

Agenda Item No:	10	
Committee:	Cabinet	
Date:	21/02/19	
Report Title:	Comprehensive Spending Review (CSR) – Customer Services Review March and Wisbech	

## **1 Cover sheet:**

### **11 Purpose / Summary**

To consider the options in relation to the relocation of the One Stop Shops in March and Wisbech when the current Shop leases expire.

### **12 Key issues**

- Since the opening of the one stop shops in 2004 there has been a dramatic fall in usage to 19% of the original footfall levels.
- In tandem with that period electronic access to services had significantly increased.
- Face to face transaction costs of £8.78 compares with a web transaction cost of £0.06.
- The Council currently occupies commercial shop facilities in March and Wisbech, both shop leases expire on 15/07/19 (March) and 26/09/19 (Wisbech).
- Potential savings of £100k per annum from 2018-19 onwards were identified as part of the Comprehensive Spending Review (CSR1) project for Customer Services.
- The CSR savings are achievable through the streamlining of our assets whilst mitigating against any diminution of service provision. This replicates the successful approach the Council took when the shop leases expired in Chatteris and Whittlesey and Community Hubs were created in the associated libraries.
- This report identifies the options available for the relocation of the service in March and Wisbech and the benefits and disbenefits associated with those options.

### **13 Recommendations**

- Cabinet is asked to consider the options in relation to the future locations of the One Stop Shops in March and Wisbech following the expiry of the current leases.
- Approve the implementation of the preferred option in relation to the future location of the March One Stop Shop
- Approve the implementation of the preferred option in relation to the future location of the Wisbech One Stop Shop
- Delegate approval of the delivery of the preferred option(s) to the Corporate Director and Chief Finance Officer in consultation with the Portfolio Holder for Finance

<b>Wards Affected</b>	March and Wisbech
<b>Forward Plan Reference</b>	
<b>Portfolio Holder(s)</b>	Councillor Anne Hay Portfolio Holder for Finance
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<b>Background Paper(s)</b>	

