

**IMPACT OF THE RESTRUCTURE IN
REVENUES AND BENEFITS, CUSTOMER
SERVICES, CASHIERS AND INCOMES AND
CREDITORS**

Support Services Overview and Scrutiny Panel Task and Finish Group



PLYMOUTH
CITY COUNCIL

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I. INTRODUCTION

The Support Services Overview and Scrutiny Panel scrutinises matters relating to the Chief Executive's and Corporate Services Directorates and monitors performance against relevant city and council priorities.

The policy and business areas that relate to the above directorates which are of particular concern to the Support Services Overview and Scrutiny Panel include:

- Business Transformation
- Customer Services
- Finance, Assets and Efficiencies
- ICT
- Human Resources and Organisational Development
- Democracy and Governance
- Policy, Performance and Partnerships
- Communications

One of the issues considered by the panel is the restructure in Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors. This issue was prioritised by the panel following approval of the restructure as part of the net revenue budget requirement of £208.237m for 2011/12 and five year Capital Programme (2010/11 – 2014/15) of £192.635m as recommended to Full Council on 28 February 2011 by Cabinet on 14 December 2010.

The Support Services Overview and Scrutiny Panel received an update on Revenues and Benefits at its meeting on 10 March 2011 and following approval from the Overview and Scrutiny Management Board a task and finish group was convened in February 2012.

This report summarises the findings of the task and finish group review and makes recommendations for improvements to key services.

2. EXECUTIVE SUMMARY

The scope of this review encompassed the considerable range of services offered by Plymouth City Council in the Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors departments. In undertaking the review it was paramount to the group to ensure that staff and customers had not been negatively impacted on following the recent restructure into the aforementioned departments.

The restructure had revised the departments so that services were delivered from three departments rather than the four previously in place. From 1 November 2011 the departments in the new structure were Revenues and Benefits, Customer Service and the Transaction Centre, previously Cashiers and Incomes and Creditors.

The panel were informed about service changes and the restructure process through comprehensive documentation, witness statements from Union representatives, Human Resource representatives, Service managers and Cabinet Members and site visits to the newly functioning services.

The panel were pleased with the majority of its findings and were of the opinion that in general staff morale had dipped evidently as a result of a very difficult restructure process. Following a thorough review and analysis of all the evidence provided, the panel identified a number of

recommendations which were deemed to offer suggested improvements that would further benefit the service, improve staff morale and increase customer satisfaction.

3. SCRUTINY APPROACH

The Overview and Scrutiny Management Board approved in principle on 23 March 2011, the establishment of a Task and Finish Group to review the impact of the restructure in Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors with membership drawn from the Support Services Overview and Scrutiny Panel.

3.1 Task and Finish Group Objectives

The group was asked to:

Review the impact of the restructure in the four service areas in relation to:

- The duty of care to staff
- The impacts of an increased workload
- The experience of customers and stakeholders
- The backlog of cases
- The processing times of cases

With the overall aim to make recommendations to the Overview and Scrutiny Management Board about how the service could negate the impact on the above concerns.

The Project Initiation Document (PID) is attached as Appendix I.

3.2 Task and Finish Group Membership

The Task and Finish Group had cross party membership comprising the following Councillors –

- Councillor James (Chair)
- Councillor Casey
- Councillor Murphy
- Councillor Stark

For the purposes of the review, the Task and Finish Group was supported by -

- Darren Stoneman, Project and Business Coordinator
- Ross Johnston, Democratic Support Officer

3.3 Task and Finish Group Methodology

The Task and Finish Group convened over two days on 2 and 3 February 2012 to consider evidence and hear from witnesses, review background information and undertake observations by way of site visits.

Witnesses invited:

- Di Saunders-Brewer, Senior Human Resources Advisor
- Diana Beal, Union Representative (UNITE)

- Stuart Fegan, Union Representative (GMB)
- Darren Turner, Union Representative (UNISON)
- Councillor Richard Ball, Cabinet Member for Customer Services
- Councillor Ian Bowyer, Cabinet Member for People, Property and Finance
- Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies
- Martine Collins, Revenues and Benefits Service Manager
- John-Paul Sanders, Assistant Director for Customer Services (Apologies)
- Dave Saunders, Head of Customer Services
- Tracey Tremlett, Transactional Centre Strategic Manager

Background material and documentation:

- Project Initiation Document
- Equality Impact Assessment
- Consultation Documents
- Structure Charts
- Staff Survey Analysis Reports
- Service Performance Reports
- CIPFA Reports

Site visits conducted:

- Customer Services, Ballard House
- Customer Services, First Stop, Civic Centre
- Revenues and Benefits, Civic Centre
- Transaction Centre, Civic Centre

3.4 Contextual Overview

In order to aid members of the task and finish group Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies gave a presentation which is attached as Appendix 2.

