

Feasibility Study into the Provision of a Low Cost Telephone Number for Benefit Claimants

1. Purpose of Report

- 1.1 To present the results of a feasibility study into the provision of a low cost telephone number for Benefit claimants.

2. Recommendation

- 2.1 **The Executive approve the implementation of a freephone 0800 telephone number for Benefits customers for a period of 12 months.**

3. Links to Corporate Business Plan

- 3.1 Providing a low cost telephone service to Benefit claimants has direct links to the following corporate priorities:
- Customer Focus
 - Equalities & Diversity

4. General Background Information

- 4.1 At its meeting on the 16th September 2004, the Overview & Scrutiny Committee established a Scrutiny Task Group to assess the efficiency and effectiveness of the Council at the processing of Housing Benefit claims and the costs associated with this service.
- 4.2 The Scrutiny Task Group conducted an inquiry into the Housing Benefit Service and reported its findings to the Overview & Scrutiny Committee on 19th May 2005. In response, the Benefits Team Leader produced an action plan to address the recommendations resulting from the review. This was considered and endorsed by Executive on the 13th October 2005.
- 4.3 Recommendation 15 of the action plan was to consider the feasibility of introducing a low cost telephone service for Housing and Council Tax Benefit claimants.
- 4.4 The call centre software collates extensive management information, including average times for answering calls, length of telephone calls, volumes and service category of calls etc. For the period 01/04/04 - 31/03/05 the call centre received 12,390 benefit enquiries, which on average lasted just under four minutes.

5. The Findings of the Feasibility Study

- 5.1 The feasibility study considered two options; to provide an 0800 number or to provide an 0845 number. The 0800 number would offer a free telephone service to the Benefit claimant, with the cost of the call borne by the Council. With the 0845 option, the Benefit claimant would pay for the cost of the call, but this would be charged at a local rate and would be valid from anywhere within the British Isles. Depending on the supplier, the Council would also face costs for the 0845 option, which could either be a one-off connection fee and/or a monthly line rental charge, or a charge per minute. In addition, both options would incur installation costs.

- 5.2 The 0800 option would:
- Improve access to the benefits service by removing the barrier of cost
 - Improve customer satisfaction
 - Ensure all Benefit customers are treated equitably by the Council
 - Enhance the Council's reputation
 - Compliment the Council's Equalities and Diversity and Social Inclusion policies.
- 5.3 The benefits of the 0845 option mostly mirror those of the 0800 option, but clearly to a lesser degree. However, it should be pointed out that a significant proportion of the Council's Benefits customer base already enjoys local rate calls, and therefore would not directly gain from this service. Depending on the preferred supplier, this could be the cheaper option for the Council.
- 5.4 It has been found that the telephone system is compatible with the introduction of either option. However, it should be noted that customers using mobile telephones would still be liable for network charges.
- 5.5 The feasibility study also identified a number of risks associated with the introduction of either option. This involves ineligible (not entitled to benefit) customers using the new number to access other services within the Council. Furthermore, eligible customers may choose to telephone more often, and for longer, which would impact on resources and costs. For these reasons, it is recommended that the service be reviewed after 12 months in operation. The call centre can be configured to ensure that appropriate management information is available for the purposes of this evaluation. Furthermore, during busy periods the system has currently 10 queuing ports available for customers waiting to speak to the next available Customer Services Officer.
- 5.6 The ICT team is undertaking further work to identify a suitable supplier. This evaluation will take into account factors such as cost and quality, as well as the compatibility with the Council's current system and infrastructure.
- 5.7 The vast majority of communications with Benefit claimants include a contact telephone number and it is possible for this number to be changed without incurring re-print costs. In addition, an insert promoting the new number could accompany Benefit application forms. Further promotion activity could include:
- A press release
 - Liaison with stakeholders such as the Citizens Advice Bureau, Registered Social Landlords etc.
 - Website
 - Electronic Notice Board
 - Council communications such as Council Tax Leaflet, Improving North Wiltshire etc.
 - Newspaper Advert

6 Financial Implications

- 6.1 There are numerous suppliers of 0800 and 0845 numbers and the charges range significantly. However, the feasibility study has identified that the quality of the service from some of the cheaper suppliers is questionable, can involve hidden costs and the purchase of additional equipment. Therefore, to demonstrate the difference in the cost of each option, a comparison has been undertaken using a reputable supplier, British Telecom. In addition, a further comparison has been undertaken using an alternative supplier. The costs associated with introducing a low cost telephone service have been estimated using data from Council's call centre.

COSTS PER ANNUM	0800 (BT supplier) (estimate £0.03 per min)	0845 (BT supplier) (estimate £0.348 per min)
Line Rental	£120	£120
Call Costs (estimate)	£1050	£1210
Consultancy (installation)	£750	£750
TOTAL	£1920	£2080
COSTS PER ANNUM	0800 (Alternative Supplier) (estimate £0.495 per min)	0845 (Alternative Supplier)
Line Rental	£0	£120
One-off connection fee	£39	£395
Call Costs (estimate)	£1674	£0
Consultancy (installation)	£750	£750
TOTAL	£2463	£1265

- 6.2 The estimated costs of providing a low cost telephone service can be accommodated within the existing telephone budget. However, if the actual costs were significantly higher, additional funding would be required to continue with this service.
- 6.3 A number of methods to promote the new telephone number have been identified at 5.3 above. The costs involved would be minimal, with the exception of the newspaper advert, which would be approximately £500.

7 Community & Environmental Implications

- 7.1 The introduction of a low cost telephone number will provide an enhanced service for vulnerable and disadvantaged members of the community. It may also assist with Benefit take up.

8 Equal Opportunities Implications

- 8.1 The provision of a low cost telephone service will help the least advantaged access financial assistance through the Benefits system.

9 Human Resources Implications

- 9.1 Staffing levels in the call centre have been reviewed and there are no immediate Human Resources implications. However, in view of the risks set out in 5.5 concerning demand and costs, it is recommended that a review is carried out after 12 months in operation. There will also be continual monitoring of call volumes and resource will be managed to ensure effective service.

10 Legal Implications

- 10.1 There are no legal implications resulting from this report. However, the vast majority of suppliers will require a contract for a minimum of 12 months.

**REPORT OF THE CUSTOMER SERVICES STRATEGIC MANAGER TO THE EXECUTIVE –
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