



Cabinet

7th November 2023

Report of Councillor Rhea Rayside
Cabinet Member for People and
Communities &
Councillor Richard Cleaver Cabinet
Member for Property and Public
Engagement

Relocation of the Customer Services Centre – Grantham

Report Author

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Purpose of Report

This report sets out the progress made in the proposals for a new Customer Service Centre at Grantham and seeks a number of recommendations in order to enable the delivery of the project.

Recommendations

That Cabinet:

1. Approves the delivery of a new Customer Service Centre at Unit 1 The Picture House Grantham.
2. Approves a budget of £350,000 to deliver the new Customer Service Centre.
3. Approves an in-year budget amendment of £150,000 from the Local Priorities Reserve towards the required capital allocation.
4. Approves the movement of £200,000 from the SK House Refurbishment budget in order to provide a funding contribution towards the Customer Service Centre project.
5. Approves the commencement of the procurement process in order to appoint a contractor to undertake the fit out works.

- Delegates to the Deputy Chief Executive in consultation with the Cabinet Member for People and Communities and the Cabinet Member for Property and Public Engagement to enter into a construction contract in order to undertake the necessary works.

Decision Information	
Is this a Key Decision?	Yes
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our economy Housing that meets the needs of all residents Healthy and strong communities Clean and sustainable environment High performing Council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- As per the financial regulations Cabinet has authority to transfer between £150k and £250k of the 2023/24 approved revenue budget to an alternative scheme or project. Cabinet can also approve additions to the 2023/24 budget framework up to £150k per addition with a cumulative limit of £600k. To date Cabinet has only approved one budget addition of £16,800.
- The budget addition of £150k can be funded from the Local Priorities Reserve as the reserve currently has an unallocated balance of £5.3m.

Completed by: Alison Hall-Wright, Deputy Director (Finance and ICT) and Deputy S151 Officer

Legal and Governance

1.3 There are no significant legal or governance implications arising from this report not already referred to in the body of the report or identified within the finance and procurement implications.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

Health and Safety

1.4 The office location currently being utilised should not be considered a long-term option and Health and Safety would recommend that this proposal is supported. While the risks associated with the current location are being controlled and suitable mitigation measures are in place, the space is limiting and as a result requires additional controls that would not be required in a larger and more suitable location. Along with the moral duty to reduce risk there is a legal obligation under the general duties of the Health and Safety at Work Act 1974 to reduce risk to as low a level as is reasonably practicable.

Completed by: Phil Swinton Health and Safety Manager

Climate Change

1.5 As an older building, the Guildhall Art Centre provides limited scope for improved energy efficiency without considerable retrofitting investment.

1.6 The new cinema complex is built to modern standards and presents the opportunity to fit out Unit 1 with more sustainable and efficient heating and ventilation options while providing a significant improvement on the existing temporary accommodation and will contribute positively to the Council's Climate Change and Carbon Reduction Plans.

2. Background to the Report

2.1 In February 2023, Cabinet approved the development of a new Customer Service Hub in order to occupy the two empty lower floor units, located next to the Savoy Cinema adjacent to the new office location at the Picture House Grantham.

2.2 The proposal provided an opportunity to work alongside partners who are interested in sharing the space, offering a single point of contact for a range of public sector services to the residents of South Kesteven. One of the partners that was identified in using the space alongside South Kesteven District Council was the Grantham Library Service operated by Lincolnshire County Council. Since February, work was carried out to design and obtain costs for this project, with different variations being considered.

2.3 Towards the end of July 2023, South Kesteven District Council was notified that Lincolnshire County Council no longer wished to pursue this project, and that their Library Service will remain in its current location at the Isaac Newton Centre Grantham.

2.4 The ambition remains to provide a front facing customer service function as it is essential that residents of South Kesteven District have the opportunity to access direct and face to face support with Customer Service staff. The current smaller temporary solution for a Customer Service Centre in the Guildhall Arts Centre is not a sustainable option. There are operating constraints regarding staff welfare, privacy and available waiting space and therefore work has continued on exploring alternative locations.

