

Customer Services Division – Birmingham City Council

Overview and Scrutiny Report – Council Tax

October 2015

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1. Background Information

The Revenues Service is a key front-line service that touches every household and business within Birmingham.

There are approx. 440,000 Council Tax accounts in Birmingham, and the vast majority of citizens make payment of their Council Tax without the need to contact BCC.

Council Tax and Business Rates are the most significant source of income to the City, generating £469.6 million per year for the City (£271.2m from Council Tax and £198.4m from Business Rates), which allows the Authority to provide necessary services for all Birmingham residents, and meets its key priorities.

However, there will always be situations where citizens will need to make contact, as a result of changes in their individual circumstances, etc. In addition, where citizens are facing difficulties in meeting their payments they are requested to make contact as soon as possible to ensure that accounts can be dealt with appropriately, and stop the requirement for further enforcement and recovery action being taken.

There are, unfortunately, those citizens who do ignore various attempts to make contact, which results in further communications being sent. However, in the majority of cases this will eventually result in the citizen making contact in order to set up a Special Payment Arrangement, to notify the City of a change in circumstances or to raise a general query.

The initial telephone calls from citizens are handled in City's corporate contact centre whilst the back office function is outsourced to Service Birmingham.

2. Service Birmingham Role

Birmingham City Council has outsourced its Revenues Council Tax and Business Rates Service Operation to Service Birmingham since April 2011.

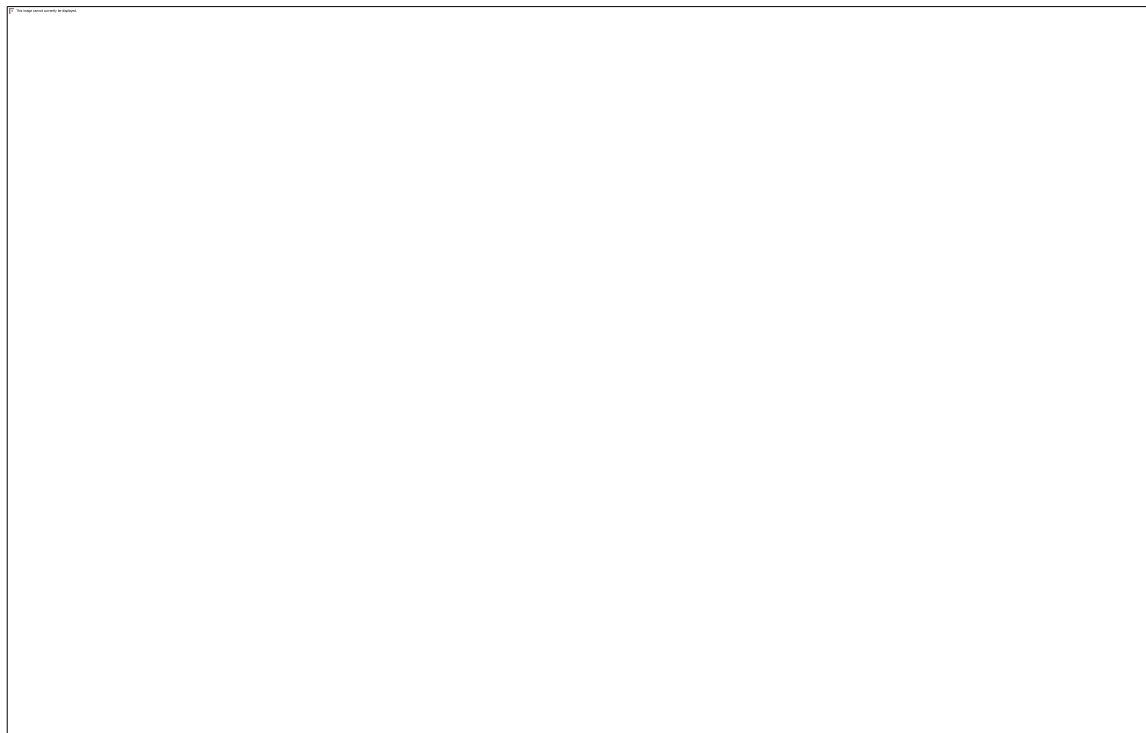
Service Birmingham provides the statutory function for the billing, collection, recovery, enforcement and administration of Council Tax and Business Rates, maintains all appropriate databases and ensures compliance with all appropriate legislation and regulations.

Due diligence and investigation was undertaken prior to the awarding of the Revenues Contract to ensure that Birmingham City Council achieved both value for money and the provision of an effective Revenues Service which delivered against agreed key contractual performance measures.

The SB Revenues Contract has a set of key performance indicators to ensure collection levels of 98% over a 3 year period which allows the City Council's budget, in terms of discretionary expenditure, to be achieved and its budget to be balanced. The Contract, now in its 5th year of operation, continues to provide this and has over-performed against the targeted collection rates across a number of years.

