



To: Finance and Corporate Services Scrutiny Board (1) Date: 15 December 2014

Subject: Customer Services Centre

1 Purpose of the Note

- 1.1 To provide an update to SB1 on the progress with the Customer Services Centre (CSC) aspect of the wider Customer Journey programme. To detail the changes to the business case assumptions that have been made and approved through the period 6 budgetary control report considered by Cabinet on the 4 November and subsequently Full Council on 11 November 2014.

2 Recommendations

- 2.1 Members of the Board are recommended to:
- a) Note the content of the briefing note.
 - b) Identify any recommendations for the relevant Cabinet Member.

3 Information/Background

- 3.1 The CSC is one aspect of the Council's wider kickstart programme to kickstart the Friargate business district. In June 2013, Full Council approved a set of plans to stimulate new jobs and the local economy by the Council starting the development of a new office based business district at Friargate, next to Coventry Railway Station which has the potential to generate 13,400 permanent jobs over the next 10-15 years and significant business rate growth which the Council has new powers to retain locally under business rate reforms. The Council is delivering infrastructure changes to the ring road and will be the first occupier at Friargate giving confidence to others to locate there. By investing in a new building at Friargate, it will allow the Council to transform the city centre, transform the way it delivers services to the public and make savings as part of a package of changes.
- 3.2 The changes, including the CSC, were consolidated into a single business case, which dealt with the capital investment required, the property related savings (through substantial property rationalisation - running costs including energy, cleaning, repairs etc) and an assumed initial headcount reduction of 70 Fte. The business case indicated that the Kickstart programme would generate ongoing net revenue savings of £0.5m pa – capital investment being made by the Council is being done on an invest to save basis.
- 3.3 The strategy and vision for Customer Services supports a shift away from the traditional model of face to face services for all customers towards more self-service. The CSC will provide for the first time a modern and efficient city centre based environment for our customers. The remodelled building over floors 1 and 2 of the Council owned Broadgate House, plus the shop on the ground floor, will include a variety of self service facilities to

encourage customers to interact with us in different ways, which is an important part of the Council being able to focus diminishing resources and face to face support on the most vulnerable in the City.

- 3.4 The changes will bring together into one place improved conferencing facilities for customers attending safeguarding and youth offending appointments, the Council's currently disparate city centre based customer facing reception points (including housing benefits, council tax, planning and social care) and the contact centre.
- 3.5 This paper provides details on the capital implications of the new Customer Services Centre (CSC) to be located at Broadgate House (BGH), due to open in September 2015, highlighting changes from the original business case. A full CSC feasibility study has now been completed, and a revised and much improved scheme has been developed, which recognises the importance of using this one-off opportunity to provide the best possible facilities for the Council's customers.

4 Customer Services Centre – Capital Investment

- 4.1 The CSC spanning floors 1 and 2 of Broadgate House and the ground floor shop, is a key part of the Council's wider customer transformation and property rationalisation plans which will secure existing £0.5m a year savings targets within the abc programme and further proposed savings of £5m a year that will be set out as part of the forthcoming Pre-Budget Report associated with the Kickstart programme which includes Customer Journey.
- 4.2 The original business case was approved in June 2013 as part of the changes to kickstart the Friargate business district, to transform the Council and deliver savings. An early capital estimate of £1m was included in the one off capital cost of £59m for the overall programme, all of which is financed and delivers ongoing revenue savings.
- 4.3 The £1m business case allowance set aside for the scheme was assumed to cover a light-touch refurbishment to floor 1 owing to the current open-plan arrangement, and a redecoration to floor 2 to create a series of conference / meeting rooms using the existing layout based on industry benchmark costs. It also included modifications only to the existing means of access. All works associated with asbestos, structural alterations and planning restrictions were unknown as the intrusive surveys and investigations were yet to be carried out on site (almost impossible to conduct within 'live' office environments). Finance and budgetary risk has always been recognised on the programme, reported and actively mitigated where possible.
- 4.4 A detailed design brief and feasibility has been developed since the Customer Journey programme was launched in January 2014, this has identified the nature and scale of the services that will operate out of the building and the layouts required. Design development with architects and cost consultants and engagement with all key stakeholders has provided a fuller picture of the scale of the required works and the cost to deliver the revised and enhanced scheme has been refined and is estimated to be £3m.
- 4.5 There was no inclusion within the original business case for costs associated with creating a new entrance as it was assumed the Broadgate Square Ramp could provide a compliant route in to the building. Following a number of surveys and investigations it has been subsequently determined that this is not the case and the feasibility report proposes as a solution the provision of a new lift and stair access from Unit 3, The Precinct to the first and second floors of Broadgate House.
- 4.6 The second floor of Broadgate House is now proposed to have significant remodelling and refurbishment in order to accommodate the Council's customer contact requirements.
- 4.7 Higher than expected construction inflation has also contributed to the increase in estimated costs.

