

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet
AUTHOR: Finance & Resources Director

9 June 2005

CAMBRIDGE OFFICE

Purpose

1. The purpose of this report is to inform Cabinet on the operation of the Cambridge Office since it opened in May 2004 and to seek Members' agreement to an alternative means of providing the service.

Effect on Corporate Objectives

2. Quality, Accessible Services	The Cambridge Office provides District residents with a place to access Council services that is convenient for them to use while they are in Cambridge.
Village Life	
Sustainability	
Partnership	The Council has entered into an agreement with Cambridge City Council for the Cambridge Office to be located in the same premises as the City Council's customer services team. The two customer service teams expected to develop their level of cooperation and assistance.

Background

3. The Cambridge Office was established as an integral part of and to meet one of the conditions attached to the planning consent for the Council's relocation to Cambourne, i.e. of providing an access point in Cambridge to the Council's services.

Considerations

Staffing

4. An analysis of the number of staff required at the Cambridge Office was made in November 2002 and updated in July 2003. The analysis indicated that the Cambridge Office would require four staff: one Customer Service Supervisor and three Customer Service Officers. The posts were advertised internally, as there was a need for the staff appointed to have a degree of familiarity with Council services from the outset.
5. From the recruitment and selection process, a Supervisor and two full time and one part time Officers were appointed. Unfortunately, the person appointed to the part time Officer post has since been seriously ill and has not yet been able to take up their appointment. The team has therefore been working at below their originally assessed resource needs for the whole period.
6. Staffing costs had been estimated at £109,700 in the first year, including oncosts and other staff related costs. Actual staffing costs were £82,000, a saving of £27,700.

Accommodation

7. The Council asked consultants to search for suitable accommodation for the Cambridge Office and a number were considered in the Regent Street/ St Andrews Street area of Cambridge. At the same time, it was hoped that the Cambridge Office might be able to be located within some existing Cambridge City Council premises and this eventually proved to be the case, at Mandela House, Regent Street.
8. The annual rental cost of previous Council premises at Station Road was £50,000, together with running costs of approximately £60,000. The potential cost of renting premises in the Regent Street/ St Andrews Street area of Cambridge was considered to be approximately £27,000 per annum, plus business rates and running costs.
9. The agreed cost of the City Council premises in the first year consisted of: annual rent £22,500; annual service charge £5,600 (both subject to inflation); and £5,000 to cover the capital costs to a maximum of £25,000 over five years, a total of £33,100. The Council's running costs related to the Cambridge Office are approximately £18,500. This represents savings of approximately £17,000 and £41,500 respectively for the rental and running costs elements.

Number of customers

10. An analysis of the expected number of customers to the Cambridge Office was made in November 2002 and updated in July 2003. The analysis suggested that there could be a total of 40 callers per day, requiring the following services:
 - Planning & Building Control – 13 callers per day
 - Housing & Homelessness – 12 callers per day
 - Benefits, Council Tax & Rent – 11 callers per day
 - Environmental Health – 4 callers per day
11. A record has been kept of the actual number of customers and the services that they required. Over the period 4 May 2004 to 1 April 2005, the Cambridge Office had 4,680 customers, an average of 20 per day, as follows:
 - Planning & Building Control – 1 caller per day
 - Housing & Homelessness – 5 callers per day
 - Benefits, Council Tax & Rent – 9 callers per day
 - Environmental Health – 0 callers per day
 - Other – 5 callers per day (e.g. Bus Passes, Electoral Registration, Payments, Miscellaneous and non-Council matters)(Graphs of the average number of customers per day and the average number of customers per day by service are shown in **Appendix A** and **Appendix B**.)
12. It should be remembered that, although the number of customers calling at the Cambridge Office is half of those anticipated, the staff are still fully occupied as they have workloads related to their previous service areas (e.g. Benefits and Planning), in addition to their customer services responsibilities.
13. The number of callers for Planning related matters might have been higher if the Development Services department had made copies of plans for public inspection available at the Cambridge Office. However, the Development Services Director was reluctant to ask applicants for further copies of plans over and above those presently supplied. So far, copies of plans have only been provided at the Cambridge Office for major developments, e.g. the proposed wind farm.

