

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

Date 16th December 2019

Report Title: Restructure of Customer and Digital Services – Progress Update

Submitted by: Head of Customer and Digital Services

Portfolio: Corporate and Service Improvement, People and Partnerships & Finance & Efficiency

Ward(s) affected: All Indirectly

Purpose of the Report

To update the Finance, Assets and Performance Scrutiny Committee of the progress made towards the Customer and Digital Services Restructure.

Recommendations

That the Finance, Assets and Performance Scrutiny Committee receive the report and note its contents.

Reasons

The report is for reference purposes only.

1. **Background**

- 1.1. The operational capacity of the Revenues, Benefits and Customer Services teams has reduced over a number of years as a result of flexible early retirements, vacant posts not being filled and a number of other contributing factors.
- 1.2. The current administration is committed to addressing historic capacity issues across a number of service areas. Accordingly, a revised management structure within Customer and Digital Services was implemented in September 2019 as a first step towards this. A single Revenues and Benefits Manager replaced the previously separate Revenues Manager and Benefits Manager roles, a new Digital team was created and a dedicated Customer Services Business Manager was introduced.
- 1.3. Following this reorganisation of management functions a review of the service delivery model has been undertaken to ensure that it is fit for purpose, efficient and effective in delivering the required outcomes and further reorganisation proposals have been brought forward for consultation with affected staff and the trade unions.
- 1.4. In addition, there are a number of other significant factors driving the need to review the organisational structure within Customer and Digital Services, which include:
 - Silo working is a feature of the current arrangements, resulting in a lack of co-ordination and resilience in key areas.
 - A legacy of reduced capacity in key operational areas which is adversely affecting service provision.
 - The roll out of Universal Credit resulting in long term reduced workload for the Benefits team.
 - Shifting customer communication preferences and trends affecting service delivery.

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- 1.5. This report outlines current progress, the timeline for future events and the anticipated outcomes.
2. **Corporate Customer Services and Revenues and Benefits Customer Services**
- 2.5. Historically despite being almost identical in nature the Corporate Customer Service and Revenues and Benefits Customer Service teams have worked completely independently; providing different services, adopting different standards and having completely independent management.
- 2.6. The revised structure proposes that these separate services are brought together. The proposal introduces a single business manager, appropriate team leadership and the provision for staff to cross skill. These cross-skilling opportunities would be recognised within staff grading, offering appropriate remuneration to recognise their personal investment in the service and professional development.
- 2.7. Improved capacity planning at a service management level will also ensure that key contact events are co-ordinated properly, to avoid incidents of excess-demand. The Customer Services Business Manager will also work closely with the Digital team, ensuring that self-service opportunities are explored as a method of demand management, supporting the Council's Digital strategy.
- 2.8. These changes, along with the tremendous efforts of staff are the first step in ensuring the Council's customer service function is fit for the future and continues to deliver a first class service for Newcastle residents.
3. **Revenues and Benefits**
- 3.1. Through engagement with staff and an assessment of service demand, it is clear that resources are no longer distributed effectively and in particular, there is an imbalance between the revenues and benefits teams. Whilst the workload of the Benefits team has significantly reduced (due to the introduction of Universal Credit), resourcing levels have remained broadly unchanged. In contrast, the workload of the Revenues section has grown whilst resources have decreased as a result of staff departures and maternity leave. This imbalance has been exacerbated by the diversion of specialist resources to support customer services operations.
- 3.2. As with Customer Services, a revised structure for the Revenues and Benefits service was put before staff in November 2019. It proposed that two specialist teams be created – a Recoveries team and a Processing team.
- 3.3. The Recoveries team would broadly deal with all aspects of revenue receipt, such as generating bills, specialist customer queries, recovering missed or over payments and handling all related operations. The Processing team would deal with all customer requests such as change of circumstances, claim management and handle interactions with external agencies such as DWP or HMRC.
- 3.4. Under this structure, appropriate team leadership would also be developed and staff would be provided with the opportunity to cross skill in the respective areas. As with Customer Services, this development would also be recognised within their grading, offering appropriate increments as further skills are gained.
- 3.5. The proposed structure will generate some savings for the authority as a small number of vacant posts will be removed from the establishment. However, improved capacity planning at a service management level will also ensure that key contact events are co-ordinated properly, to avoid incidents of excess-demand. The Revenues and Benefits Business Manager will work closely with the Customer Services Business Manager to ensure teams are prepared for key periods in advance and that appropriate capacity exists.
4. **Consultation and Other Considerations**
- 4.1. All staff have been reassured that everyone who wants a position within the new structure will have one and during informal discussions, staff were keen to know what was happening, before the Christmas break.

