
**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Overview and Scrutiny Committee –
9 September 2010

Subject: Town Hall Complex Transformation Programme Update

Report of: Elaine Bowker, Strategic Director of Transformation

Summary

This report outlines the progress made to date on implementing the Town Hall Complex Transformation Programme, including an update on the Customer Service Centre and how it relates to the Corporate Contact Centre.

Recommendations

The committee is recommended to note the Town Hall Complex Transformation Programme update.

Wards Affected:

All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Town Hall Complex Transformation Programme – Construction Contractor Appointment

22 July 2010, report to the Resources and Governance Overview and Scrutiny Committee from the Strategic Director of Transformation

Town Hall Complex Transformation Programme – Progress Update

21 October 2009, report to the Executive from the Chief Executive, Strategic Director of Transformation and City Treasurer

Town Hall Complex Programme – Transforming the Customer Experience

11 February 2009, report to the Executive from the Chief Executive, Strategic Director of Transformation and City Treasurer

5 February 2009, report to RAGOS from the Chief Executive, Strategic Director of Transformation and City Treasurer

1.0 Introduction

- 1.1 The Town Hall Complex Transformation Programme is an ambitious programme of transformation which will not only see some of Manchester's most loved buildings sympathetically restored to their full glory but will also significantly transform the way we deliver services to customers and the way in which our staff work.
- 1.2 In February 2009, a report was submitted to the Executive formally recommending that the Town Hall Complex Transformation Programme should proceed, including approval of governance arrangements and the establishment of a Members' Review Panel.
- 1.3 The report described how the transformation of the Town Hall Extension and Central Library would improve outcomes for our customers and employees through an improved physical environment and through the opportunity to provide genuine cultural and behavioural change. It also described the costs, benefits and a basic implementation plan for achieving these outcomes.
- 1.4 The transformation programme has 2 key strands:
- To transform the way in which services are provided to customers, delivering efficiencies together with an excellent end-to-end customer experience and improving outcomes for customers in line with the ambitions of our community strategy.
 - To transform the working environment for staff, improving employee culture and ensuring that the Town Hall complex is regarded by all as a great place to work.
- 1.5 The programme sees improvements made to the Town Hall Extension, Central Library, Library Walk and St. Peter's Square. Together with the Town Hall itself, these two civic buildings and two external spaces comprise the Town Hall complex. The existing services from Central Library and the Town Hall Extension have successfully decanted to new premises at One First Street, Elliot House, Universal Square and Marshall Street, from which interim services will continue to be delivered until completion of the Town Hall Complex Transformation Programme in 2013.
- 1.6 This report seeks to inform the committee of the progress to date and the lessons learned so far.

2.0 Customer Service Centre

- 2.1 The new Customer Service Centre is structured around the need of residents rather than administrative boundaries and will expand over time to include all customer-facing services, ultimately enabling customers to access all council services in a single visit. The vision for the Customer Service Centre (CSC) is to be a centre of excellence that delivers consistent, effective and efficient

services to all residents and visitors of Manchester. Our aim is to 'put the customer at the heart of everything we do' resolving customer enquiries at first point of contact and developing a truly integrated One Council approach.

2.2 We will:

- Aim to resolve all customer enquiries at first point of contact
- Work with our customers to continually improve the services we provide
- Ensure our customers understand what services we offer and how they can access them
- Recognise and value the diversity of our customers and treat them all as individuals
- Provide excellent customer service which focuses on quality and speed of delivery
- Support vulnerable customers whilst promoting independence and resilience
- Optimise the numbers of customers we can see at any one time

2.3 The Customer Service Centre opened its doors on schedule, on the 1st June 2010. Staff from customer-facing services across the council were brought together for the first time, providing access to council services for Manchester residents via a fully integrated service delivery approach.

