

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting:	17 December 2013
Subject:	Implications of Welfare Reform and Channel Migration for Access Harrow
Responsible Officer:	Carol Cutler Director for BTP & Customer Services
Scrutiny Lead Member area:	Councillor Jerry Miles – Policy Lead Corporate Resources Councillor Amir Moshenson – Performance Lead Corporate Resources
Exempt:	No
Enclosures:	None

Section 1 – Summary and Recommendations

This report sets out the impact of the changes in Welfare Reform on the Council's plan to migrate customers to cheaper channels in order to reduce the cost of Access Harrow by £1.3 million over four years

Recommendations:

Councillors are requested

- To note the progress made in migrating customers to cheaper channels
- To note the challenge of migrating certain groups of customers to cheaper channels

Section 2 – Report

Background

In 2011 the Government published the Welfare Reform Bill as part of its policy to address benefit expenditure as set out in the spending review. The Act details some of the biggest changes to the welfare system for decades in an attempt to reduce public sector expenditure and meet proposed savings. One such measure is the abolition of the existing council tax benefit (CTB) system.

From 1st April 2013 Council Tax Benefit has been replaced with a new Council Tax Support Scheme. This means that everybody of working age has to pay something even if they receive Income Support, Job Seekers Allowance or Employment Support Allowance.

The Government has also reduced the amount of money it awards councils towards their Council Tax Support scheme. In Harrow we must save £3.8 million in 2013/14 and £5.1 million in 2014/15 to fund Council Tax Support from this grant.

Harrow Council has 87,000 households of which 17,500 are in receipt of Council Tax Benefit (CTB).

As the number of channels which the Local Authority can service its customers through has proliferated over the years and will likely continue to, strategies have been developed to shift certain customers to certain channels, in order to best optimise the cost of servicing customers against the level of service they receive through different channels

A customer can 'self serve' in numerous ways:

- Finding relevant information on our website
- Transacting through the MyHarrow account
- Using the IVR/touch tone telephone system
- Completing an on-line web form
- Paying at the kiosks in the One Stop Shop

By the end of 2013/14 we aim that 70% of transactions with the Council will be through self-service and the cost per contact will be less than £0.80

The percentage of customers utilising self service has risen steadily since 2006/7 as shown in the diagram below:

Year	Face to Face (%)	Telephony (%)	Self Service (%)
2006/7	9	81	10
2007/8	8	50	42
2008/9	7	39	54
2009/10	6	35	59
2010/11	5	31	64
2011/12	3	32	65
2012/13*	5	33	62

* Face to face and telephone contact rose following the integration of Adult Social Services, Community Alarms (Helpline), Registration Services,

Planning (Vetting & Validation) and CAP/CAR into Access Harrow (CCAD project).

As you would expect, the increase in customers utilising self service has reduced the cost per contact over the same time period.

Year	Cost per contact
2006/7	£2.23
2007/8	£1.33
2008/9	£0.95
2009/10	£0.82
2010/11	£0.76
2011/12	£0.73
2012/13*	£0.82*

*The cost per contact increased as a result of increased telephone and face to face contact following the integration of new services, including the 24/7 Helpline service.

Current situation

The development of the Council Tax Support Scheme was carried out in partnership with a multi-agency steering group that included membership from the voluntary sector in Harrow, Jobcentre Plus, Tenants and Residents Association, Harrow Council Services and Unions.

Prior to the implementation of the new scheme in April 2013 the group worked with the Council to develop a Communications and Awareness Campaign that built upon the awareness and involvement activity that had taken place with the consultation on the changes. The objectives of the campaign were to raise awareness of the changes, manage expectations by ensuring that Council Tax Support claimants understood that they have to pay something in the future, ensure voluntary organisations and community groups were effectively briefed so that they could help people in the future, ensure council staff were prepared and to align with the channel shift strategy by advising claimants of the payment methods available to them and in particular the My Harrow Account.

The campaign continued to starting in January 2013 and has continued until present, November, 2013. The activity taken forward includes the following:

- Articles in the Council's publication delivered to all residents – Harrow People
- Media messages/editorials/advertisements in the local press
- Letter, booklet and personalised flyer sent out in February
- Posters in both JcDeCaux and community poster sites
- Posters on the inside of the buses in Harrow
- Stakeholder emails

- Training for council staff and the voluntary sector
- Information on the changes with Council Tax Bills
- Generic flyers distributed
- Face to face Surgeries manned by Benefits and Revenues staff
- Video in Northwick Park waiting area

The broad range of activity has successfully ensured that residents within Harrow are aware that they will have to pay something towards their Council Tax in the future and helped to manage contact with the Council.

The week following the dispatch of the Council Tax bills on the 15th March 2013, we received 7,790 telephone calls via the Council Tax and Benefits telephone lines (including 3,020 calls on the Monday). The high volume in call traffic during this week meant that we were unable to maintain our usual standards, however Access Harrow managed to answer 5,300 (68%) of these calls quite an achievement considering that the weekly average is 3,300 calls a week to this team.

After a feedback session on the Monday evening with the team, we changed the self-service messaging on the IVR and a further 600 enquiries were answered without the need to speak to somebody.

There were a total of 3,500 log-ins to the MyHarrow account within the first week with 1,200 new accounts being opened.

The key Council Tax landing pages on the website received a total of 6,000 hits over the initial seven days. A YouTube video was synchronised into the web pages explaining the changes.