Cost

14. The average cost per customer of the Cambridge Office in 2004/05 amounted to £28.55.

15. The City Council provides a cashiering service to the Council from its Cashiers Office at Hobson House, St Andrews Street, a few yards along the road from the Cambridge Office. This cashiering service handled 5,003 transactions in 2004/05 on behalf of the Council, which cost the Council £3,078.63, as follows:

<i>Type of transaction</i>	<i>Number</i>	<i>Unit cost</i>	<i>Total</i>
Cash	2,365	£0.49	£1,158.85
Cheques	2,036	£0.47	£ 952.22
Bus and rail passes	612	£0.60	£ 367.20
Standing charge		£0.12	£ 600.36
Totals	5,003		£3,078.63

Options

16. The Resources & Staffing Portfolio Holder agreed at his meeting on 26 April 2005 that the Finance & Resources Director, together with other appropriate officers, examine alternative methods of delivering customer services from Cambridge city centre.
17. Possible options include:
- Continue with the present service, enhancing it (e.g. by the Development Services department making copies of plans available for public inspection at the Cambridge Office) and promoting it further to District residents and to staff, thereby increasing the number of customers and reducing the cost per customer. Examples of how this could be done are given in paragraph 19 below.
 - Close the office. However, the Council would then not be meeting one of its planning conditions. If the Council does not meet one of its own planning conditions, how can it enforce others to do so? (N.B. Should the Government enforce a cap on the Council's council tax for 2005/06 at the level they propose, the closure of the Cambridge Office would need to be considered alongside other options for identifying the required savings.)
 - Enter into an arrangement with the City Council regarding their provision of a service for both Councils. This would be another example of the Council working in partnership.
18. The opening of the Cambridge Office was publicised and it has since been featured in South Cambs Magazine. Even so, over a year on from opening, the Cambridge Office is still receiving customers who say they have only just found out about it. Examples of how the Cambridge Office could be promoted further to District residents and staff include:
- Advertising in the Cambridge Evening News and other local newspapers;
 - Advertising on local radio;
 - Advertising in local village magazines (the Cambridge Office staff had already contacted some village magazines about doing this and had heard back from some);
 - Mentioning availability in all relevant Council correspondence and documents;
 - Mentioning availability in staff corporate induction.
19. The City Council's customer service desk and Mandela House only deals with Revenues matters (Council tax and Benefits). City Council customers for other services have to go to different locations:
- Housing, Homelessness and Rents - Hobson House;
 - Environmental Health - first floor Mandela House;
 - Taxi licences - Mill Road;
 - Planning, Building Control, Electoral Registration and other services - the Guildhall.
- However, with computer links to the Council's services and telephone and video conferencing links to the Cambourne HQ staff, together with the availability of all relevant

literature, the City Council taking on the services of the Cambridge Office could still be seen as a 'one-stop-shop' provision.

20. The Finance & Resources Director has discussed with Cambridge City Council's Finance Director, the potential charging and staffing arrangements for the City Council providing the service. The City Council is reviewing its capacity for taking on the service and the charge it would seek for it. The City Council have indicated that the charge could be the equivalent of the cost of one post, depending on agreement regarding the level of service required.
21. The provision of the services by Cambridge City Council does constitute a TUPE transfer; however, this can be mitigated by identifying suitable alternative employment for the staff within this Council.
22. There are currently 3 posts vacant in the Finance & Resources Department, 2 Housing Benefits Assessors and one Revenues Assistant. It was considered that it would not be sensible for the Council to continue to recruit to these posts while at the same time Cabinet could decide to ask the City Council to provide the service, potentially making Cambridge Office staff redundant. The Council should take the opportunity of considering the Cambridge Office staff for these posts, especially as two of the staff have direct relevant experience and a third has some experience from the customer service role. The skills set on the person specification for these vacancies closely matches the Cambridge Office staff skills set. The recruitment process for these vacancies has therefore been frozen to allow the Cambridge Office staff to apply for the positions, pending Cabinet's decision. If they choose to apply for the posts then they will be given priority at interview. If they are successful, their salaries would be protected for a period of three years.
23. There may also be opportunities in other departments which could be considered as suitable alternative employment for the staff. This might involve the creation of a post in the department concerned; if so, this could be financed by virement from the Cambridge Office budget.
24. If Cabinet decide to ask the City Council to provide the service, the Cambridge Office staff would then be notified that they were under notice of redundancy and they would be included in the redeployment pool and guaranteed an interview for any suitable job they apply for.