2.4 In the first two months since opening, the Customer Service Centre has seen:

- Approximately 10900 customers being handled by the Customer Service Centre staff
- Approximately 8600 customers using the Cashiers service (processing over £2.2m)
- Over 1700 books being borrowed and over 380 new members joining the Library

This represents between 400-500 customers per working day.

2.5 The first phase of the Customer Service Centre saw all of the disparate customer-facing counter services moved from the Town Hall Extension into a fully integrated open plan environment at Number One First Street. The services are:

- Town Hall and Adult Social Care reception points
- Revenues and Benefits (Council Tax, Housing Benefits, Business Rates)
- Housing Options (formerly Homelessness)
- Planning and Building Control
- Advice Services (formerly Manchester Advice)
- Taxi Licensing
- Cashiers
- M4 Translations

- 2.6 Customer Service Centre staff underwent training in all of the above service areas in the months leading up to the opening and this is still ongoing to ensure staff increase the depth and breadth of knowledge required. The aim is for all the staff in the CSC to be able to provide a consistent, high quality service to all customers no matter what their query.
- 2.7 The Customer Service Centre is also able to provide information and advice in relation to a wide range of other Council services (in addition to those mentioned above) due to the support of a Customer Relationship Management (CRM) system. The CRM system holds a significant amount of information about the residents of Manchester in a database known as the Single Customer View. This allows the Customer Service Centre staff to be able to have full visibility of the customers interactions with the Council at first point of contact.
- 2.8 Since opening on 1st June 2010, management information from both CRM and the queue management system (Q Flow) has enabled the measurement of key performance indicators for the very first time. We are now able to track numbers of customers requesting services at the CSC, type of service request, customer waiting time, length of time spent with a Customer Service Advisor (CSA) or Officer (CSO), and the overall outcome of service delivery. This has also allowed the CSC to proactively target areas where issues have been identified.
- 2.9 Queue times have reduced significantly across all services provided within the CSC (which in some instances were previously over 3 hours), and customers are also now able to deal with multiple service requests in one visit rather than having to queue at several different counters.
- 2.10 Further improvements have also been made since opening the CSC. The queue times have reduced from an average of 22 minute wait (week one) to an average of 11 minutes (week 9).
- 2.11 The small lending library at One First Street has also proven to be a huge success. Almost 400 customers have joined the library since it opened on 1st June 2010 and over 1700 books have been borrowed. More and more customers are beginning to use the library offer and have made some really positive comments about the offer and the quality of library stock available. Library staff are also actively promoting the use of the self-service facility in the CSC and a weekly ICT support session for customers who are not ICT literate and require additional support is being arranged.
- 2.12 Regular stakeholder meetings are now taking place on a monthly basis with each service area in order to review and address any issues or changes in processes required to support the improved integrated working model. As we gain further insight into the customer experience at the CSC end-to-end processes will be redesigned from a customer perspective. This will also result in the redesign of many back office processes meaning that continued stakeholder engagement with key services is essential.

- 2.13 Further front-facing services will be integrated over the three year period at Number One First Street. Service integration will be aligned with the development of the CRM system and the implementation of the Corporate Contact Centre. Opportunities to integrate other public sector partners will also be explored. Discussions have already taken place with Manchester College and Job Centre Plus to establish opportunities for collaborative working and mutual shared space utilisation. The Mental Health Unit has also expressed an interest in holding a surgery in the CSC and this is currently being explored.
- 2.14 Upon returning to the refurbished Town Hall Extension in 2013 the ultimate vision is a fully integrated 'public service hub' with access to all customer-facing council services and a wide range of services from other public sector partners such as the Manchester College, Job Centre Plus, the local mental health trust, GMP, GMPTE, and the NHS amongst others.
- 2.15 Since opening the CSC on 1st June 2010, we have had an excellent start to the Customer Service Centre journey. Fantastic feedback has been received in relation to both the environment and the service that is being provided.
- 2.16 Customer surveys will continue on a monthly basis and will enable us to monitor increased customer satisfaction month on month. Going forwards, we will report on customer satisfaction levels to the monthly improvement board with percentage of customers rating the customer service they have received as either excellent or good (alongside our usual performance targets – queue times, service delivery times, % of queries resolved etc.).