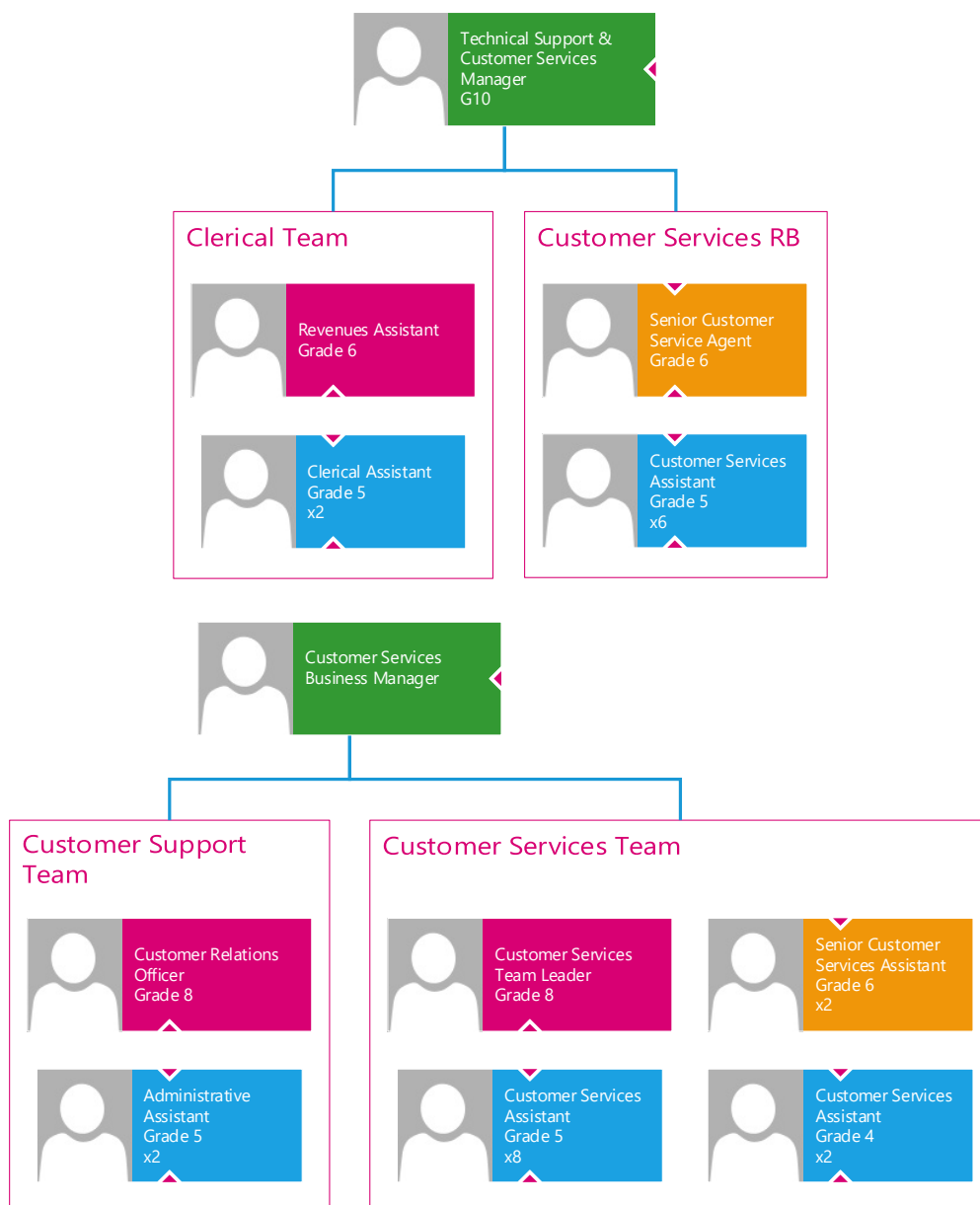
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4.2. Throughout the process, staff have been fully involved and consulted. This has involved a significant number of informal consultation meetings which are above what is required as part of the Council's restructuring policy. The intention was to ensure that at the point of formal consultation, there were no surprises, as staff would have already contributed significantly to the shape of the service.