3. Call volumes and types

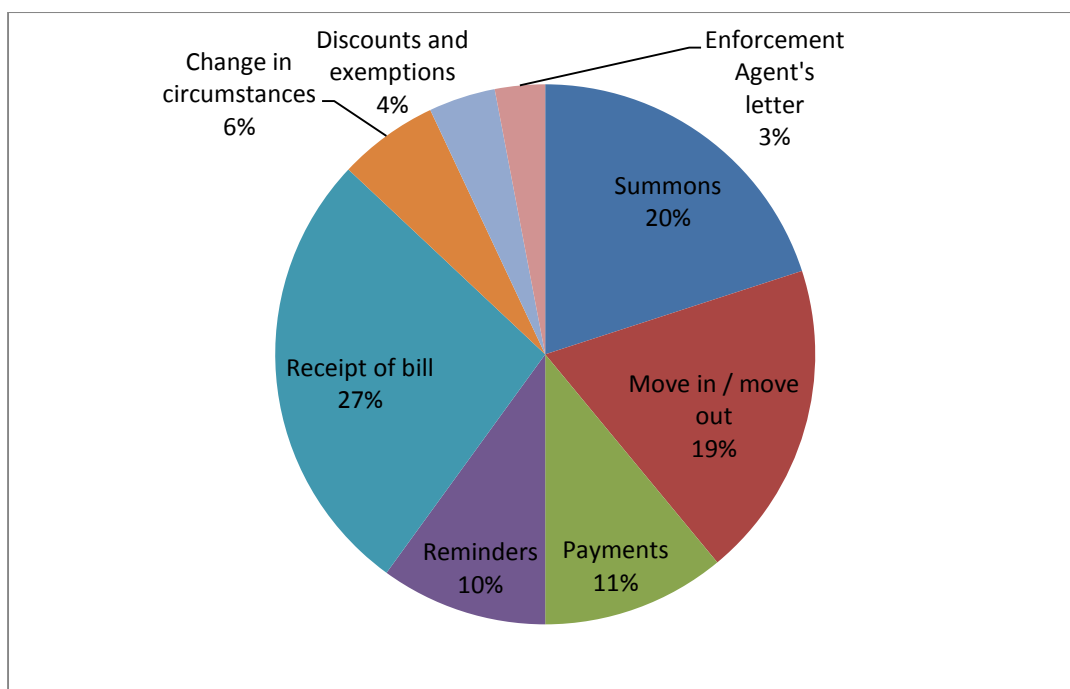
The following graph shows the volume of calls answered at the contact centre by month from April 2012 to September 2015. The chart below shows the underlying data.



The contact centre receives a number of enquiry types for Council Tax. These include:-

- Move in / Move out
- Change in circumstances
- Discounts and exemptions
- Payments – missing payments, refunds, transfers
- Query following receipt of bill
- Query following receipt of reminder
- Query following receipt of summons
- Query following Enforcement Agent (Bailiff's) letter

The typical breakdown of enquiry types is shown in the pie chart below. It should be noted that this breakdown will change during the course of the year eg at annual billing time the proportion of queries following receipt of the bill is likely to increase.



4. Mailing Sequence

65% of citizens pay their Council Tax by direct debit and rarely need to contact the Council unless they experience a change in circumstances.

The majority of contact is from citizens who do not use direct debit.

Citizens are given a number chances to clear their debt before being issued with a summons to attend Court as follows:-

- Initial bill
- Reminder 1
- Reminder 2
- Final notice
- Summons

The following table shows the volume of different mailing types that were despatched last year:-

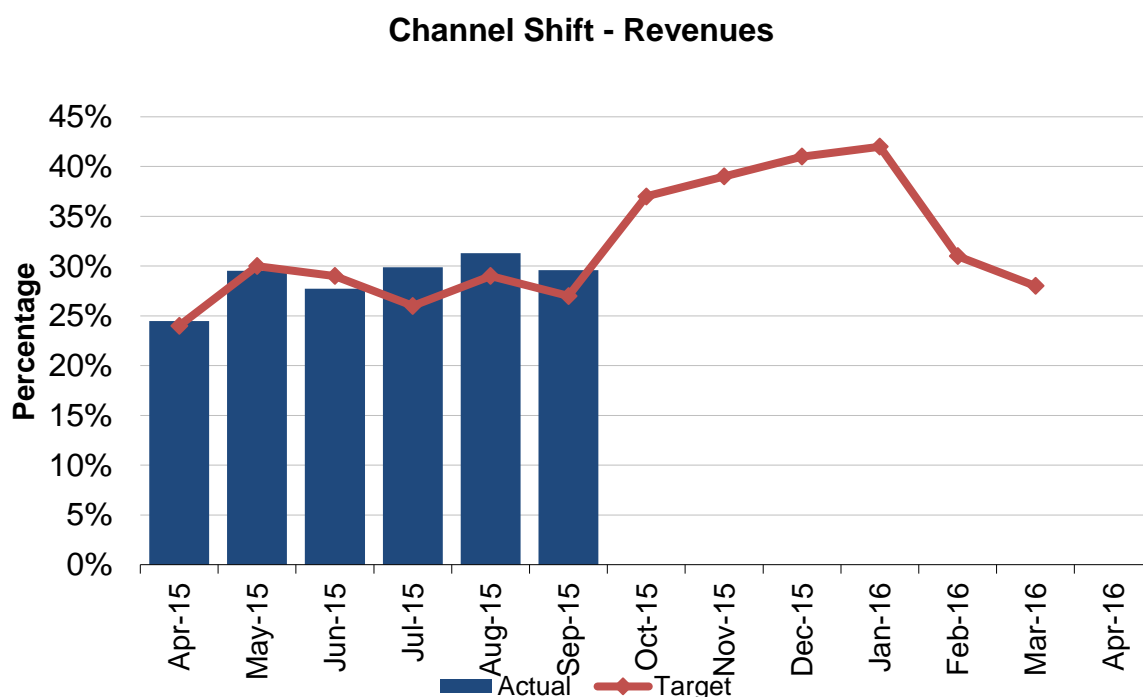
2014/15 Output – Daily CT Bills, Reminders, Final Notices, Summons and 14 Day Letters.

