

Committee	Date	Classification	Report No.	Agenda Item No.
Overview and Scrutiny		Unrestricted		9.1
Report of: Acting Joint Service Head, Scrutiny & Equalities		Title: Scrutiny Challenge Session - Developing Efficient Customer Services		
Originating Officer(s): Keiko Okawa Scrutiny Policy Officer		Ward(s) affected: All		

1. Summary

- 1.1 This report updates the Overview and Scrutiny Committee on the outcome of the Scrutiny Challenge Session on Developing Efficient Customer Services held on 25 November 2010.

2. Recommendation

- 2.1 The Overview and Scrutiny Committee is asked to consider the outcomes of the scrutiny review and agree the recommendations in the report.

LOCAL GOVERNMENT ACT, 2000 (SECTION 97)

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Background papers

Name and telephone number of and address where open to inspection

None

N/A

3. Introduction

- 3.1 This report provides a summary of the scrutiny challenge session on developing efficient customer services. This session considered efficient and effective access to customer services for all our residents.
- 3.2 The session was attended by 12 stakeholders, including residents. Councillors who attended the session were Cllr Rajib Ahmed (Chair), Cllr David Edgar, Cllr Ann Jackson, Cllr Zenith Rahman and Cllr Helal Uddin.

4. Purpose

- 4.1 Challenge sessions are designed as a quick way for a group of members to get to grips with key policy issues and to make recommendations for the further development of the policy.

The objectives of this scrutiny challenge session were to:

- Review and increase understanding of the Channel Strategy;
- Examine the efficiency of customer services through various channels;
- Further develop understanding of complaint management and its contribution to improvement of service delivery, and;
- Make recommendations for the further development of the policy.

- 4.2 The challenge session was structured as follows:

- Welcome and Introduction by Chair (Cllr Rajib Ahmed, Scrutiny Lead – Excellent Public Services);
- Presentation on Customer Access: achievements and challenges, and Complaints management (Claire Symonds, Service Head, Customer Access and ICT; Ruth Dowden, Corporate Complaints Manager);
- Questions and Discussion;

5. Background

- 5.1 Keeping customer access channels including telephone, online and in person available and easy to access is important for customer satisfaction with the council services. Over time, the capacity of different channels changes and customers' preference varies depending on their circumstances. Users of different channels have different needs, drivers and experiences to the channels, and customer access needs to be designed with these in mind. The use of the internet is the most cost effective channel although around a third of residents do not yet have internet access.¹

¹ A resident survey of 1,600 residents undertaken as part of the Channel Strategy (September 2009) development showed that 65% of the borough have access to the internet overall with 35% of the population claiming no access.

5.2 Currently, customers can access services through a variety of channels, including telephone, at the Council's five One Stop Shops (OSSs) and online. The Council has invested heavily in the successful development of its Customer Services offering and the Council's One Stop Shop and Contact Centre are well used and appreciated by customers.² The Contact Centre staff receive calls and pass customers' requests to relevant service teams and contractors. The Centre deals with many council services. Council Tax, Housing Benefits and Planning have their own specialist call centres. The OSSs deal with a wide range of services, including parking permits, Housing Benefits, Council Tax, social services, recycling and waste management. Its evaluation report in March 2010 acknowledged the service's dramatic improvement over the last two years with waiting times reduced from 37 minutes to seven minutes and customer satisfaction improving strongly.

5.3 The Channel Strategy identified the following categories of customers in the borough:

High Deprivation group (54%)

- Prefer One Stop Shops.
- Willing to try some services online in the future.
- Use a wide range of services, especially the Community Support type services and Benefits.
- Use housing repair services significantly.

Well Off group (29%)

- Do not often use the Council services.
- Usually access services
- Use parking permits, Streetline, a range of other one-off transactional services and Council Tax.

Modest Means group (17%)

- Use quite a lot of services, but not frequently.
- Usually access services by phone or on the Internet.
- Prefer not to go to OSSs for parking permits.
- Use more transactional services rather than the Community Support type services.

5.4 The challenge we face is to continue delivering effective customer services to all customers in light of the need to make significant efficiency savings. For example, the cost per customer per interaction at OSSs is nearly £9 while the cost of a transaction over the internet is minimal. However, the closure of OSSs could adversely and disproportionately affect the "High Deprivation" group members and older residents who have a preference for face-to-face contact.

5.5 For further service improvement, the Council takes complaints seriously and acts on them effectively. The complaint management is accredited with the Customer Service Excellence award. For example, 92% of complaints were dealt with within the target days at Stage 1 in 2009-10 (63% in 2007-08).