The presentation summarised the restructure process and explained the requirement for the restructure, the approach and process used to deliver the restructure, the effects of the restructure, changes implemented across the departments, future service delivery challenges and a future commitment to review the new structure.

4. KEY ISSUES ARISING FROM THE EVIDENCE

The task and finish group was presented with various forms of evidence and the key issues outlined are presented as follows:

4.1 Trade Union Representative Evidence

In attendance at the task and finish group to provide trade union evidence were Diana Beal, representing Unite, Stuart Fegan, representing GMB and Darren Turner, representing Unison. The Trade Unions were very supportive of the process and the requirement to undertake the restructure. Key issues that were raised included –

- (a) unions were involved throughout the process, however, it was considered that union involvement at an earlier stage would have assisted staff in dealing with the difficult restructure process;
- (b) there was a lack of a clear plan on future service delivery throughout the restructure, which had caused staff to feel anxious about the process and insecure about how their role would fit into the new structure;
- (c) staff did not receive enough support throughout the process, particularly given the risk to a reduction in salaries;
- (d) Understand that large numbers of staff had received feedback, however there were unsuccessful applicants had yet to receive interview feedback;
- (e) staff who had been demoted following the restructure were now having to work increased hours to cope with the reduction in salary. This had had a negative impact on work life balance which had also been adversely effected by the reduction in flexible working patterns i.e. limiting teams of ten to just one term time worker;
- (f) role profiles and grading of jobs had been inconsistent particularly with the positions graded at a D and an E. It was considered by many that staff appointed to a grade E were less experienced than staff appointed to a grade D and this had caused friction and conflict between colleagues;
- (g) the restructure had decommissioned the training team, which had led to increased inconsistencies in service delivery and increased friction between staff as knowledge and advice had regularly been sought from staff appointed to lower grades;
- (h) staff engagement workshops had ceased and the work carried out in the initial workshops had not been completed;
- (i) the restructure was still in its early stages and in order to have a full picture of staff morale and service delivery a further review should be conducted later in the year;
- (j) there was currently too much overtime being offered to staff.

4.2 Human Resources Representative Evidence

In attendance at the task and finish group to provide human resources evidence was Di Saunders-Brewer, Senior Human Resources Advisor. The key issues that were raised included –

- (a) the recruitment in the restructure had focussed on management and leadership qualities in an attempt to achieve better management;
- (b) the service area had high levels of sickness and this was being tackled through a corporate drive to improve staff sickness;
- (c) There was a disproportionate level of part time and Term time workers across the departments which hindered effective service delivery;

- (d) unions had been comprehensively involved in the restructure and it was believed that good working relationships had been fostered between the three unions and Plymouth City Council throughout the process;
- (e) interview feedback had yet to be provided to eight unsuccessful applicants and this had been delayed due to changes in the service that required immediate action. This was disappointing and feedback would be provided in the next couple of weeks.

4.3 Site Visit Observations

The task and finish group were invited to conduct observations by form of site visits to the all of the service areas in question. The key issues observed during these site visits included –

- (1) Customer Services - Ballard House
 - (a) customer services was delivered from two different sites, Ballard House and the Civic Centre, which caused significant staffing and management difficulties;
 - (b) there were currently no grade A posts in the structure, although it was hoped that three apprentices on a grade A would be appointed within the next four weeks;
 - (c) at present all 19 grade B posts were occupied by agency staff, although 50 per cent would be advertised and appointed to in the near future;
 - (d) a new improved IT system, Microsoft Dynamics, would be installed on 1 April 2012 and this would improve service delivery as current IT systems were believed to be inadequate;
 - (e) the service had a high number of abandoned calls, in total 80 on the day of the site visit with a maximum call waiting time of 21 minutes, in the Adult Social Care / Proof of Concept Teams.
- (2) Customer Services - First Stop, Civic Centre
 - (a) an open plan office would improve service delivery and this would hopefully be addressed as part of the Accommodation Strategy;
 - (b) staff uniforms had been ordered;
 - (c) the restructure had relocated a number of previous customer services staff into the Revenues and Benefits Service ensuring that the current customer service team, across both locations, had relative inexperience.
- (3) Revenues and Benefits – Civic Centre
 - (a) legislative changes such as the implementation of the Welfare Reform Bill would impact the service severely and potentially increase the pressure on staff due to an increase in demand for services;
 - (b) other additional pressures that the service needed to cope with included the promotion of a Council Tax benefit take up campaign, changes to the administration of the Department for Work and Pensions (DWP) and increases in service

demands following changes to the Tax Credit system with the introduction of Phase two of the Automated Transfers to Local Authority Systems (ATLAS);

