

Report to: **Executive**
Date: **16 June 2016**
Title: **Transitional Resources report**
Portfolio Area: **Cllr S Wright**
Wards Affected: **All**
Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

It is recommended that the Executive recommends to Council to:

1. Approve the use of transitional resources to improve service levels and customer satisfaction.
2. Approve the use of funding of £267,000 (as per 5.4) from the new homes bonus funding which was originally earmarked for Disabled Facilities Grants, to fund the transitional resources set out in Appendix A.
3. Approve the re-investment of £278,972 from the 2016/17 Budget Surplus Contingency Earmarked Reserve of £767,995 (the 16/17 budget surplus was generated by T18 savings), to fund the transitional resources set out in Appendix A.
4. Revise the capital budget allocation for 16/17 for Disabled Facilities Grants to £750,000 as set out in 5.3, to be funded by £552,000 allocation from the Better Care Fund and £198,000 from New Homes Bonus funding.

1. Executive summary

- 1.1 This report will provide members with the rationale for temporary, fixed term transitional resources to improve customer satisfaction and public perception of the Council. This can be achieved by eliminating backlogs and failure demand to reduce call volumes and call answering times.
- 1.2 Recognises that resource allocations of the future model were based on the end of programme state, technology delivered and embedded, and channel shift having occurred over a period of time. Council services have been operating against these assumptions.
- 1.3 Explains how the proposal for temporary, fixed term transitional resources can be funded through the NHB money originally allocated to DFG funding in 2015/16 and 2016/17 and from a re-investment of previous T18 savings back into the Programme.

2. Background

- 2.1 The T18 programme was designed to meet the challenges of reduced budgets without cutting statutory frontline services. The programme was designed to improve customer satisfaction by providing the customer with improved access to services and delivering efficiencies by streamlined service delivery.

Whilst the budget reductions have been achieved, the transition to the new model has resulted in increased call volumes, increased call waiting times and service backlogs.

- 2.2 The resourcing model and staff numbers developed by Ignite were based on:
 - 2.2.1 The new technology being delivered and more importantly embedded across the organisation.
 - 2.2.2 New more efficient and streamlined processes implemented and embedded.
 - 2.2.3 Customers would have been using the new technology and process to self-serve rather than calling or visiting.
- 2.3 Due to a number of factors listed below the technology has been delayed:
 - 2.3.1 The councils IT resources were reduced at the start of the programme.
 - 2.3.2 The delivery of the technology solutions from the supplier has suffered delays.

- 2.3.3 A number of the solutions have needed significant development to meet the requirements of the council.
- 2.3.4 The availability of staff for testing and training has been limited due to the need to carry on day to day customer activity.
- 2.4 The impact of the technology delays has impacted on the roll-out of new processes, channel shift and as a result, the delivery of online services has been severely impacted.

3. Current position

- 3.1 Call volumes are currently at the highest level for a number of years and as a result call waiting times are unacceptably long. This is leading to increased customer dissatisfaction and complaints, which members have experienced and concerns have been raised at Overview and Scrutiny Panel regarding service performance over a number of months.
- 3.2 A number of services have backlogs of work, which in turn is generating increased call volumes and higher levels of customer dissatisfaction. The services of particular concern are;
 - Planning
 - Waste
 - Car Parking
 - Council Tax
 - Housing Benefit
 - DFG's
- 3.3 There is a danger that whilst trying to divert existing resources to these services there will be a 'knock on' effect to other service areas.
- 3.4 The current technology implementation (including new contact centre phone system and in cab technology) should be completed by end of July at the latest.
- 3.5 Over 300 new processes will be live by end of May. Around 150 low volume processes still require implementing.
- 3.6 The technology and processes need fully embedding across the organisation.
- 3.7 Channel shift needs significant resources to ensure that the services are easy to use. These services then need promoting and must meet the customer expectations to ensure a step change in customer behaviour and activity.

3.8 The recent staff survey highlighted the concerns of staff in relation to their welfare.

- 68% of those surveyed disagreed with the statement 'I think morale is good where I work'
- 47% of those surveyed disagreed with the statement 'I am comfortable with the level of pressure placed on me at work'
- 77% of those surveyed disagreed with the statement 'I think there are enough people to do the job'.