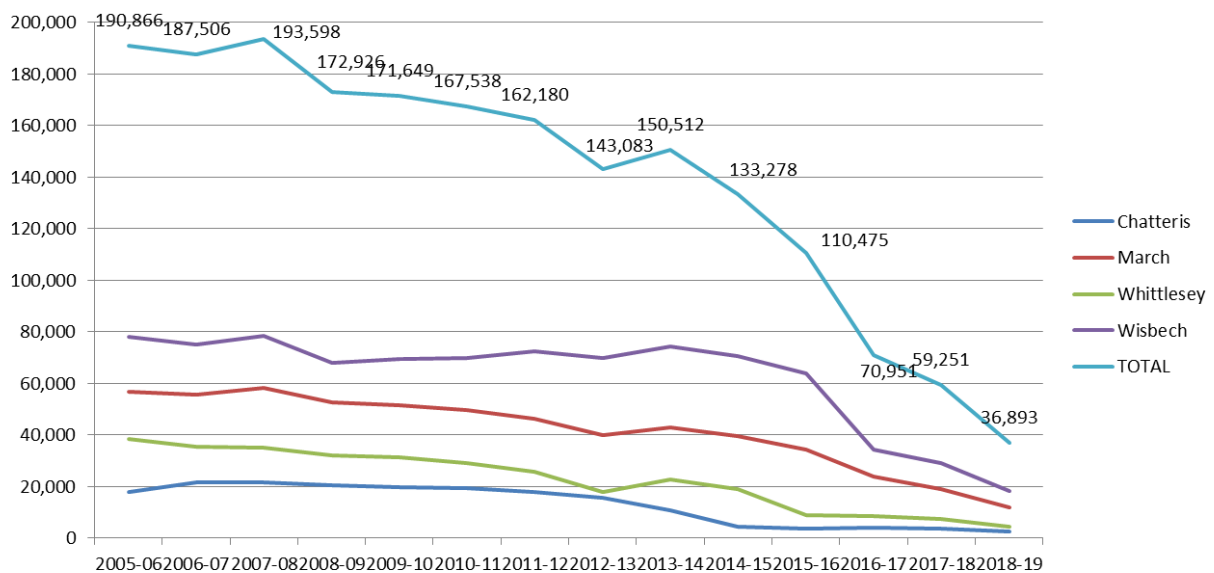
## Background / introduction

2.1 The One Stop Shops first opened in 2004 with a 15 year lease on the buildings in March and Wisbech

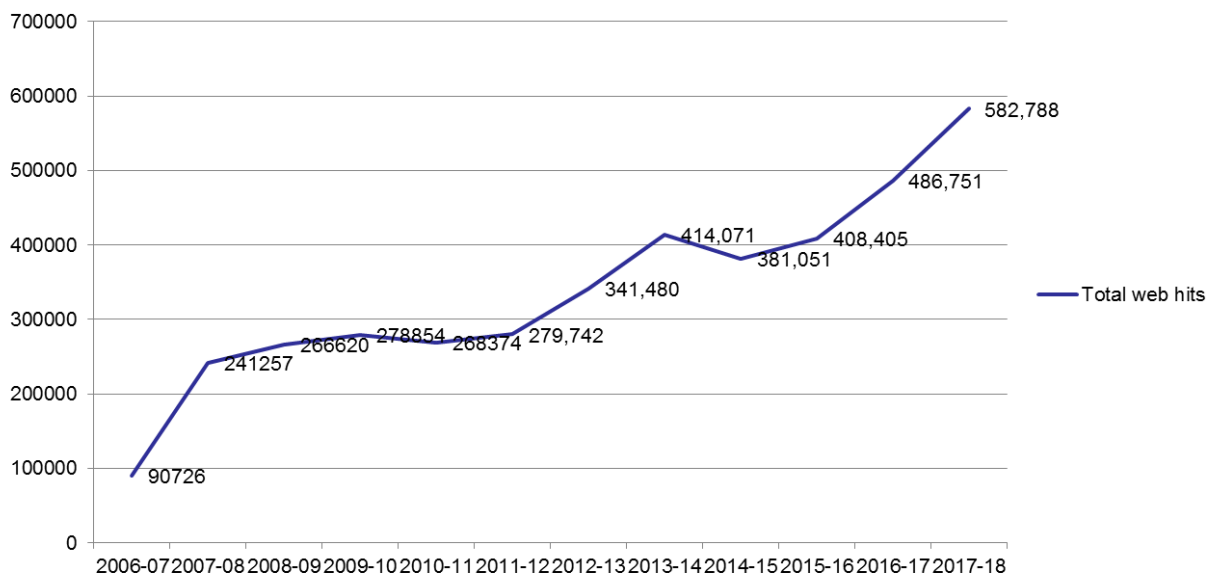
2.2 Since that time how and when our customers present to us has changed significantly with total shop footfall levels reducing to 19% of those in 2014 as shown on the graph below. This includes the cessation of front facing services for Roddons.

2.3 Phone calls have also reducing significantly. The costs per face to face transaction have risen from £6.39 in 2013/14 to £8.78 in 2017/18 due in the main to a lower customer base. This compares with an increasing take up of electronic self-serve options via the web site with web hits increasing by 642% (as shown in graph below) in the same period with the average web transaction costing 6p.