- (c) the service had a large backlog of claims which was being cleared by a group of purposely employed agency staff, the backlog had been reduced from 2600 to 1300 claims and it was hoped that the backlog would be completely cleared by the end of March 2012;
- (d) the service was operating a very long processing time for benefits claims, although there was a clear direction on how the service aspired to reduce processing times and improve its performance;
- (e) collection of Council Tax and National Non-Domestic Rates was in a strong position and staff who were experienced in this service were being trained to assist in processing benefit claims;
- (f) at present the service did not have the capacity to undertake reviews or interventions of benefit claims, however, it was hoped that risk based verification of claims would begin in the near future and this was hoped to enable staff to manage caseloads more effectively;
- (g) the service had no grade A posts or apprentices in its current structure;
- (h) the new structure had created jobs graded at both grade D and grade E, however, the job roles were not clearly defined and this had been a major cause of friction between staff and a large factor in the reason for low staff morale. In an attempt to clarify the job roles and increase staff morale the service had worked with the DWP to establish the level of responsibility and accountability for each post;
- (i) the removal of training provisions in the service had further increased the pressures and feelings of friction on experienced staff who were often asked to advise and train staff who were inexperienced and appointed at a higher grade;
- (j) the service employed one subsidy officer who had the responsibility of reviewing legislative changes that would affect the service, provide training resources and undertake quality assurance. This was considered to be too big a role for one individual and resources had been found, by removing three grade B posts, to create two new quality assurance officer posts for a temporary period;
- (k) staff training had been identified in the service recovery plan, which would cross train staff on other services in order to build experience;
- (l) IT systems were currently inadequate for service demands, although this would be improved on 1 April 2012 by the implementation of Microsoft Dynamics software;
- (m) sickness in the service was a major issue and investigations had been commissioned on six staff who had regularly been off sick;
- (n) the restructure had been a protracted experience for many staff and this as well as the use of the Voluntary Release Scheme (VRS), had led to an increase in sickness absence;

- (o) the service eagerly awaited the sickness figures for January as this was believed to give a true reflection of sickness levels within the service;
 - (p) in order to more effectively deal with vulnerable customers the service had created a visiting team where staff would visit clients at home.
- (4) Transaction Centre – Civic Centre
- (a) training provisions in the service required improving in order to develop staff knowledge and skills and reduce the pressures on experienced staff who were mentoring and training inexperienced and newly appointed staff;
 - (b) IT could be improved, in particular with the introduction of a purpose built scanning system;
 - (c) the level of on-line transactions was poor and this would be targeted in the future to ensure the public were aware of all paying in methods;
 - (d) 80 per cent of invoice payments were processed within 30 days which was below the service's performance indicator of 96 per cent;
 - (e) in total seven grade B posts were currently occupied by agency staff, although three of these posts would be appointed to in the near future;
 - (f) the service had been exploring the opportunity to expand and had identified the role of undertaking CIVICA legal functions up until the enforcement phase;
 - (g) staff morale in the service was very high.

4.4 Cabinet Member and Service Management Evidence

In attendance at the task and finish group to provide Cabinet Member and Service Management evidence was Councillor Ian Bowyer, Cabinet Member for Finance, Property and People, Councillor Richard Ball, Cabinet Member for Customer Services, Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies, Martine Collins, Revenues and Benefits Service Manager, Dave Saunders, Head of Customer Services and Tracey Tremlett, Transactional Centre Strategic Manager. The key issues that were raised included –

- (a) the restructure was a protracted process for all involved and all credit must go to the staff who had continued to deliver an effective service despite increased stress and pressure;
- (b) the restructure focussed on appointing staff with the right skills in an attempt to ensure management and leadership was of a high standard throughout the service and it was considered that the service now had an excellent team;
- (c) although the team was excellent the service employed too many agency staff which was an issue for service continuity and value for money;
- (d) all services were attempting to promote apprentices and five new apprentices had been appointed and would be starting work in the service within the next month;

- (e) the split between staff on a grade D and a grade E was a major concern to the service and clearly identified roles were necessary to improve morale throughout the Revenues and Benefits Service;
- (f) the Adult Social Care were aware of the difficulties within the Proof of Concept Team and this issue was being addressed by that department;
- (g) Customer Satisfaction in the service remained high.

5. FINDINGS

In reviewing the evidence and analysing all of the data provided the panel identified a number of points of concern which included:

5.1 Training

A common theme across all three departments was the absence of a structured and dedicated training resource to train, coach, mentor and develop staff that were either new to the department or new to a role. Also, there was a need to supplement the Benefit Subsidy Officer in interpreting and delivering legislation updates and monitoring quality assurance.

The group felt that the common feeling presented was that to foster an environment whereby experience and knowledge was embedded effectively a dedicated training resource was required.

5.2 Staff Morale

The interim staff survey results provided to the task and finish group were a cause of concern and were felt to be reflective of the feeling amongst staff in November 2011 when this was completed. The feeling of low staff morale was still prevalent in the Revenues and Benefits service although the overall consensus of the group, following visits to the other departments and witness statements, was that progress had been made in dealing with the issue of staff morale.