² 91% of customers were satisfied with the services of the Contact Centre (Oct 2010); 87% of OSS visitors were satisfied with the service they received (Oct 2010)

5.6 The Council monitors the progress and escalation of complaints and reports regularly to managers and members on issues raised and lessons learnt, and the complaints team regularly provide information for service planning, reviews and Equalities Impact Assessments. The Council is also exploring how best to improve the customer experience and enhance early, local resolution of issues.

6. Key discussion points

6.1 At the meeting, participants were given presentations by Claire Symonds (Service Head, Customer Access and ICT) on customer access and by Ruth Dowden (Corporate Complaints Manager) on the Corporate Complaints management.

6.2 Claire Symonds highlighted the customer access service's main achievements. They include:

- High levels of customer satisfaction across services such as Hot Line services, OSS and Web site
- High performance of the Contact Centre, OSS and the Complaints management
- Growing use of new on-line services including order of recycling bags and special refuse collections
- High performance in Revenues and Housing Benefit services.

6.3 In July 2010, the Council's contact centre customer surveys³ showed that over 90% of customers were satisfied with the services of all Hot line services including the Contact Centre, the Social Care and the Council Tax and 73% of customers were satisfied with the web site access. The Contact Centre, equipped with a new telephony system, considerably improved its performance between November 2009 and September 2010 – reducing the waiting time despite the increase of the number of incoming calls.

6.4 The Council offers more services through its website. For example, customers can now order recycling bags and special refuse collections via online. As a result, on-line request of these services have grown rapidly. Since then, recycling bags requests over the phone have decreased. However, telephone requests for special refuse collections remain at the same level. That may suggest that on-line service for special refuse collections enhanced accessibility of the services for customers. The presentation also highlighted that 1,300 customers have already registered with the Council Tax online self-service system, which was launched in April 2010. Regarding Housing benefits, live caseloads in the borough have been increasing; since April 2010, it has been 0.8% up and there are 38,446 cases. Housing benefit claims have been processed in average of 8.6 days and all appeals has been processed within the time limits set by the Department for Work and Pensions.

6.5 The challenges that the service is facing include:

- Further development of web-enabled services

³ The surveys are undertaken after each call.

- Reducing repeat calls and avoidable contact
- Meeting increased demand with reduced resources
- Planning for the future – the impact of the budget cuts.

All of these challenges relate to the budget cuts. It was stressed that the customer service cost via online is minimal, compared to other channels including face-to-face. Increasing web use has a huge potential for reducing cost and meeting increasing demand. A customer survey of the Channel Strategy shows residents' high willingness to the web use. For example, while 5% of the High Deprivation group members currently use the web to access the Council service, 50% of them are willing to use it. Over 10% of the Modest means and the Well off groups members currently use online, but over 60% of them are willing to use the web. Reducing repeat calls can also save resources for the customer services. It was noted that most of repeated calls and avoidable contacts were on unresolved housing repairs.

- 6.6 The current economic climate could cause more service demand e.g. more Housing Benefit claimants. A challenge is to meet the increased demand with reduced resources. In the light of the budget cuts and the changing environment around the public sector, what the council service would look like in 5 years time is still unclear.
- 6.7 Combining services at a facility could improve customer access. The newly planned Idea Store Watney Market, containing the functions of the Cheviot House OSS and Watney Market Library, is expected to be run with less cost than the aggregate of the current two facilities. A similar facility is planned for the Poplar HARCA Chrisp Street redevelopment.
- 6.8 Ruth Dowden highlighted achievements, issues and improvement initiatives of the complaints management. Corporate complaints have been handled effectively and efficiently. The Council's complaints management has been accredited externally since 2004 and the Local Government Ombudsman has been provided positive feedback annually. 92% and 95% of Stage 1 complaints were completed in time in the first and second quarters respectively. Compared to other London boroughs, the Council pays much less compensation money despite relatively high number of complaints dealt with by the Local Government Ombudsman.
- 6.9 The escalation rates to Stage 2 reduced from 15.4% to 15%; to Stage 3 from 6.9% to 5.4% due to service's quality checking. It was noted that escalated complaints were made for ongoing issues including unresolved housing repairs (e.g. water penetration), continual Anti-Social Behaviour, noise nuisance and missed waste collection.
- 6.10 For further improvement of the complaints management, it was highlighted that the Council needed to:
- Find better ways of following these ongoing and often multi-faceted problems
 - Ensure that affected person knows in detail at the onset the range of options that might need to be followed
 - Find the constraints to the council (e.g. access to leasehold property; evident gathering)

- Find when to escalate their concerns and that an officer makes regular contact to update them and offer assurance that the matter is progressing.

6.11 Suggested improvement initiatives included:

- Improved liaison with complainants for all complaints (minimum contact of a phone call, possible visit/meeting)
- Resolving simple matters ahead of target
- Initial handling requirements for more complex complaints
- Measures for scoping multi-faceted issues and managing expectations
- Measures for coordinating complex and multi-faceted issues.