3.0 Corporate Contact Centre

- 3.1 The Customer Service Centre was the first key deliverable for the Customer Service Strategy. The next will be the Corporate Contact Centre (CCC). Both the CSC and the CCC will be integrated as much as possible to ensure seamless service delivery. The staffing structure is very similar with staff having the same generic job descriptions. Each area shares key performance indicators and service level agreements. It is expected that staff will move between the two areas fluidly and be able to provide the same high level of service in both teams. This will be invaluable as we start to see the channel shift away from relatively expensive face-to-face interactions at the CSC to the less expensive telephone and web-based interactions at the Corporate Contact Centre. The consistency of service and approach will be supported by the CRM system which all staff will be using.

4.0 Number One First Street

- 4.1 Over a seven week period between April and June 2010, over 1250 staff members were moved out of the Town Hall Extension and into the new accommodation at One First Street. A professional move contractor was used

and all services were successfully moved and settled into the new temporary accommodation.

- 4.2 The First Street office accommodation has been designed to be more open, with no cellular offices. Senior managers occupy the open-plan space with their teams, helping to improve communication and break down hierarchical barriers. Teams have been located according to business requirements, rather than administrative boundaries or the nearest available space, which supports teamwork and joined up working. The environment provides a consistent look and feel that connects staff to the Council's customer ethos and commitment to high quality service delivery is reinforced through ward images in all meeting rooms and a corporate communications poster campaign strategically placed throughout the building.
- 4.3 To balance the need for interaction and concentration, a variety of working spaces has been provided. This includes open plan desk space, when team work is important, 'focus pods' and 'focus rooms' when staff need to carry out quiet or confidential work, meeting rooms (some of which are being equipped with ICT and audio visual equipment), and break-out areas for informal meetings and taking a break. This choice allows staff to change their work environment to suit their needs.
- 4.4 The offices are more accessible for staff and visitors as well as greener, with improved recycling and energy efficient lighting systems. Improved welfare and kitchen/break out facilities have also been included in the design. The building itself has a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating.
- 4.5 There are shared 'business hubs' that house all the printing, copying and scanning equipment. The new accommodation is equipped with Citrix thin client ICT and voice over IP telephony. These technologies, combined with new protocols for keeping desks clear and portable storage allow staff to work from any desk in the building, whether that is a desk in their team zone or a touch down workstation elsewhere in the building.
- 4.6 A Building User Group has been created, comprising representatives from each floor, the Facilities Management team, Corporate Property and the Transformation Team. It meets fortnightly to address business as usual issues. Ownership of this group will shortly hand over to Corporate Property.
- 4.7 Many of the physical changes that have been built into the design of the temporary offices in Number One First Street will transfer over to the refurbished Town Hall complex. Our time at First Street will be spent building on the new ways of working, and developing behavioural and cultural change.

5.0 New Ways of Working and Back Office

- 5.1 In order to truly benefit from the creation of both the CSC and the new office accommodation, the development of new ways of working have been essential

in maximising the space in the new environment and encouraging behavioural and cultural change.

5.2 The key principles of the new ways of working are:

- **Flexibility:** the accommodation will provide productive modern working environments that are inherently flexible, meeting the needs of an evolving council well into the 21st century.
- **Interaction and communication:** the accommodation will improve staff interaction and interdepartmental working, leading to improved effectiveness and efficiency in service provision.
- **Technology enabled:** the accommodation will provide easy to use, cost effective integrated technology that empowers our staff and partners in providing innovative high quality services to our customers.

5.3 In addition to the above, a number of practical measures (such as a significant reduction in paper and the development of office protocols) have been introduced to ensure we are able to use our space effectively.