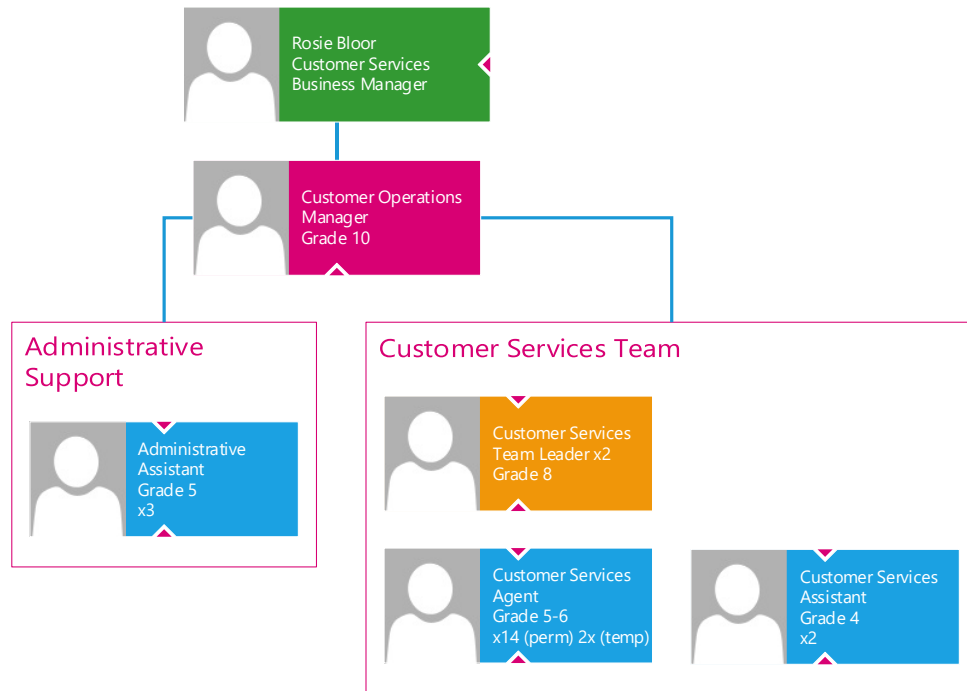
4.3. The proposed structure will generate significant savings for the authority as a number of vacant posts will be removed from the establishment. A small number of officers have also opted to leave the organisation through the Council's Mutually Agreed Resignation Scheme. These savings will be partially offset through incremental progressions associated with the new structure and the cross-skilling of staff, but this will ultimately deliver a more responsive service without increasing resources.