2.5 Face to face customer interaction reduced significantly after Covid, however this is increasing since the Council offices re-opened in July 2021. The number of face to face interactions during 2022/23 totalled 4,423. Up to 30 September 2023, there have been 2,487 face to face interactions which indicates the number will increase compared to 2022/23.

2.6 Whilst face to face interaction does not generate the majority of our contact, it is recognised that this method of contact is still needed. The District does have vulnerable residents who need this support and there are some activities which do still require attendance at the Council offices.

The current Customer Experience Strategy sets out the strategic plan to ensure South Kesteven create a modernised Customer Experience offer by providing choice and delivering convenience to all customers, businesses, and visitors. Customers expect a modern council, offering a range of access options to quality services. Included within this is the understanding that some of our customers, including some of the most vulnerable within the district, require public access to self-service, along with face to face support for complex enquiries to be dealt with in a sensitive and professional manner. By gaining extra capacity and a modern hub which can be versatile in its use gives us ability to improve and become more consistent in our service standards. Additionally, we will have the ability to ensure all services have use of the area, with potential to extend this to external support services.

2.7 Progress to date

2.8 A feasibility study identifying a range of alternative locations has been underway and this review has concluded that one of the currently vacant units beneath the Council Offices at the Picture House Grantham is the ideal location to house a Customer Service Centre in order to meet the identified criteria.

2.9 External consultants, who previously worked with the Council on the previous designs, have been re-engaged and have worked on a design concept and provided baseline costings based on the proposed fit out. These costings are currently high level and will be developed further as the project progresses. The project will follow the RIBA Plan of Work which outlines all stages in the planning, design and building process, from conception to completion on site.

2.10 A procurement strategy exercise has been undertaken in conjunction with the Council's procurement officer to determine the most appropriate route to market to secure a contractor. Options considered included the following:

- Direct Award under a framework
- Open Tender
- Mini Competition under a framework

The preferred route for this requirement is a direct award approach via a framework as this will provide a time efficient method of procurement whilst providing a financially competitive submission and ensure that there is an optimum route to market.

2.11 Financial Considerations

The majority of the annual operational costs can be met from existing budgets as the Council is already incurring the rating costs at Unit 1 and all of the staffing costs of operating from the Guildhall Arts Centre. However it is recognised that by occupying the unit, the marketed rental income of £27k per annum will not be achieved but may be partly offset by income that could be generated by the letting of the (then) vacated space at the Arts Centre.

2.12 The proposed costings for the fit out has been calculated at £350k and is a one-off cost to bring the unit into use. The costs are higher due to the units only at shell stage and therefore requiring first and second fix. Every effort has been made to minimise the specification in order to contain the costings and the design includes a storage area to the rear of the design which reduces the floor area but will provide much needed storage for services. The design also includes much needed meeting and training space for teams to use.

2.13 Timescales (Indicative only - based on Framework Instruction)

- Concept design (RIBA stage 3) – 6 weeks. (Target December 2023)
- Procurement – 6 weeks. (Target February 2024)
- Contract Award - 4 weeks (Target March 2024)
- Mobilisation – 4-6 weeks (Target end of April 2024)
- Construction works – 12 -16 weeks (Target end of September 2024)
- Go Live and official opening (October 2024)

3. Key Considerations

- 3.1 It is recommended that Cabinet approves the following decisions to enable delivery of a new Customer Service Centre at Unit 1 The Picture House, Grantham:
- 3.2 Approval to the delivery of a new Customer Service Centre at Unit 1 The Picture House, Grantham.
- 3.3 Approves a budget of £350,000 to deliver the new Customer Service Centre.
- 3.4 Approves an in-year budget amendment of £150,000 from the Local Priorities Reserve towards the required capital allocation.
- 3.5 Approves the movement of £200,000 from the SK House Refurbishment budget in order to provide a funding contribution towards the Customer Service Centre project.
- 3.6 Approves the commencement of the procurement process in order to appoint a contractor to undertake the fit out works.
- 3.7 Delegates to the Deputy Chief Executive in consultation with the Cabinet Member for People and Communities to enter into a construction contract in order to undertake the necessary works.