5.4 Prior to the move to First Street, focus was placed on record management and reducing paper storage with approved retention and disposal schedules developed for all services moving. Contracts with external storage providers were put in place for those that required off site storage and delivery facility. This resulted in services moving only the equivalent of 2 linear metres of storage per person (with the exception of Planning and Building Control and Corporate Property who were granted extra storage due to the nature of their work).

5.5 Staff engagement in new ways of working included the establishment of design groups, focus groups, move coordinator networks, senior management engagement, accessibility group engagement, tours pre- and post- fit out and a dedicated 'journey' intranet site including an online 'ask a question' facility.

5.6 A space efficiency study which was conducted in the Town Hall Extension prior to the move confirmed that space was not well utilised. Over a week-long period, where desk usage was recorded 5 times a day, only 45% of desks were occupied on average, with 16% temporarily unoccupied and 38% empty for the whole day.

5.7 As a result, an initial target of an 8:10 ratio of desks to staff has been implemented in five service areas who were chosen to be early adopters of the flexible working model. Work is now progressing to move all departments in First Street to at least an 8:10 ratio that makes more efficient use of the space they occupy. The new office model lends itself to more modern, flexible working arrangements, with facilities that effectively enable the implementation of 'flexible and mobile working'. Moving to an 8:10 ratio across all services will ultimately free up further desk space, enabling us to accommodate more staff. Work is currently underway with Corporate Property

to establish which departments could be moved into One First Street, vacating their leased premises and realising significant financial savings.

- 5.8 The Town Hall Complex Transformation Team is fully integrated with the work being undertaken on the AIM programme looking at the cross-cutting flexible working agenda across the whole of the organisation. Knowledge and resources have been pooled to ensure one consistent approach and support package is offered to services moving to flexible working, whether they are based in One First Street or district offices. This collective approach will produce a “toolkit” for managers and staff to help them understand the benefits, policies and processes that need to be considered as they adopt flexible and mobile working principles.
- 5.9 The majority of staff at First Street have responded well to the new office environment and the changes that have been put in place. They are already adopting many of the new office protocols and quickly settling into the new environment. Feedback from a survey issued in June, of which 373 responses were received, indicate that break out facilities rated the highest in the new environment, with 71% of respondents rating the facilities 4 or 5 (high or very high). Cleanliness came a close second with 70% of respondents rating the facilities 4 or 5. 60% of respondents thought that the bookable meeting space rated 4 or 5 and a similar number agreed about the touch down spaces.
- 5.10 The things that staff did not rate highly about their new environment included the location (it is not as central as the Town Hall complex), the ventilation (work is ongoing to fix fluctuations in the climate control system) and noise levels, though it should be noted that the number of people rating noise as high or very high was matched by those that rated it being low, indicating that personal tolerances and preferences are a major factor.
- 5.11 Feedback has also been collected from senior managers through a series of lessons learned workshops. Feedback on the new environment and open plan working was very positive. Managers consistently highlighted strengths of the environment as being clean, modern, bright, inclusive and open. Managers felt interaction and communication across their teams had improved and suggested that they now received fewer e-mails as they could go and talk to staff more easily. Whilst feedback was really positive in relation to teams working in the open plan, there were mixed views in relation to managers working in the open plan themselves - some find it challenging, others have adapted well to the change and enjoy working in the open plan environment. This will be addressed in the cultural and behavioural change workshops that are planned for the near future.
- 5.12 The co-location of teams is considered a success, and the flexibility of the workplace considered a business benefit. Success factors were having a ‘base’ or ‘zone’ for flexibly working teams, using the pods, focus rooms and touchdowns, and ensuring that ICT is in place to support flexible working.
- 5.13 Both the survey and the lessons learned carried out with Heads of Services indicates that in the main the move was perceived as a huge success. There

are, however, areas of work that still need to be addressed. Further work is needed to support the culture changes required, in particular in helping teams to adopt to new flexible working practices, particularly around maintaining a sense of team when operating in touch down space. Also, this work must address the changes to people's behaviour to ensure confidentiality is maintained in shared space.