5. **Structure Changes**

5.1. The current structure for Revenues and Benefits Customer Services and Corporate Customer Services are shown below:



5.2. It is proposed that these structures are combined into a single service area:

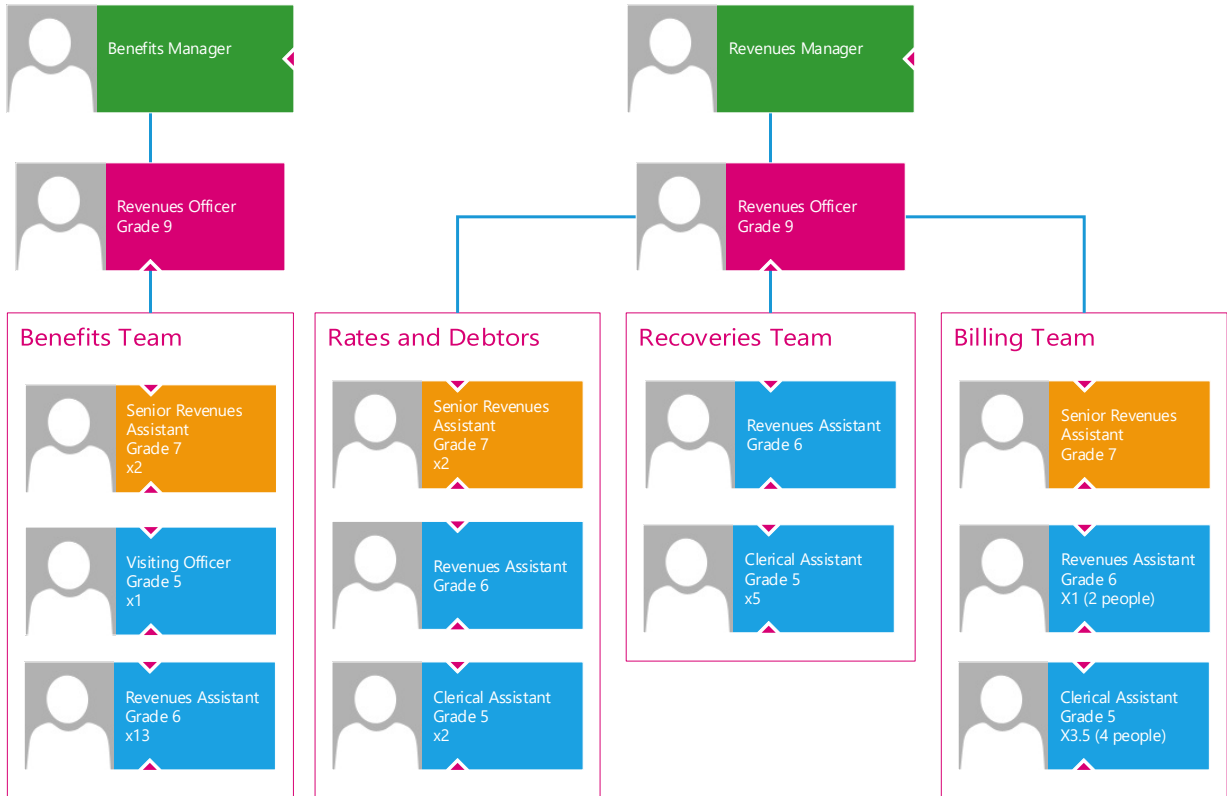


5.3. Within the structure all previous staff members have a post that is appropriate to their skills and previous responsibilities. The functions of some roles have been combined or redistributed and opportunities have been created that will allow staff to develop and progress.

