes and re-engineering work necessary for the proposed move to centralised office accommodation in 2010/11.

5.8 This approach is already being used by Malvern Wychavon and Worcester City in relation to the Revenues and Benefits service.

STAGE 3 – SINGLE MANAGEMENT STRUCTURE

5.9 If Stages 1 and 2 prove to be effective and efficient, the next stage would be to move to a full Shared Service for the Worcestershire Hub, with a single management structure which would include the Centres with face to face customer responsibilities (Wyre Forest).

5.10 The Authority will need to consider future investments to develop a Shared Service model and associated costs of transformational change.

6. PROPOSED OPTIONS

Option 1

6.1 Status Quo – Wyre Forest continues as at present providing all District and some County Services with the reduced funding level provided by WCC until budget pressures or other constraints eventually force us to change.

Option 2

6.2 Move incrementally to a Single Telephony Centre managed WCC as follows:

2009/10 Continue status quo and ask WCC to reduce withdrawal from £47,000 to £30,000.

2010/11 Transfer 2 employees to WCC and retain telephony for District/County enquiries.

2011/12 All remaining telephony would transfer out of the Town Hall – District/County enquiries.

Each step would be fully evaluated before any final commitment to action.

- 6.3 This option is aimed at the “chunking” up of the telephony centre and reducing costs although at this stage there is no comfortable certainty on how much would be saved. This will become clearer when the business process review under Stage 2 has been completed.
- 6.4 Option 2 is also a reasonable “fit” with the principles of our Shared Services Strategy 2008-2011 adopted by the Council in May 2008. Paragraph 7 bullet point 8 as part of our strategic approach states we will:

“Develop incrementally so that the objectives, principles, costs and benefits can be drawn up in tandem with political, managerial and employee/trade union support”

Option 3

- 6.5 Withdraw completely from the Hub partnership and focus attention on a comprehensive service centre for District functions only without WCC funding.
- 6.6 This would be detrimental to our partnership with WCC and would result in a reduced service to the public and would not save any significant costs.

7. FINANCIAL IMPLICATIONS

- 7.1 The total re-alignment from the Districts to the County is in the region of £320,000 for 2009/10. Although adversely affected WFDC does not lose as much funding as authorities such as Bromsgrove and Malvern Hills.
- 7.2 The indications are that there will be a £47,000 reduction in funding for the Council with effect from 1st April 2009/10.
- 7.3 We will still receive approximately £188,360 (final figure to be confirmed by WCC).
- 7.4 The level of reduction in funding is equivalent to 1.5 FTEs, it is anticipated that if this reduction was found to be necessary then this could be met from natural wastage.
- 7.5 Although there were no guarantees in relation to future years funding it was suggested that there would be no further reductions in support for at least 2-3 years.
- 7.6 The Council has a prudent budget of £175,000 per annum in relation to the income receivable from the County Council to support the operations at the Hub (including telephony). For 2007/08 the Council actually received £235,179, and

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the additional income was highlighted within the Statement of Accounts variance analysis.

8. LEGAL AND POLICY IMPLICATIONS

8.1 None

9. RISK MANAGEMENT

8.2 None

10. CONCLUSION

10.1 WCC are committed to the overall levels of funding of the Hub. However, they do not feel that the services provided by the Districts are commensurate to the costs, hence the realignment.

10.2 Wyre Forest continues to provide all the services required of it by the County and are rated 'highly' in comparison to other partners.

10.3 The move to a Single Telephony Centre and a full Shared Service will have significant cultural and organisational change impact on the Council and its employees, some of which will need to be considered with its Single Site aspirations.

10.4 If we are to achieve an integrated Hub service, telephony should be consolidated on a phased basis after evaluation of the benefits and risks.

11. CONSULTEES

11.1 CMT

12. BACKGROUND PAPERS

Shared Services Strategy 2008 – 2011
Summary Hub Business Case

APPENDIX

Worcestershire Hub Profile and Statistics

No. of Employees	Job Title	FTE
25	Manager	0.8
	Assistant Manager	1.0
	Team Leader(s)	3.0
	CSA's	15.0
	Cashier	.6
	Admin Assistant	1.0
No. of Locations		
3		
No. of Employees in each location	Location	Note
1	Bewdley	Due to increase to 2
2	Civic Centre	
22	Kidderminster	Varies due to time of day/month/full time/part-time availability

Statistics for June		
Calls offered	8571	
Calls answered	7764	
Calls answered within 20 seconds	86%	
Speed of answering	7 seconds	
Virtual calls answered	1737	
No. of customers served at Kidderminster	4216	
Average serve time	12.33 minutes	
Average wait time	7.50 minutes	
Served within 15 minutes	91%	
Face to face payments received	9361	
Telephone payment	1227	Minimal/no contact with customer services
Web payments	346	Minimal/no contact with customer services

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