

CABINET

Shared Services Programme – Oneconnect Limited 17 January 2012

Report of Chief Executive

PURPOSE OF REPORT			
To advise Cabinet on progress and proposals for shared services with Oneconnect Limited (OCL - the strategic partnership established between Lancashire County Council and BT) around Information Services and Customer Services			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
Referral from Officers	<input checked="" type="checkbox"/>		
Date Included in Forward Plan	N/A		
This report is public.			

OFFICER RECOMMENDATIONS:

- 1 That Cabinet considers the progress and proposals for shared services with OneConnect Limited in respect of Information Services and Customer Services and supports further development of the proposals on that basis.

REPORT

- 1 At its meeting on the 26 July 2011, Cabinet was informed that, Lancashire County Council and BT have jointly formed a company called OneConnect Limited to undertake the work of the Strategic Partnership.
2. As reported to Cabinet on the 19 April, the benefits from the Strategic Partnership could be significant and, therefore, Lancaster City Council had previously agreed to add its name to the OJEU notice.
3. The meeting in July was advised that the services currently being progressed by the City Council through OneConnect Limited are ICT, Customer Access and an HR/Payroll system. The HR/Payroll system has dropped out of the draft and will be pursued in other ways.
4. At its meeting on the 4 October 2011, Cabinet were asked to note the signing of a Memorandum of Understanding which, whilst not legally binding, has been signed by the Chief Executives of Lancaster City Council and Lancashire County Council to

demonstrate the commitment between the two Authorities to work together through the Strategic Partnership with the aim of delivering the services identified in 3. above.

5. The following list of documents are being drafted and will form the basis of any formal agreement with Oneconnect Limited:

- Shared Services Agreement between Lancaster City Council and Lancashire County Council
- ICT Service Provision Agreement
- Customer Services – Call Handling Service Provision Agreement
- Customer Services – Face to Face Service Provision Agreement

6. A summary of the current proposals for Customer Access are set out below for consideration. The shared service will bring together customer access currently being provided via Lancaster and Morecambe Town Hall Customer Service Centres and Cable Street (Council Housing) Customer Service for both Lancaster City Council and Lancashire County Council services provided in the Lancaster District:

- A. OCL will deliver telephony customer service on behalf of Lancaster City Council and Lancashire County Council via the telephony channel at their offices in Accrington.
- B. Lancaster City Council will deliver customer service on behalf of Lancashire County Council via the face to face channel. Lancaster City Council will also continue to handle our own email enquiries. Focusing on face to face service will enable us to provide good foundations on which to further develop local public sector face to face services in the future.
- C. Lancaster City Council will work closely with OCL to ensure delivery of a consistent customer experience via the three channels.
- D. The detailed methodology for how the service will be delivered will not be available until the next phase (known as the transition period) however what is known is as follows:
 - Telephony opening hours will be extended to 8am to 6pm (currently 8am to 5pm in the CSCs and 9am to 5pm at Cable Street).
 - OCL's proposed target % of calls answered is 95% (the target is currently 97% and although we do not always meet this we have no adverse feedback from customers as a result). Lancaster City Council has an additional current target to answer 80% of calls within 20 seconds. This will be a non contractual target in the new arrangement.
 - The benefits of the service include improvements and efficiencies which can be made from implementation of automated service (e.g. Interactive Voice Response (IVR), Automated Attendant, Speech Dial).
 - Although OCL welcome the secondment of Lancaster City Council staff to deliver the telephony service unfortunately the vast majority of employees may feel that a transfer of work to Accrington may not be acceptable in view of the commuting time involved. This increases the problems of a smooth transition and therefore a robust take-on plan will need to be jointly developed and agreed during the transition period to mitigate this.
 - Any changes which are classified as non business as usual may be chargeable.
 - All arrangements will be subject to a monitoring period prior to final agreement of cost and service standards.

7. Information Services

- A. It is proposed that OCL provide the full range of Information technology Services on behalf of Lancaster City Council.
 - B. The service will be provided by seconding existing City Council employees to OCL which will enable a smooth transition.
 - C. The shared service will ensure access to a wider range of expertise and support the Council towards greater efficiency and effectiveness across all services.
 - D. It is anticipated that the services will be provided from Lancaster.
8. It is intended that, if Cabinet agrees in principle to proceed with developing the shared services proposals, officers will continue to work on the draft documentation (incorporating the full terms and conditions) and on the financial appraisal, with a view to reporting back to enable Cabinet to make a final decision in due course.

RELATIONSHIP TO POLICY FRAMEWORK

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the objectives in the Council's Corporate Plan, particularly in terms of efficiencies and working closely with other partner organisations to deliver improved benefits for the Lancaster district community.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The use of business cases to develop options will ensure that benefits identified for introducing shared services will be sustainable and achievable.

FINANCIAL IMPLICATIONS

At present, the terms of the agreements and final details of the service provision for both the ICT and Customer Services proposals have yet to be finalised, therefore at this point in time it is not possible to provide financial implications associated with the shared service programme. As and when these details have been finalised a full whole life financial appraisal will be undertaken and reported back to Members in due course, to support their decision-making.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Employees and the recognised trade unions are engaged in a structured consultation process which will continue to support the development of the Strategic Partnership project.

The development of the arrangements set out in the various appendices will impact on our employees within each of the services that it is proposed will move into the partnership. The impact being the secondment of employees from the City Council to the County Council and a subsequent secondment to One Connect Limited (OCL).

The level of impact will however depend on the service delivery model which is developed. Although it is not anticipated that the majority of employees will be adversely affected by the

proposals, the vast majority of employees may feel that a transfer of work (telephony) to another location within the County would not be acceptable. This, tied to a diminished need for specific types of work will lead to a lesser need for employees in certain areas. There are some employees in the Customer Service Centre (CSC) on fixed term contracts that are due to terminate during 2012. Although the final structure has not yet been defined we anticipate that there will be roles for all permanent CSC employees in the new arrangements.

The Council, County Council and OCL will however seek to avoid compulsory redundancies by endeavouring to find suitable alternative employment across each organisation. The Council will also seek volunteers before any employee faces compulsory redundancies.

Information Services: N/A

Property: N/A

Open Spaces: N/A

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has no further comments at this stage.

LEGAL IMPLICATIONS

There are no legal implications arising directly from this report, but Legal Services will be required to advise upon and approve all the documentation referred to in paragraph 5 of this report prior to proceeding with these shared service arrangements.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Previous Shared Services Programme
Cabinet Reports and Minutes

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