- 5.14 In order for new ways of working to succeed, support and effective leadership is required from managers at all levels. Some challenging changes have to be made and these need to be reinforced by service management in order to work. We will be working with managers over the coming months to ensure that office protocols are adhered to, the clear desk policy is enforced, and unnecessary storage and clutter is avoided.
- 5.15 Whilst we have effectively delivered the supporting environment for cultural change, we also recognise that further work is now required to ensure that culture is further improved and behavioural change is well embedded across the organisation as a whole. Work is currently underway to explore how we can effectively embed cultural and behavioural change, improve leadership, team working, and organisational performance across the Council.
- 5.16 A detailed update on new ways of working and the resulting cultural and behavioural change is scheduled to go to the Human Resources Subgroup (RAGOS) in October.

6.0 Central Library and City Library

- 6.1 The Central Library decant has seen the movement of staff, stock, furniture and customers to over 30 different locations across the North West. The majority of Libraries back office staff have moved to Universal Square or the newly opened City Library at Elliot House, Deansgate.
- 6.2 The new City Library opened to the public on 28th June 2010. The library has been well received by customers and is attracting new customers as well as Central Library users. The library is open 64 hours per week and is being well used. The library is bright, airy and very attractive, with customers enjoying the excellent range of services on offer. Performance information is currently being collated to ensure the needs of our customers and staff are being met in the new location.
- 6.3 Radio frequency identification (RFID) is now installed at the new Longsight Library, City Library and First Street and will be rolled out to other libraries in due course. Customer self service has been well received by customers and staff alike. Customer self service using RFID at the three libraries is increasing and now accounts for over 50% of transactions in City Library and the lending library provision at One First Street.

6.4 Libraries staff are currently being surveyed in order to establish lessons learned in terms of the move so that this can be improved on the return to the Town Hall complex.

7.0 Town Hall Extension Design

7.1 Work on the Town Hall Extension design is progressing well. Requirement gathering is underway to inform the continuation of Stage D design (August – September 2010) – this is the stage where room layouts, detailed specifications, structural and services designs are produced, alongside a detailed cost plan.

7.2. The public consultations have been completed. A draft occupation plan has been produced, and is being tested with service areas. Senior stakeholders and AIM Project Managers have also been engaged in development of a Target Operating Model for City Centre Facilities Management.

7.3 Based on space utilisation studies carried out in the THX prior to the move and also in June at First Street, further detail has been fed into the design of the Extension. Some of the opportunities resulting from this include:

- Potential for a decrease in overall meeting space
- Potential for an increased proportion of smaller meeting spaces within the Town Hall complex to accommodate a maximum of 4-5 attendees.
- The business case and requirements for an integrated room resource system needs to be fully appraised with an assessment of both the costs and associated tangible and non-tangible benefits.
- 8:10 desk ratio should be aimed for by all services as an absolute minimum upon return to the THX, with space utilisation results showing that, prior to the move, less than 45% of desks were fully occupied, almost 20% were temporarily unoccupied and over 35% were vacant all day.

8.0 Refurbishment Progress

8.1 Decant projects have all been completed on programme and within budget with all staff and books decanted to the agreed locations at One First St, Elliot House, Universal Square, Maple, Marshall St and Wood St.