7. Recommendations

7.1 All participants agreed with the importance of effective and efficient customer access and most of the discussion focused on how to reduce the cost of the customer services and maintain its effectiveness. Participants stressed the possibility of the web use. As above, the cost of a transaction over the internet is minimal and customers' willingness to the web use is high. It was noted that the Council was implementing the renewal of parking permits and benefit claims via online.⁴ As the service achieved in the area of recycling bags requests, the channel shift from other channels including face-to-face and telephone to the internet is desirable.

Recommendation 1 – That the Council continue to offer customers online services and promote web use to access the Council services.

7.2 Currently, approximately a third of residents do not yet have internet access. These residents can use computers with internet access at public facilities including OSSs and Idea Stores. However, some residents do not know how to use computers and to connect the internet. Participants stated that there was a possibility to encourage such residents to access the council services via online. Participants suggested that community-based organisations including social landlords, voluntary and community organisations and community centres that have computers and internet access could help them access the services via online, including providing them with training sessions.

7.3 Participants highlighted future opportunities and challenges in the customer services. Participants stated that the Council may need to look into possibilities and implications of new technologies, such as smartphones, for customer services. They agreed with the benefits of combined services, such as Idea Store Watney Market, and also noted the benefit arising from joining-up services at the customer level including health and housing.⁵ As an idea, it was suggested leaving recycle bags at GP surgeries and community centres.

⁴ Parking permits and housing benefits occupy the first and second transactions at OSSs.

⁵ One of the recommendations of the Marmot review into health inequalities, *Fair Society, Healthy Lives* (2010) is that housing policies should be integrated locally with health, alongside planning, transport and environmental policies to address social determinants of health, since health inequalities arise from a complex interaction of many factors, including housing, income and education. The recent NHS White Paper, *Equity and excellence: Liberating the NHS* presents the housing sector with an opportunity to establish a role in

Recommendation 2 – That the Council continue to encourage customers, including those who do not currently use the internet, to use efficient means of accessing services.

- 7.5 Participants touched upon specific issues that can be many residents' concern: anti-social behaviour (ASB) and dog faeces. Continual ASB may cause repeated contacts and complaints to the Council. Often, residents are frustrated by the Council's response to ASB. In many cases, there are gaps between customers' expectation of the Council's response – they expect that the Council acts like the police – and the Council's role. In housing estates, residents often find that the responsibilities of cleaning of dog faeces are unclear, because of 'boundaries' of responsibilities between organisations, such as the Council or Social Housing Landlords. Although dog faeces bags are provided at OSSs, it was suggested that the bags could be provided in housing estates for residents to clean by themselves.

Recommendations 3 – That the Council continue to find solutions to customers' problems in cooperation with relevant stakeholders and publicise the Council's role to manage customers' expectations.

8. Conclusion

- 8.1 The Challenge Session was an opportunity for Councillors and other stakeholders to understand issues around efficient and effective access to customer services for all our residents. It was noted that the Council's customer services across a variety of channels and the complaints management were handled effectively and efficiently. The challenge of the council is to continue delivering effective customer services to all customers in light of the need to make significant efficiency savings.
- 8.2 Participants extensively discussed how to reduce the cost of the customer services and maintain its effectiveness. The recommendations focused on promoting the web use for the Council's services among customers, improve customer services and reduce the customer service cost in the rapidly changing environment, and providing solutions to customers' problems in cooperation with relevant stakeholders.

9. Concurrent Report of the Assistant Chief Executive (Legal)

- 9.1. The Council is required by section 21 of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the executive to provide a response.

achieving improved health outcomes. This current thinking may impact on the role of the frontline customer services.

9.2. The report makes recommendations concerning the development of efficient customer services. This is relevant to discharge of many of the Council's statutory functions. It may also be relevant to the Council's obligations as a best value authority under section 3 of the Local Government Act 1999. That provision requires the Council to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

10. Comments of the Chief Financial Officer

10.1 This report describes outcome of the Scrutiny Challenge Session on Developing Efficient Customer Services held on 25 November 2010.

10.2 Recent government announcements about funding reductions to the Council in 2010-11 and for the next four years will affect any recommendations agreed and any additional costs that arise from the recommendations must be contained within directorate revenue budgets. Also, officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

11. One Tower Hamlets Considerations

11.1 Ensuring all customers' easy access to customer services will help alleviate poverty and inequality. Heavy users of the council services are predominantly from the "High Deprivation" group of the community and it is this groups that will benefit most from enhanced efficiency of access to appropriate services.

12. Risk Management

12.1 There are no direct risk management actions arising from this report.