- 4.8 Refurbishment projects are inherently more difficult to deliver and cost for compared with new build projects, given the need to work with the challenges of the existing building and unknown full extent of the required works. Planning and technical requirements in this case have contributed to the scheme enhancements necessary.
- 4.9 This one off additional capital investment will be funded from any underspend in this year's revenue and capital programmes and if necessary a contribution from reserves, which was approved as part of the Council Report on 11 November. It will enable the Council to continue with its plans to transform the customer experience and to deliver on-going substantial revenue savings as part of the Kickstart business case.

5 Engagement and Consultation with Services and Customers in arriving at the Plans for the CSC

- 5.1 The development of a full feasibility study involved detailed stages of planning to ensure that the building's layout is fit for purpose for customer access and the delivery of Council services.
- 5.2 Several services will use the CSC as their main or sole location for meeting with customers. These services, highlighted in point 3.4 above, have been involved in the development of the plans to ensure that their key requirements are included. Further sessions will be held with these services in early 2015 to ensure that processes and practices can be devised well in advance of the centre opening in September 2015.
- 5.3 All staff across the Council had the opportunity to attend a series of Kickstart: One Year On events from July to September 2014. Plans for the CSC were shared at these sessions and staff provided feedback which was incorporated where possible.
- 5.4 The plans have been developed in a series of stages. At all of these stages plans have been shared with customers at existing reception points within the city centre. Staff talked through the context for opening the CSC and customers have provided feedback about colours, layout and accessibility, privacy levels and opening hours, including a preference for appointments.
- 5.5 An appointment trial is underway in Spire House reception for Housing Benefits customers. The Insight team is supporting with the analysis of the feedback gathered. This analysis will inform improvements to the process for customers within Housing Benefits and the roll-out of appointments to other services prior to their transfer to the CSC in September 2015.
- 5.6 Further engagement is on-going with partnership groups within the City. Existing customers will be invited to take part in Customer Satisfaction surveys from 2015, these provide a further opportunity to engage and consult on working practices within the CSC from September 2015. The CSC is one part of a suite of changes to radically remodel the way that the Council delivers Customer Services within the City.

6 Next Steps

- 6.1 The procurement process to appoint a main contractor is now underway and the delivery team are working to attract local supplier interest. The tender award will be 100% cost driven as each shortlisted supplier from the pre-qualification stage will have met the Council's qualitative requirements. The appointment will be made subject to standard financial checks and references.
- 6.2 Timescales for the main contractor appointment are as detailed below:

PQQ return date 7th November 2014

Invitation to tender (ITT) release	5 th January 2015
Contract award (estimate)	13 th February 2015
Commencement of the contract (estimate)	6 th March 2015

- 6.3 All parties to the contract will be appointed under a 'partnering' ethos to ensure collaborative working from the outset. This method of procurement is utilised on the majority of the large projects and has proved to generate exceptional schemes whilst demonstrating best practice and value for money for the Council.
- 6.4 The proposed Conditions for the appointment of the Contractor will be a single stage competitive tender based on the current JCT Standard Form of Building Contract with Quantities.
- 6.5 The PQQ will be used to review prospective contractor's examples and experience in generating employment and training opportunities for disadvantaged or local people, for example training, apprenticeships and subsequent employment opportunities.
- 6.6 The PQQ will be used to review prospective contractor's examples and experience of promoting accessible and diverse supply chain / sub-contractor opportunities, including fair and equal access for SMEs and local suppliers.

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