**Hubs and Shops - annual customer footfall**



**Total Web Hits**



- 2.4 Potential savings of £100k per annum from 2018-19 onwards were identified as part of the CSR project for Customer Services, proposing to move our March and Wisbech Fenland @ your service Shops. Those savings figures were based on the assumption that the One Stop Shops would relocate to the March and Wisbech Libraries to reflect the Community Hub approach which has been successfully implemented in Chatteris and Whittlesey.
- 2.5 Subsequent to the initial CSR1 discussions and assumed relocation of the One Stop Shops to the local libraries, consideration has been given to whether the One Stop Shops could be relocated to existing FDC premises in order to achieve further savings whilst minimising any diminution of service provision.
- 2.6 At an All Member Seminar on the 31 January 2019 Officers were directed by Members to explore the possibility of extending the existing leases at both March & Wisbech, requesting that Officers sought an extension based upon the 'lowest cost and the shortest term'. Officers have been able to speak to both Landlords and have determined that for March and Wisbech there is a willingness to offer new shorter term leases with options to break after 12 months.
- 2.7 As such propositions are commercially sensitive and subject to contract. Appendix A contains further information regarding the discussions with the Landlords however due to the commercial sensitivity the appendix is deemed Confidential as it comprises exempt information which is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended). Officers understand that for the premises in March the Landlord is prepared to consider a lower rent, provided that all of the external remedial works to the premises are undertaken by the end of September 2019 and for Wisbech the Landlord anticipates a slightly increased rent to reflect the requested flexibility.

### **3 The March Shop**

- 3.1 The Council currently occupies 8 Broad Street, March on a lease taken out on 16/7/04 that expires on 15/7/19.
- 3.2 The premises were taken on by the Council as a ground floor shop and 2 residential flats on the first floor. Prior to the opening of the One Stop Shop, the first floor was converted into offices by FDC. The lease requires that the premises are returned to their original condition and at a recent meeting with the Landlord it was confirmed that they would expect the Council to honour the lease commitments prior to the lease coming to an end.
- 3.3 Discussions have taken place with the Planning Team regarding the conversion of the first floor offices back to residential units. There were initial concerns about the ability to establish a compliant means of escape for the two residential units, however discussions have identified a compliant option and therefore the works can proceed in accordance with the lease commitments.
- 3.4 The work to return the March One Stop Shop building to its original state are required to be completed prior to the expiry of the lease in July 2019. The building has become 'tired' in its general condition and therefore the works required to return it to its former state are extensive.
- 3.5 The services of a local surveyor have been commissioned in order to provide us with a dilapidations survey and an informed opinion regarding the extent of the works required to

return the building to its original condition, together with the likely completion timescales and associated costs.

3.6 The surveyor has subsequently confirmed that the building works associated with the March One Stop Shop plus professional fees are likely to be in the region of £162,000 (subject to a fully costed tender) and have estimated a twelve to sixteen week programme. Due to the extent of the building works it will not be possible for the @ Your Service shop to be open during this time and therefore the Customer Services Team will have to move out in advance of the building works commencing.

3.7 We are planning for the Customer Services Team to move out of the March One Stop Shop early March 2019 so that the service can be operational in the preferred new location prior to mid-March when Council tax bills are sent out to residents, as this represents the peak in demand for the service.

### **Option 1 Relocation of the March One Stop Shop to March Library**

3.8 With regards the library at March, some works would be required to make it suitable for purpose. This would include extending the existing reception counter, allowing 2 members of Fenland staff to sit alongside Cambridgeshire County Council (CCC) colleagues and provide customer service using an “assisted digital” model, whereby they assist customers to complete on-line forms and answer more complex enquiries about our services, a third member of the Customer Services Team would be required to support breaks. In addition, 2 FDC kiosks will be installed within the Library to promote the self-serve model as well as one self-serve payment machine.

3.9 The operational hours of the Library and the One Stop Shop are not aligned, there will be times when the library is operational and the One Stop Shop is not and vice versa. The number of hours of operation will remain the same but the One Stop Shop would open half an hour later and close half an hour later than currently so that the time both facilities open in the morning would be the same, this would enable cashing up of the payment machines to be undertaken when the building is not open for either service.

3.10 There is no space available for staff to be located in the back office to answer telephone calls; they would be relocated to the Contact Centre at Fenland Hall and provision for this has already been made within the Accommodation Review, which took place during 2018. There is a room in the library that could be used for private interviews if booked in advance.