4. Proposal

4.1 Additional temporary, fixed term transitional resources are required over a 12-18 month period to ensure that there is an improved customer experience and improve staff morale This will be achieved by;

4.2 Increasing contact centre resources to reduce call waiting times.

4.3 Increasing case management resources across the following service areas to eliminate backlogs and provide transitional support whilst technology and processes are embedded throughout the organisation. The resources will be deployed across case management on the following services:

Planning	Improve responsiveness to customer telephone queries. Reduce backlog. Implement Peer Review recommendations. Support whilst new processes are implemented. Reduce validation times.
Waste and Trade Waste	Support whilst new processes are implemented. Embed case management skill set around dealing with operational services. Support to ensure the trade waste service retains and develops customer base.
Building Maintenance and Transport, Fleet and Health and Safety (Commercial Services Depot Based)	Case management resource to support the business need in commercial services - this is specifically important in relation to building maintenance and transport, fleet and health and safety for the manual workforce. There is also a temporary resource allocated to the support of the operational supervision whilst the Phase 2 round changes are implemented.

Car Parking	Reduce backlogs and reduce the risk of income reducing. Provide support whilst new technology is purchased and implemented.
Environmental Health and Licensing	Support for licensing and high risk inspections whilst new processes are implemented. Reduce the risk of income reducing. Support additional DFG workloads.
Council Tax and Housing Benefits	Support to reduce backlogs. Training and support to contact centre Additional capacity whilst channel shift technologies go live. Protect income and proactive enforcement.
Housing Advice	Support to protect vulnerable customers whilst new processes are introduced.
Support Services	Consolidation and streamlining of all invoice processing to reduce burden on Customer First, Commercial Services and Strategy & Commissioning case management.
Assets	Support to aid transfer of work from specialist to case management.
Strategic Planning & Place	Support to aid transfer of work from specialist to case management Additional support for local and neighbourhood plans, TAP and community grants.

- 4.4 Additional fixed term resources to ensure that councils meet the estimated demand for Disabled Facilities Grants as highlighted in section five.
- 4.5 The case management support for Commercial Services fall into two categories. Case Management which directly supports the customer interaction and that which supports the operational delivery of the service on the front line. The front line service need will be supported by interim support whilst new support technology is procured for building maintenance and grounds maintenance services. There is also a level of operational supervisory support required whilst the South Hams round changes are implemented and the use of the in cab technology is embedded.

- 4.6 This support will allow for the customer to be supported more fully in terms of service information captured, and as backlogs are cleared, for a more pro-active approach to service delivery to be taken.
- 4.7 Free up a management resource to provide capacity to drive process improvement and to ensure technology and processes are contributing positively to demand reduction and improvements customer satisfaction. The resource will be sourced from Support Services so that existing Customer First managers can remain focussed on service delivery.
- 4.8 Recruit a number of apprentices into roles across the organisation to build capacity, provide additional resilience as transitional resources end, provide future capacity to backfill against natural wastage and ensure we meet our commitments to the national apprentice programme
- 4.9 Additional fixed term resource to review and redesign of the council's website (look, feel and content) to improve the customer access and journey. Aiding channel shift and reducing the burden on the contact centre.
- 4.10 Monitoring.
- 4.10.1 In addition to the council's quarterly performance reports, it is proposed that an additional report is presented to Executive each quarter which will provide an update on:
- Deployment of temporary fixed term resources across the service areas identified above.
 - Detailed performance by service.
 - A breakdown of call volumes and contact centre performance by service areas.
 - Progress on channel shift by service area
 - Issues and emerging risks.
- 4.11 It is recommended to approve the use of temporary, fixed term transitional resources outlined above to improve service levels and customer satisfaction. A breakdown of the costs is shown in Appendix A.

5. Disabled Facilities Grant funding

- 5.1 Public Health England have been directed to provide sufficient funding for Councils to ensure that they can meet the need for Disabled Facilities Grants (DFG's) within the area. On an annual basis the Council receives an allocation of Better Care Funding (BCF) from Devon County Council. This is Government grant money towards the cost of funding Disabled Facilities Grants.

