

**REPORT TO THE OVERVIEW & SCRUTINY
COMMITTEE**

Report No.9

Date of Meeting	1 ST March 2007
Title of Report	Review of the Benefits Freephone service
Link to Corporate Priorities	Customer Focus and Equalities & Diversity
Public Report	Yes

Summary of Report

To provide an update to the Overview & Scrutiny Committee on the progress, take up and impact of the introduction of the Benefits Freephone service.

Officer Recommendations

That the report be noted.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	NONE	NONE	YES	YES

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1. Introduction

- 1.1 At the Overview & Scrutiny Committee meeting on the 16th February 2006 it was resolved that, if implemented, a report be presented to a future meeting of the Overview & Scrutiny Committee giving a 6 month progress report of the Freephone service (minute O131).

2. Options and Options Appraisal

- 2.1 Option 1: To support the continued provision of the Benefits Freephone service after taking into account the take up, benefits, impact and cost of providing the facility.
- 2.2 Option 2: To recommend that the service be withdrawn or to provide other suggestions to mitigate the impact on service delivery.

3. Background Information

- 3.1 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.
- 3.2 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. 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.
- 3.3 At its meetings on 16th February 2006, the Overview and Scrutiny Committee considered the findings of the feasibility study and recommended to the Executive that a Freephone service be provided for Benefits claimants (O131).
- 3.4 At its meeting on 9th March 2006, the Executive resolved that the provision of a Freephone 0800 service for benefits customers be approved for a period of 12 months. Further consideration on whether to continue with the Freephone service after this trial period would be based on the findings of a full review into the benefits, impact and cost of providing the facility.
- 3.5 The Benefits Freephone service became operational in June 2006. The 6-month progress report evaluates the impact and costs of providing the Freephone functionality for the period July 2006 to December 2006.

4 Impact Assessment

- 4.1 The call centre software is capable of providing a comprehensive suite of management reports. The system has been configured to ensure management information is available for the purposes of evaluating the impact of the Freephone on the performance of the telephone service.

4.2 For comparison purposes, the table below provides performance data for two periods July 2005 to December 2005 and July 2006 to December 2006. It should be noted that the call centre was resourced at similar levels for both periods. However throughout 2005, the Benefits service was in a backlog situation, which generated a significant number of calls. The backlog was cleared in November 2006. As a result, there has been a significant reduction in the number of callers pursuing the processing of their claim. In contrast, revenue correspondence such as reminders and summonses increased significantly in 2006, which in turn prompts considerable telephone contact from customers.

Performance Category	July-December 2005 Call Centre	July-December 2006 Call Centre	July-December 2006 Benefits Freephone
Answered calls	26804	24295	2745
Volume of Benefits calls answered	3896	1251	2745
Average call duration	4 mins	5 mins	5 mins
Answered within 20 seconds	61%	32%	32%
Answered within 21-30 seconds	3%	3%	3%
Answered over 30 seconds	36%	65%	65%
Average delay per call	65 secs	2 mins 47 secs	2 mins 58 secs
Abandoned rate	14.3%	32.3%	35.3%
Total calls (answered and abandoned)	31292	35920	4245

4.3 The feasibility study identified a number of risks associated with the introduction of the Freephone service. These are outlined below and reconsidered in light of the findings from an analysis of the first 6 months of operations:

- Ineligible customers (not claiming benefits) may attempt to use the number to access other services within the Council. Management information indicates only 26 calls were received in this category.
- Eligible callers may choose to telephone more often which would impact on service performance. In total, there have been 8873 additional calls to the call centre, although only 236 calls were answered and of these only 100 were benefit calls. The abandoned call rate increased from 4488 (14.3%) to 11625 calls dialling the normal number and 1500 calls dialling the Freephone number, which equates to an abandonment rate of 32.3% and 35.3% respectively.
- The feasibility study may have under estimated the costs of the Freephone calls and additional budget may be required. The costs of the calls to the Freephone are less than £700, which is in line with the estimated costs identified in the feasibility study and can be accommodated within the existing telephone budget.
- The average duration of the calls may increase. This has proved to be the case with average call duration increasing from 4 minutes to 5 minutes.
- The performance of the telephone service may decrease. It can be seen that performance has deteriorated significantly since the introduction of the freephone as only 32% of the calls are being answered within 20-second customer charter performance standard as opposed to 61% in 2005.
- The telephone service may not achieve the 2006/07 key performance indicator target of 70% of all calls being answered within 20 seconds. Performance to date would indicate that this target will not be achieved.