8.2 Refurbishment projects have developed to a point where design proposals for the Town Hall Extension and Central Library facilitating the new ways of working have been developed to RIBA Stage C and signed off by both the Programme Board and Members' Panel. These proposals have been developed recognising the needs of users whilst having regard to the constraints of the existing fabric and requirements of English Heritage. Key milestones for the programme are below:

8-10 July	Public pre-planning consultation (TH Extension and Central Library)
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15-17 July	Public consultation (St Peter's Square International Design Competition)
6 th August	Final planning applications/ Listed Building Consents
Late August/Early September	Soft strip out of the existing buildings commences
Late November	Planning approvals and Listed Building Consents achieved
January 2011	Refurbishment of the buildings commenced
May 2013	TH Extension refurbishment completed
August 2013	Central Library refurbishment completed
Autumn 2014	St Peter's Square works completed

- 8.3 In order to achieve this programme a construction contractor has been appointed to join the design development team, initially to facilitate developing the design through to construction production information and to agree a construction target cost consistent with the project budget.
- 8.4 The process for selection of the construction contractor involved the use of the Major Projects Framework developed on behalf of the North West Construction Hub (NWCH) on which City Council are acting as Framework Sponsor. Five companies are retained on the framework with bids being received from three of the invited parties, being Bovis, Laing O'Rourke and Wates Construction.
- 8.5 Bids were submitted on 8 June 2010 in response to our invitation documentation comprising a combination of quality and financial proposals. As a result of the scoring, interviews and confirmation documentation, a recommendation for the appointment of Laing O'Rourke was made and subsequent to July Scrutiny panel, an appointment was made. Further details on the tender and scoring process can be found in the report to the Resources and Governances Overview and Scrutiny Committee: *Town Hall Complex Transformation Programme – Construction Contractor Appointment (22nd July 2010)*.
- 8.6 RIBA Design Stage D is now progressing in accordance with the agreed development programme, and will form the basis of the Work Package tender procurement process. This should lead to agreement of the Target Cost by December 2010. Stage D proposals will be presented to the Project and Programme Boards together with the Members' Panel during September, for approval. Design Stage E will then progress through to completion in line with agreement of the Target Cost by December 2010.
- 8.7 Commencement of the construction work is still on programme for January 2011 in line with the key dates shown above.
- 8.8 Hoardings will be erected around a section of the Central Library and a section of Lloyd Street in August and September 2010 to facilitate the safe removal of soft furnishings, fittings, redundant mechanical and electrical services and minor demolitions. The hoardings erected along Lloyd St will reduce the width of the highway to a single carriageway and the northern footpath and are likely to remain in place until the completion of the refurbishment in 2013. On removal of the hoardings Lloyd St will be unavailable for a further six months.

period to allow it to be upgraded and resurfaced in a manner consistent with the design of St Peter's Square.

- 8.9 The St Peter's Square international design competition has progressed to a situation where a shortlist of 5 bidders were invited to submit proposals. These have been reviewed in line with the competition guidelines and two bidding teams have been eliminated. Further proposals are being sought from the remaining 3 bidders as a result of the introduction of new information incorporating the potential Second City Crossing by GMPTE. It is the intention that the result of the competition will be known in time for an appointment of the successful design team by January 2011.

9.0 Finance

- 9.1 The overall programme is being managed within the agreed budget and any variances contained therein.

10.0 Conclusion

- 10.1 The Town Hall Complex Transformation Team are making good progress with their activities to date. The occupation of Number One First Street by staff and the Customer Service Centre has been successfully completed and is already showing benefits to both staff and customers.
- 10.2 The design stage of the planning process for the refurbishment of the Town Hall complex is progressing well and the lessons learned from the move to First Street are being used to inform the decision-making process.
- 10.3 New ways of working are being adopted by service areas and benefits are being realised. This is supported by a flexible ICT provision and updated working practices. The adoption of these will be promoted actively across the organisation (not just First Street) and managers will be supported by the development of a "toolkit" that will cover all aspects of flexible and mobile working practices.
- 10.4 The Customer Service Centre continues to develop and improve with the customer experience being the key driving force at the centre of all activities. The lessons learned from the customer interaction and feedback are being used to inform the development of the Corporate Contact Centre and the processes for both are being standardised with the support of the Customer Relationship Management system to ensure a consistent customer experience.

11.0 Recommendations

- 11.1 The committee is recommended to note the progress being made on the Town Hall Complex Transformation Programme.