3.11 Other FDC staff that use the March Shop as a ‘drop down’ would need to be accommodated at Fenland Hall or The Base at Melbourne Avenue; again, space for this has already been identified as part of the Accommodation Review.

**3.12 Net revenue savings associated with this option are £51,699 per annum.**

### **Option 2 Relocation of March One Stop Shop to Fenland Hall**

3.13 The main reception area of Fenland Hall could be further utilised as the location for the relocated March One Stop Shop. Two Customer Services Advisors could be located within the

main reception area. Self-serve kiosks are already in place and there is sufficient space to install the payment machine.

3.14 This option would enable greater resilience within the Customer Services Team as staff within the contact centre could be deployed to the One Stop Shop area should demand require it and vice versa. Confidential meeting spaces for more sensitive customer enquiries can be accommodated by the erection of sectional meeting rooms.

**3.15 Net revenue savings associated with this option are £67,321 per annum.**

### **Benefits/ Dis-benefits**

3.16 Relocation to the March library enables the Customer Services Team to maintain a town centre location which is well utilised by local residents and represents the least amount of change.

3.17 There are remedial works which are required in the Library in order to make the accommodation fit for our use in addition to an annual rental fee.

3.18 The One Stop Shop and the library share many of the same customers and therefore enabling customers to access services in one location has proven to be successful when this approach has been adopted in Chatteris and Whittlesey.

3.19 Relocation of the March One Stop Shop to Fenland Hall will enable us to achieve greater savings as there will not be any associated rent liability, but it would require initial remedial works.

3.20 Fenland Hall does not represent a town centre location and therefore this option represents the greatest amount of change from the existing service delivery location.

3.20 Fenland Hall, although not centrally located, is within 10 minutes' walk of the town centre and does have parking facilities as well as being located on a local bus route from the town centre.

3.21 As part of the options analysis, engagement with March Town Council has taken place. The Town Council indicated by a majority that their preference would be for the March One Stop Shop to relocate to March Library. However a number of members of March Town Council supported the move to Fenland Hall.

## **4 The Wisbech Shop**

4.1 The Council currently occupies 2-3 Bridge Street, Wisbech on a lease taken out on 27/9/04 that expires on 26/9/19.

- 4.2 As with the March One Stop Shop, the lease requires that the premises are returned to their original condition upon expiry. Discussions with the landlord have confirmed that they would expect the Council to honour these lease commitments. In contrast to March, FDC have undertaken relatively modest internal 'fit out' works to the Wisbech One Stop Shop and therefore any remedial works are likely to be minimal requiring a few weeks redecoration work rather than any structural changes.
- 4.3 It is estimated (without a formal dilapidations survey - yet being commissioned) that it would cost in the region of £25k to "make good" the Shop and return it to a lettable condition in accordance with the lease obligations. It is suggested that in order to carry out the remedial works prior to the end of the lease that the One Stop Shop staff would be required to move out by late July/ mid-August 2019.