- The promotion or marketing of the Freephone number may not sufficiently address the target audience. As can be seen, in the first 6 months of operation, 1251 benefit customers used the normal telephone number.

4.4 In addition, with effect from April 2007, there will be new minimum national standards for customer contact. These are:

- 80% of calls to the Contact Centre answered within 20 seconds.
- 80% of interactions (to Contact Centre & Front of House) dealt with at first point of contact. The team currently deals with over 90% of interactions at the first point of contact.
- 80% of specialist interviews with a waiting average of no more than 10 minutes. The team currently deals with approximately 82% of specialist interviews within a 15-minute standard.

These minimum standards will not be reached unless resource is increased. It should be noted that although a growth bid for 2007/08 has been submitted, it has not been considered to be business critical. Consequently, there is some doubt as to whether the bid will be approved.

4.5 At the outset, it was anticipated that the introduction of a Freephone would provide the following benefits:

- Improve access to the benefits service by removing the barrier of cost. There have been 4245 calls received by the Freephone at no cost to the caller.
- Improved Customer satisfaction. The key performance indicator measuring customer satisfaction in relation to the Customer Services call centre service indicates 100% satisfaction rates.
- Enhance the Council's reputation. The Audit Commission, Benefit Fraud Inspectorate and other stakeholders have noted the provision of a Freephone service to be good practice. It also assisted the Customer Contact Team in gaining the Charter Mark for customer service excellence.
- Compliment the Council's Equalities and Social Inclusion policies. The provision of a Freephone service tangibly improves access to the Benefits service by removing the barrier of cost.

5. Financial Implications

5.1 The costs of the calls to the Freephone are less than £700, which is in line with the estimated costs identified in the feasibility study and can be accommodated within the existing telephone budget.

6. Human Resource Implications

6.1 Management information on resource utilisation has indicated that since the introduction of the Freephone, call centre operators spend a greater proportion of their time handling telephone calls. It is therefore imperative that operators take the required breaks. These are recorded and monitored for Health and Safety purposes. Furthermore, a deterioration in service performance can generate more abusive calls which in turn can lead to stress and bring about a negative working environment. An analysis of sickness records for the two periods indicates that sickness has virtually doubled since the introduction of the Benefits Freephone. However, there is no evidence that the increase is related to the introduction of the Benefits Freephone or as a result of increased levels of stress. The main cause of the increase was due to one member of staff and the absence was not related to either stress or the Freephone. This member of staff has now left the Council.

7. Equalities and Diversity Implications

- 7.1 The introduction of a Benefits Freephone has provided an enhanced service for vulnerable and disadvantaged members of the community and has increased access to financial assistance through the Benefits system by removing the barrier of cost. Any decision to withdraw the service would result in the loss of these benefits and effect the most vulnerable in the community.

8. Risk Analysis

- 8.1 It is clear that the introduction of the Benefits Freephone, in tandem with the increased recovery activity, have impacted on the performance of the Council's telephone service. It is unlikely that the targets for key local performance indicators measuring the quantitative aspects of the telephone service delivery in 2006/07 will be achieved. Furthermore, it is uncertain whether the growth bid to increase resources will be approved. It should be pointed out that with existing resources the telephone service will not be able to meet national minimum standards in 2007/08. Equally, existing targets for local performance indicators now appear to be unrealistic and will need to be revised accordingly. Conversely, any decision to withdraw the Freephone service will impact on the most vulnerable in the community.

Appendices:	<ul style="list-style-type: none">• None.
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none">• None.

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Benefits Phone Service	Overview & Scrutiny 16/02/06	O131
Feasibility Study into the Provision of a Low Cost Telephone Number for Benefit Claimants	Executive 09/03/06	E203