5.3 Recruitment to Vacancies

A consistent message from all tiers of management and colleagues was concern at the high number of agency staff employed at the lower grade bandings of B and C. Explanations were given that these posts were being held in readiness for potential re-deployees. It was identified by service management that the lack of stability at these grades had had a detrimental impact on performance and staff morale.

The group were satisfied that advertisement and appointing to 50 per cent of grade B and C posts occupied by agency staff and the appointment of five apprentices would significantly improve the performance of the service and staff morale.

5.4 Dress Code

The panel were impressed with the attitude and professionalism of Customer Facing staff, but were concerned that customers may struggle to differentiate between staff and customers in customer facing roles due to the absence of a dress code / uniform.

5.5 Location of Customer Services

The Panel were concerned that the locations of the Customer Services Team were spread across two strategic sites which provided a number of management difficulties.

5.6 Grade D/E Split

All the evidence identified the split between grade D and grade E staff as a source of low morale, conflict and friction.

5.7 Feedback Workshops

During the course of the restructure staff were offered the opportunity to attend workshops to give their views on future service delivery and service improvements. The feeling was that these workshops were still needed to follow through recommendations and suggestions from the initial workshops.

The feeling from the panel was that these workshops were vital to staff feeling fully engaged in the process and would be pivotal in allowing staff to move forward.

5.8 Poor Service performance

Performance across the service was an issue with particular concern identified in the level of abandoned calls in the Proof of Concept team, the continued high processing times for benefit claims and the high number of claims still in the backlog, and the low percentage of invoice payments processed within 30 days.

5.9 Flexible Working

Flexible working had been reduced across all teams which had limited the number of term time workers to only one per team. This was a concern as the group felt that this approach may lead to the loss of quality staff in the future who had gained a great deal of knowledge and experience.

5.10 Strategic Manager grading

The task and finish group identified through the service area structure charts that there was a clear and unfair disparity between the levels and responsibilities of the three strategic managers.

6. RECOMMENDATIONS

The task and finish group agreed that it is recommended that –

RI:	<p>Given the concerns identified with the call management in the Proof of Concept Team, the Health and Adult Social Care Overview and Scrutiny Panel add this issue to its work programme and request an update at a future meeting from the Cabinet Member for Health and Adult Social Care;</p> <p><i>(The high level of abandoned calls to the Adult Social Care team was a major safeguarding issue and one which should be addressed as a matter of urgency. The Overview and Scrutiny Management Board therefore supported Councillor McDonald's proposal that a recommendation regarding the installation of a dedicated phone line to enable customers to</i></p>
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	<i>ring directly through to Adult Social Care be added to the report arising from the Safeguarding Vulnerable Adults Task and Finish Group).</i>
R2:	A dedicated cross-department training resource be established to help deliver a service function that has a more effective and consistent role in dealing with training requirements, interpreting and dealing with legislation changes and monitoring quality assurance. It is believed that the training team will alleviate conflicts, friction and pressure between staff as well as ameliorate staff morale and assist a service which has suffered from poor performance levels;
R3:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies and Martine Collins, revenues & Benefits Manager to undertake a review of the role profiles for grade D and grade E posts and ensure that clear differentials are contained within the role profiles to bring clarity to the roles and alleviate confusion and friction between staff;
R4:	The Strategic Manager (Revenues and Benefits) role be re-evaluated through Job Evaluation process in an attempt to ensure fairness is established in the grading of strategic manager positions;
R5:	A single, central Customer Services location be developed as a part of the Corporate Accommodation Strategy to meet the needs of our customer base and allow for flexibility within disciplines;
R6:	An interim staff survey is conducted with all staff in May 2012, six months after the implementation of the new structure, and the results of which are shared with the Support Services Overview and Scrutiny Panel;
R7:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies to undertake a review of the use of the flexible working policy within the affected departments;
R8:	John-Paul Sanders, Assistant Director for Customer Services to review an extension to the Customer Services department operating hours to deal with general public enquiries between the hours of 8am and 8pm Monday to Friday and 8am – 5pm on a Saturday;
R9:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies to arrange the next stage of staff engagement workshops to follow through suggestions and recommendations raised by staff at the initial workshops;
R10:	Interview feedback is provided as a matter of urgency to all applicants unsuccessful or unsuccessful during the recruitment process;
R11:	Uniforms for customer facing staff at First Stop should be incorporated into the role as soon as practicable and that consideration should be given to all back office staff having to dress to an appropriate standard;
R12:	Mark Grimley Assistant Director for Human Resources and Organisational Development should give consideration to establishing a staff reward scheme which would improve staff morale and encourage staff to promote service improvement ideas that could develop future service delivery.

Appendix 1 – PID
Appendix 2 – Presentation