### **Option 1 Relocation of the Wisbech One Stop Shop to Wisbech Library**

- 4.4 At Wisbech library, an area of the ground floor has been identified as being available and suitable for use by FDC. We have also successfully identified space for the two payment machines as they are heavily utilised but building work will be required in order to achieve this.
- 4.5 Work would be carried out to extend the existing reception counter, allowing 2 members of Fenland staff to sit alongside CCC colleagues and provide customer service using an "assisted digital" model whereby they assist customers to complete on-line forms and answer more complex enquiries about our services. There would also be space to create a confidential meeting room in order to handle more sensitive customer queries.
- 4.6 We have also identified space to accommodate 5 FDC kiosks to support self service delivery. The space on the ground floor is also sufficient for two further FDC staff to support customers utilising an assisted digital model. The staffing model reflects the as is staffing at the existing One Stop Shop. The physical works required to accommodate the One Stop Shop into the library would need to be completed by mid-June in order to avoid creating any disruption during the busy School summer holiday period between mid-June and September.
- 4.7 There is no space available for staff to be located in the back office to answer telephone calls; they would be relocated to the Contact Centre at Fenland Hall and provision for this has been made within the Accommodation Review. FDC staff that currently utilise the 'drop down' facility within the One Stop Shop would also have to be accommodated elsewhere, possibly at the Boathouse.
- 4.8 The operational hours of the Library and the One Stop Shop are not aligned, there will be times when the library is operational and the One Stop Shop is not and vice versa. The number of hours of operation will remain the same but the One Stop Shop would open half an hour later and close half an hour later than currently so that the time both facilities open in the morning would be the same, this would enable cashing up of the payment machines to be undertaken when the building is not open for either service.
- 4.9 On the days that FDC is operational but the Library is not the Library would leave its own self service till operational. On other days when Library staff are operational and FDC Customer Services Staff are not we would leave the self-service payment machine out of service to prevent any issues in our absence.
- 4.10 **Net revenue savings associated with this option are £45,890 per annum.**

## **Option 2 Relocation of Wisbech One Stop Shop to the Boathouse**

- 4.11 The café at the front of the Boathouse is currently vacant and in spite of three previous tenants letting the space, none have been able to successfully sustain the venture to create a viable concern. It was suggested that this space should be considered as an option for the One Stop Shop following the expiry of the current lease in September 2019.
- 4.12 As a minimum we require four Customer Services staff to be available to local residents at any one time this includes the provision of the Migrant Population Advisor. The proposed staffing model reflects the existing staffing arrangements at the One Stop Shop. In addition we require 5 kiosks for self-service and two payment machines. Whilst a detailed costing exercise has not been undertaken it is anticipated that making changes to the existing internal kitchen area will free up sufficient space for our requirements. The estimated capital costs associated with these works are anticipated to be in the region of £15k.
- 4.13 At present the café space is not producing any rental income and incurs some NNDR and standing charges. In the event that café is not a preferred option for the One Stop Shop relocation, the space will be offered to the market on an 'all enquiries' basis, which would effectively offer the premises, subject to planning for an alternative use. It is estimated that the potential loss of income from rental forgone would be in the region of £10k pa
- 4.14 Should option two be the preferred option the opening hours of the newly relocated One Stop Shop would reflect the existing opening hours and not those of the Boathouse main reception.
- 4.15 Net revenue savings associated with this option are £58,390 per annum.**

### **Benefits/ Dis-benefits**

- 4.16 The option to move into Wisbech Library would enable the Customer Services Team to maintain a town centre location which is well utilised by local residents and represents the least amount of change from a geographic location perspective.
- 4.17 There are significant remedial works which are required in the Library in order to make the accommodation fit for our use. These costs have yet to be defined but they are in the region of £20,000. In addition the annual rent is expected to be in the region of £15 - £20,000 pa.
- 4.18 The One Stop Shop and the library share many of the same customers and therefore enabling customers to access services in one location has proven to be successful when this approach has been adopted in Chatteris and Whittlesey.
- 4.19 Whilst not in a town centre location The Boathouse neighbours Waterlees Village Ward which represents one of the areas of greatest deprivation in the district and therefore this may prove more accessible to those most in need of our services.
- 4.20 In addition The Boathouse has car parking available which is often cited as an obstacle to the current town centre location. The café is also entirely self-contained with its own separate exit and WC's, meaning it can operate independent from the main Boathouse reception.



4.21 Whilst not centrally located The Boathouse is equidistant from the bus station as is the town centre.

4.22 Engagement with Wisbech Town Council is scheduled for 18 February and therefore it is not possible at the point of the report being published to identify the Town Council's preference in relation to the relocation of the Wisbech One Stop Shop. A verbal update will be available at the Cabinet meeting on 21 February.