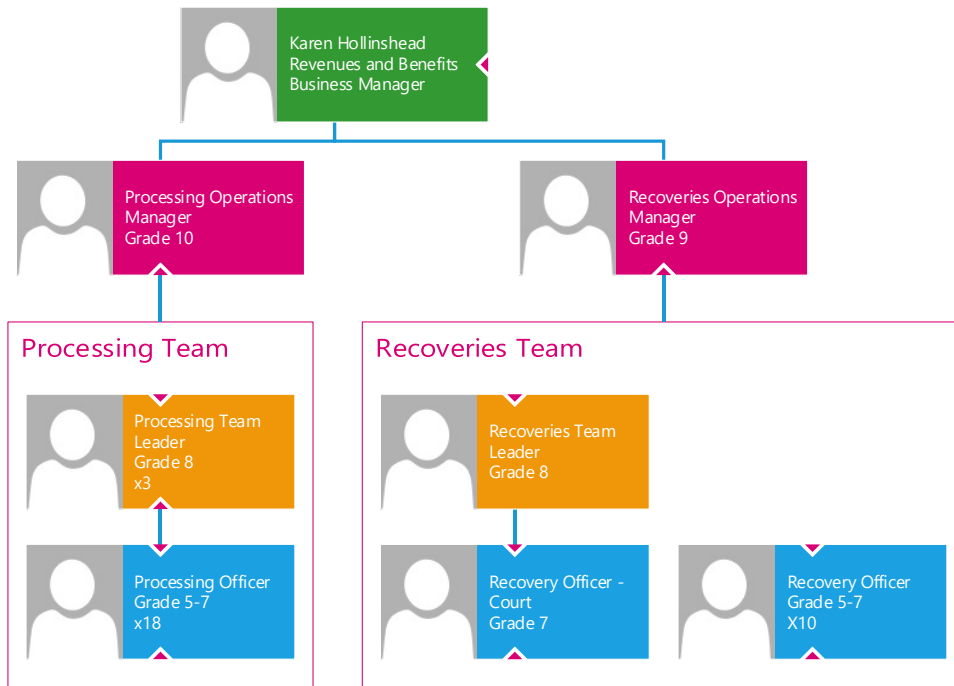
5.4. The proposed structure will facilitate Customer Services staff universally being able to address customer queries, contribute towards resolving capacity issues within the former Revenues and Benefits Customer Service team and provide considerably more flexible deployment opportunities.

5.5. The current structure for Revenues and Benefits is shown below:

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5.6. The proposed structure is considerably simpler:



5.7. The new Revenues and Benefits service will see the dissolution of historical boundaries and the formation of two key operational areas; Processing and Recoveries. Within these two areas, all staff who were part of the previous structure have a role, although their responsibilities have been redistributed to meet long term operational demands.

5.8. The structure seeks to encourage staff to develop their skills and understanding. As with Customer Services, posts are career graded, to underpin the provision of training and development opportunities where required by the service.

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5.9. The revised structure also removes vulnerabilities for current Benefits staff, whose workload is continually diminishing following the introduction of Universal Credits.

6. **Financial and Resource Implications**

6.1. It must be acknowledged that at present, any figures included are preliminary as the formal consultation periods have not ended.

6.2. It is expected that the restructure will realise savings in excess of £250,000.

6.3. Within the overall service, any posts that are already vacant will be removed and the impact of this will be mitigated by the realignment of staff within other areas of the service. For example:

- 5x FTE long term vacant Customer Service Posts removed from what was the Revenues and Benefits structure will be mitigated by the introduction of 10x Customer Service Agents from the corporate service who can be trained to cover the service.
- 14x Benefits Officers are being redistributed to the newly formed Processing and Recoveries teams which will boost resources in areas that are subject to high demand. This is without the need to recruit additional people, whilst still ensuring benefits claims can be managed.

6.4. There will be no redundancies as a consequence of the restructuring operations and it is anticipated that there will be no long term detrimental effects on service provision.

7. **Next Steps**

7.1. Outstanding formal consultation periods for Customer Services and Revenues and Benefits end on December 19th, 2019. It is anticipated that any interviews required for posts where competition exists will take place week commencing January 13th, 2020. Accepted MARS applications will see post holders service end on February 28th, 2020 unless a date prior to this is mutually agreed.

7.2. It is anticipated that the revised structure will be fully implemented by Monday, January 20th, 2020.

7.3. Following the implementation of the structure, a further phase of the transformation process will commence, addressing the fundamental operation of the service. The intention is to resolve a number of operational issues including formal training, standards, processes and workload management.