4. Other Options Considered

- 4.1 In order to provide a full and varied options analysis, a number of locations have been explored, the focus has primarily been on Council owned locations in an attempt to avoid incurring any new unnecessary external costs. This analysis reviewed the follow sites:

Unit 1 & 2– St Catherine’s Road

- 4.2 This location was considered for the previous partnership option, but that proposal incorporated both vacant units into one single space. This would be over and above the space required for the new Customer Service Provision and would not be financially viable as sole occupants.

Witham Room – South Kesteven House

- 4.3 Consideration has been given to reconfiguring our current meeting room in SK House, the Witham Room, into the Customer Service Centre. This would result in loss of further meeting space available to the Council and would incur significant cost associated with reconfiguration of the space.

Newton Room – Guildhall Arts Centre

4.4 The current temporary Customer Service Centre is located in the Guildhall Arts Centre, therefore we have explored options for keeping it in this building but in a different larger space. This room however does have disadvantages as it is a heavily used room by external companies, the arts centre, and the Council itself.

Museum – Ground Floor

4.5 The Museum is currently underutilised, so the option was explored to share this space with the museum trust. The space is too large for SKDC Customer Service provision alone and following discussion with the Museum Trust representatives it is evident the space available via a partnership would be insufficient for the Council's needs.

Former Customer Service Centre – Abbey Gardens, St Peters Hill Office

4.6 Returning to the former Customer Service Centre, however the space is larger than the Customer Service Provision need, and the building has now exchanged contract of sale.

Bus Station – Tenant Resource Centre

4.7 We also explored the Tenant Resource Centre, as it is in the centre of town and is already in a building we already lease. There would however be significant costs to reconfigure this site into what we need, and due to the size of the room available, we would not be able to fit all of the minimum requirements needed for the Customer Service Centre in here.

Arts Centre – Current Temporary Set Up

4.8 The current arrangement for the Customer Service Centre in the Arts Centre was considered to be temporary, however thought has been given to remaining here, and operating as we are on a current basis. There have already however needed to be significant compromises in this space, which have been acceptable on a temporary basis, but would need addressing if we were to move to a more permanent solution.

4.9 An assessment had been undertaken and signed off due to temporary location, however it is unlikely this would be approved as permanent location without significant reconfiguration of the space at a cost. There is currently customer confusion as to where the Customer Service Centre is, and utilising the room on a more permanent basis would result in a loss of income for the Arts Centre.

4.10 For all other options, data security needed to be considered. Currently teams do receive information from customers, which is taken back to the main offices, scanned, and returned to the customer. There would need to be a secure way of transporting this from any building to the current SKDC offices at The Picture House.

4.11 For a number of the other options, installation of IT Infrastructure to connect to the SKDC network would be required. IT is reliant on third party broadband / fiber connection. Reliance on an internet line which is dependent on strength, could result in a drop in connection – particularly where staff are using multiple applications.

5. Reasons for the Recommendations

- 5.1 The Councils ambition remains to provide a front facing customer service function as it is essential that residents of South Kesteven District have the opportunity to access direct and face to face support with Customer Service staff.
- 5.2 The existing space at the Guildhall Art Centre is constrained with limited scope for alteration or improvement and therefore cannot accommodate all desired service function to meet future operational needs.
- 5.3 The existing space is constrained by alternative tenancies and uses with multiple occupations within the Guildhall Building.
- 5.4 Relocation to Unit 1 The Picture House would provide open and collaborative space for staff and customers and would be in close proximity to the existing Council Offices.
- 5.5 There would be a positive reputational impact in bringing the building into use with the unit having been vacant since construction in 2019, while providing a positive response to customer feedback and creating a positive impression for corporate visitors.
- 5.6 The space can be used by other 3rd party organisations – this will open up opportunities for third sector and other partners to take occupancy of space and develop ‘themed’ days such as joint initiatives including cost of living, debt support and housing advice.