Financial Implications

25. The financial implications of the possible options are described below and summarised in the following table:
 - Continue with the present service:
 - no change to costs apart from inflation, increments etc;
 - Close the office:
 - immediate payment of the balance of the outstanding capital amount to the City Council and potential redundancy costs, the amount depending on the effective date; and
 - no ongoing costs;
 - Service provided by the City Council:
 - immediate payment of the balance of the outstanding capital amount to the City Council and potential redundancy costs, the amount depending on the effective date; and
 - ongoing cost of City Council provision.
26. The basic financial implications are summarised in the following table:

	<i>Continue</i>	<i>Close</i>	<i>City Council</i>
Immediate one off			

costs			
- redundancy	none	£27,500 *	£27,500 *
- capital	none	£20,000	£20,000
	£0	£47,500	£47,500
Ongoing costs			
- rental	£33,100	none	none
- staffing	£82,000	none	none
- running costs	£18,500	none	£30,000 **
	£133,600	£0	£30,000
Cost to the Council over remainder of the initial five year period	£534,400	£47,500	£167,500

* Potential costs; this figure would increase with the April 2005 increments and the pay award.

** Subject to confirmation and level of service required.

27. The option with the least cost to the Council over the remainder of the initial five year period is to close the Cambridge Office, but this would have adverse accessibility to services and planning implications.
28. As mentioned in paragraph 20 above, indications are that the City Council's charge for providing the service would be less than our existing costs for continuing the present service over the remainder of the initial five year period, in which case this would be the preferred option.
29. For the option of obtaining the service from the City Council, the issues of computer links to our services and telephone links to our Cambourne HQ staff would need to be resolved and there may be some costs associated with these.
30. If the Cambridge Office staff had relocated to Cambourne in May 2004, they would each have been eligible for the additional mileage supplement. This would therefore need to be paid in the light of their relocation to Cambourne. The additional cost would be £2,000 p.a.

Legal Implications

31. The lease with the City Council includes the provision for early determination of the lease, subject to the payment of the outstanding capital costs.
32. There is a possibility of challenge by Cambridge Office staff if they consider that the posts offered are not suitable alternative employment.

Staffing Implications

33. Obtaining the service from the City Council would have training implications, both for the City Council staff who would need to be trained and for our staff who would have to provide or coordinate the training.
34. Redeploying the staff as outlined above would mean that: (a) Benefits posts are filled, enabling that division to deliver its full service; (b) another department would benefit from staff resource being made available; and (c) the Cambridge Office staff would not be at risk of redundancy.

Risk Management Implications

35. If the Council keeps the Cambridge Office open, it risks running a service that is taking funding away from front line services and of being criticised of providing a point of access to services that is expensive to its taxpayers, in spite of this being a condition of planning consent.
36. If the Council closes the Cambridge Office, it risks being criticised of failing to comply with one of its own conditions of planning consent, which could have implications for other enforcement cases, and of failing to provide a sufficient range of access to its services.

Consultations

37. HR, Unison and the Cambridge Office staff have been consulted regarding the possible changes to the way the service is provided. The Cambridge Office staff consider that the City Council would not be able to provide the same level of customer service and they have suggested a range of ways in which the Cambridge Office could be enhanced and promoted further to District residents and staff.

Conclusions/Summary

38. The choice is between:
 - retaining the present service, enhancing and promoting it further; and
 - transferring the service to the City Council.