5.2 The tables below show that the additional funding provided from the Better Care Fund in 2016/17 and the New Homes Bonus funding, which had previously been allocated to meet our statutory obligations for DFG's, can now be reallocated.

5.2.1 In 15/16 the Council budgeted to spend £600k on DFG's and this was to be funded from an allocation of £366k from the BCF and £234k from the Council's NHB allocation. The actual spend on DFG's in 15/16 was £369k, as a result there is £231k of NHB unspent in 15/16.

5.2.2 In 16/17 the Council budgeted a further £600k of DFG spend, to be funded from an estimated allocation of £366k from BCF and £234k from the Council's NHB allocation. The Council has now been notified that its BCF allocation for 16/17 is significantly higher at £552k. The Council is also now estimating that total demand for DFG's would be in the region of £750,000 for 16/17. In order to process the required amount of DFG expenditure (£750,000), two additional case managers would be needed. The South Hams share of this cost would be approximately £44,000. This cost is included within the Environmental Health total of £51,103 within Appendix A.

5.3

Table 1 – Funding for Disabled Facilities Grants (DFG's)						
	Financial Year 2015/16			Financial Year 2016/17		
	Budget (£)	Actual spend (£)	Amount of 15/16 New Homes Bonus funding not required	Original Budget set Feb 2016 (£)	*Revised Budget allocation May 2016 (£)	Amount of 16/17 New Homes Bonus funding not required
Better Care Funding for DFG's (Government Grant)	366,000	366,000	-	366,000 (estimated grant allocation)	552,000 (final grant allocation)	-
New Homes Bonus funding	234,000	3,000	231,000	234,000	198,000	36,000
TOTAL	600,000	369,000		600,000	750,000	

*The Budget allocation for 2016/17 has been revised based on the fact that the Council has now received its allocation of the 2016/17 Better Care Funding (Government Grant funding for Disabled Facilities Grants). The BCF allocation of £552,000 is considerably higher than the original estimate of £366,000 made in February 2016.

- 5.4 Table 1 shows that there is a total of £267,000 (£231,000 + £36,000) of New Homes Bonus funding between 15/16 and 16/17 which is not required to fund the expenditure on DFG's in these years. This funding is available to finance the temporary transitional staffing resources set out in this report.

6. Financial Implications

- 6.1 Appendix A sets out the additional fixed term, temporary transitional resources required, of which the South Hams District Council share of the cost is £545,972.
- 6.2 It is recommended to fund this cost through a re-investment of previous T18 savings back into the T18 Programme and through a reallocation of New Homes Bonus funding.
- 6.3 The cost of £545,972 is proposed to be funded by:-
- Utilising £267,000 from the New Homes Bonus funding (this money was originally earmarked for Disabled Facilities Grants)
 - Re-investing £278,972 from the 2016/17 Budget Surplus Contingency Earmarked Reserve of £767,995 back into the Programme (The 16/17 budget surplus was generated by T18 savings)
- 6.4 The temporary additional cost of £545,972 will add approximately 8.5 weeks to the payback period of the T18 Programme (the payback period was 2 years and 6 months).

7. Risks

- 7.1 The council is already seeing damage to its reputation from customers, Town and Parish councils, and other agencies. This is due to delays in answering phone calls and poor service delivery.
- 7.2 Staff welfare remains a concern as highlighted in section 3.
- 7.3 Whilst the funding is for 12 months of temporary, fixed term resources, these will be profiled over an 18 month period to ensure service continuity.
- 7.4 In addition to normal performance monitoring reports at O&S Panel, a detailed quarterly progress report will be presented to Executive, as highlighted in section 4.

8. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The report is presented to Members as only full Council can approve the reallocation of New Homes Bonus funding and the use of earmarked reserves.
Financial	Y	See Section 6.
Risk	Y	See Section 7.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	N	The report recognises staff welfare concerns and the proposals will support permanent staff.
Other implications	N	None

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A