Call volumes to the Council Tax team have levelled since the initial week with an average of 11,557 calls received each month. Although this is a 62% increase in calls on the previous year, it constitutes 11% of all calls received by Access Harrow compared to 7% the previous year.

When amalgamating both calls to Revenues & Benefits (where there is considerable overlapping) the increase in call volume is 17% which accounts for 15% of all calls to Access Harrow compared to 14% the previous year.

The key to successfully migrating customers to self service is to understand what customer segments have a higher propensity to transact online and the services they are most likely to access.

We procured Experian as our partner to carry out a bespoke customer segmentation of Harrow at household level using both Mosaic and Mosaic Origins. In addition to the many datasets provided by in Mosaic, the Council provided several extracts of its own data. These included:

- 12 months of CRM data, covering the majority of customer contact with the Council for last 18 months

- All service requests from our waste, highways and street scene departments
- Our Council tax records, including methods of payment
- Our Housing Benefit records

Of the eight groups six (A-F) would either prefer to or be happy to transact online if the appropriate services were made available. These groups account for 80% of the borough.

We have now made all services available through the Council's website and have plans to migrate certain ones more aggressively where appropriate. For example, social landlords are automatically directed to their portal (through the MyHarrow account) which accounts for 99% of all enquiries. Likewise, all payments and challenges for Penalty Charge Notices (PCNs) are directed via the website and no longer via the telephone.

The MyHarrow account is now a key contact channel for residents with over 48,000 accounts open and more than 12,600 people logging in each month.

Aside from allowing access to personalised information such as Council Tax benefits and Housing Benefits through the authenticated portal, the single-sign-on service allows customers to access their library account, rent account and updates on reported street issues.

Furthermore, customers can subscribe to a series of text/email alerts to inform (new planning applications in their area), update (reason for missed bin collection, reminder to pay Council Tax instalment) and forewarn (library book due, major issues alert).

A further benefit of the account is that it personalises the website populating certain pages with local information such as bin collection dates and local councillors and also pre-populates online web forms with basic information.

The Council has allowed residents to confirm and update electoral registration details via the account (a national first) migrating residents to online registration as opposed to paper applications and self-addressed envelopes.

The two remaining groups (G and H) have a preference to transact face to face or over the telephone and although they account for less than 20% of the population, they create 30% of contact with Access Harrow. This contact is predominantly around benefits, housing rents and repairs.

These two segments were the key groups affected by the changes in Welfare Reform and consequently are attributed with the increased demand in telephone contact in the current year.

From 1st April 2013, the Ones Stop Shop (OSS) moved to an appointment service which has helped reduce face to face contact by 60% compared to the previous year.

Where residents are vulnerable or are facing potential eviction or bailiff action an officer is made available to assist.

Dealing with residents face to face is four times more expensive than handling a telephone call and forty times more expensive than an on-line transaction.

The scale of the OSS will continually be reduced over the next three years with an 'emergency-only' service being available from 2016/17.

As customers visit the Civic Centre, they are being shown how to transact on-line via the MyHarrow account or by utilising on-line forms.

Following the first six months of 2013/14 the shift to self service is a positive one. In context of the earlier tables, both the percentage of self service transactions has increased significantly and the cost per contact has fallen.

Year	Face to Face (%)	Telephony (%)	Self Service (%)
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2011/12	3	32	65
2012/13*	5	33	62
2013/14 (Q2)	2	29	69

Year	Cost per contact
2006/7	£2.23
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2010/11	£0.76
2011/12	£0.73
2012/13	£0.82
2013/14 (Q2)	£0.72

Financial Implications

Since 2012/13, Access Harrow is working towards a £1.5 million saving by 2017/18 through a 62 FTE reduction in staffing levels.

This will be accomplished through a series of successful migration projects including:

- Introduction of Artificial Intelligence telephony
- Closure of the face to face service in the Civic Centre
- Closure of the Public Realm telephone service following implementation of the Towards Excellence programme
- Enhancements to the MyHarrow account
- Reduction in staff hours in adherence to 'peaks and troughs'
- Closure of Parking telephone service

Performance Issues

The increase in calls to the Council Tax & Benefits team has impacted negatively on key performance indicators within Access Harrow, namely the percentage of calls answered (target <5%) and the percentage of calls answered within 30 seconds (target 90%).

In 2012/13, the percentage of calls answered stood at 96% with 87% answered in less than 30 seconds. Typically across Revenues & Benefits, the average percentage of calls answered was 95% with 65% answered within agreed service levels.

In the first six months of 2013/14, the percentage of calls answered stood at 92% with 83% answered in less than 30 seconds. Typically across Revenues & Benefits, the average percentage of calls answered was 85% with 44% answered within agreed service levels.

When removing the data for Revenues & Benefits, performance across Access Harrow rises to agreed service levels with 96% of calls answered and 90% within 30 seconds.

A new set of online forms will be made available through the MyHarrow account over the next three months which will be integrated directly into the line of business systems. This will enable us to help 'shift' more customers to transacting online thus reducing the impact on the telephone.

Environmental Impact

There are no direct environmental impacts

Equalities implications

An Equalities Impact Assessment has been carried out for the following

- To actively promote a 'self service' culture. This active programme of channel migration, including restricting conventional channels to proactively manage channel shift
- The new localised Council Tax support scheme in place of the existing national Council Tax Benefit scheme

Priorities

Access Harrow is the first point of contact for residents ensuring that issues are prioritised and escalated where required in order to promote the priorities of the Council.

Section 3 - Contact Details and Background Papers

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