Recommendations

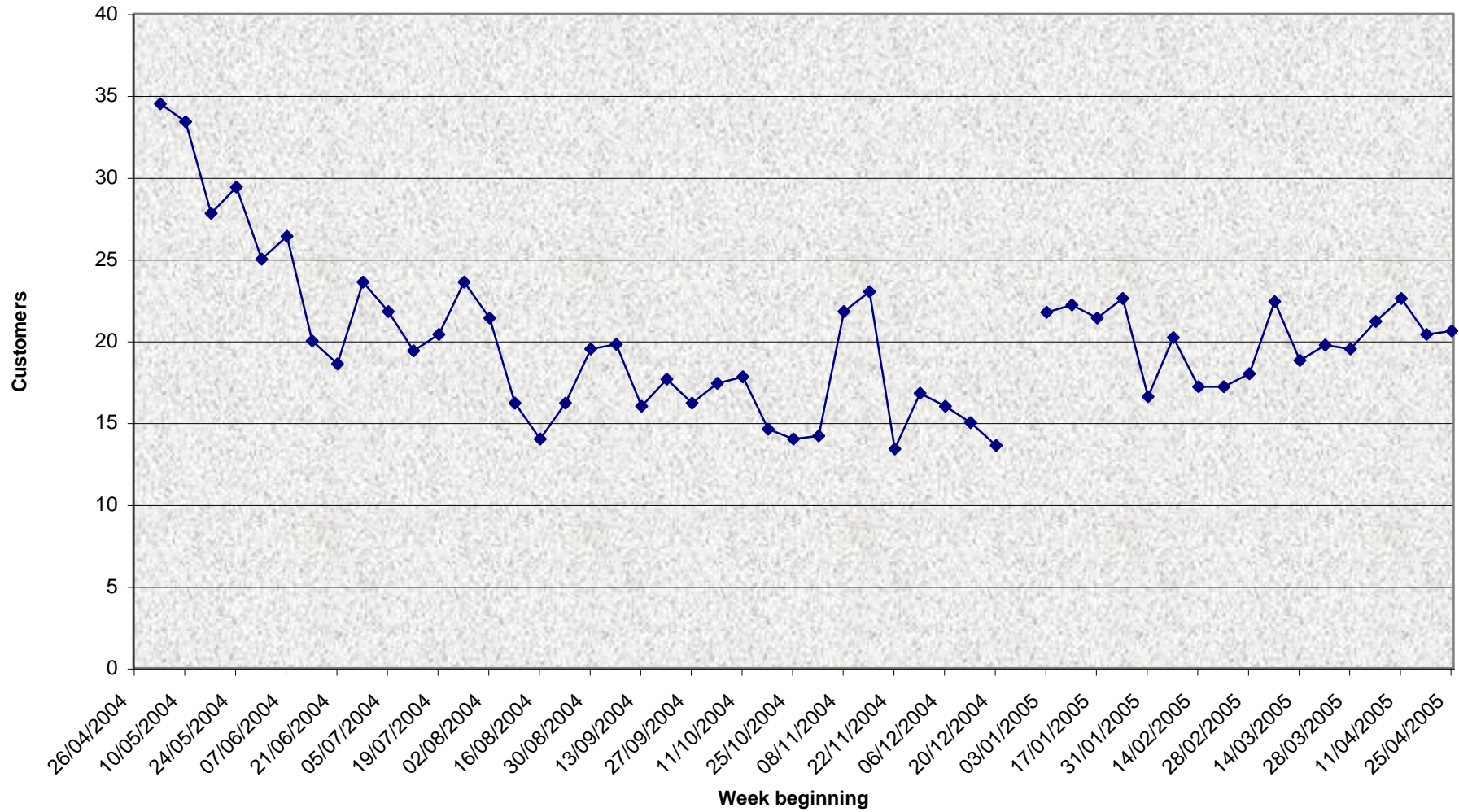
39. Cabinet is recommended to:
 - (a) ask Cambridge City Council to provide the Cambridge based customer service facility, transferring the Cambridge Office staff back to appropriate departments at the Cambourne HQ; and
 - (b) give delegated authority to the Leader and Resources and Staffing Portfolio Holder to deal with any associated staffing matters, including redundancies and the transfer/establishment of posts as necessary.

Background Papers: the following background papers were used in the preparation of this report:

Minutes of the NOW Group meetings of 15 December 2003 and 13 January 2004
Revenue Estimates 2004/05
Cambridge Office assessment of customer numbers and staffing requirements
Analysis of customers from 3 May 2004 to 1 April 2005

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AVERAGE NUMBER OF CUSTOMERS PER DAY



AVERAGE NUMBER OF CUSTOMERS PER DAY BY SERVICE