Month	Bills	Reminder 1	Reminder 2	Final Notice	Summons	14 day letter
April	97391	44083	39	12	1602	3835
May	48803	38078	3070	3	12000	3698
June	48731	17310	7048	535	16000	10769
July	56720	16439	4920	1719	12000	10280
August	44617	15946	3841	4286	10567	14568
September	51610	9238	3965	2090	10246	9056
October	50934	13933	4223	2420	4778	8268
November	43605	13046	3181	2293	5153	3647
December	44686	12922	3732	2407	8000	3935
January	44482	15093	3332	2349	4934	6313
February	43948	5152	2112	932	5545	3706
March	12711	11199	1135	358	8383	4098
Total	588238	212439	40598	19404	99208	82173

NB – In addition during the Annual Billing Period in March approx. 440,000 bills are issued

5. Web Developments and Channel Shift

Channel shift is a corporate target. In 2015/16 four key services are included in the measurement of the target – Benefits, Council Tax, Fleet and Waste Management and Housing Repairs. The graph below shows the target for Council Tax and the actual achievement by month.



To date, channel shift performance has been in line or slightly exceeded the forecast projections for 2015/16. Analysis shows that the volume of calls in 2015/16 is on average 26.5% lower than in 2014/15 whilst the volume of online transactions completed is fairly static at an average of 11,600 per month.

A number of improvements have already been made to the Council Tax pages on the website to support channel shift and to improve customer satisfaction with the website. These are designed to make it easier to find the information; to better understand the information; and to take the correct action without needing to speak to anyone.

The main changes are as follows:-

- The Council Tax landing page has been planned around usage evidence and citizen priorities and complaints to allow easy access to services and content.
- Making a Council Tax payment has been added to the home page as a top task and this has resulted in an increase in the number of citizens utilising the online automated payment facility.
- All Council Tax pages have been reviewed, duplicate content has been removed, language has been simplified, the layout has been changed so that it is easier to find key information and links, and pages have been split where there was previously too much information on one page.
- New pages have been created
 - Council Tax Bands and Charges – this information was not easy to find and therefore citizens had to ring the contact centre. A new page is easily accessible from the Council Tax landing page and clearly shows how much the charge is for each band and how the amount is made up.
 - Problems paying your council tax – this page outlines the various stages in the recovery process, what the citizen should do at each stage and what will happen if they ignore the letters.
 - Your Council Tax bill explained – shows a copy of a bill and what each piece of information means.
 - Council Tax student discounts – a page dedicated to students and how Council Tax applies to them and what they need to do.
- A feedback widget has been applied to all of the Council Tax pages. This enables customer feedback (both positive and negative) to be routed through to the Web Team as soon as it has been left. The Web Team are then able to make changes to the pages very quickly and let the citizen know as soon as this has been done.
- Paying by Direct Debit has been given a higher profile.

6. Integrated Voice Response (IVR) or Automated Messaging Review

Customer Services has undertaken a full review of the existing IVR messaging presented to citizens at the start of a Council Tax call. Feedback through customer satisfaction surveys and Your Views evidenced a level of dissatisfaction with the current set up. The review had the clear aims of:-

- Removing repeated messages
- Reducing the amount of messaging and wording
- Reducing the number of selection menus and options to press
- Reducing the time to reach an Advisor

The revised IVR is due to be implemented by the end of October. The new IVR has retained key information, instructions and messages that are helpful to the caller. The intention is that the flow of the IVR will be quicker and easier for the citizen to navigate.

The key changes are as follows:-

- The number of options on the main Council Tax menu has reduced to just 3 options whereas previously it was 5.
- The number of layers is now typically 2 and the lengthy information messages have been removed.
- The out of hours messaging has been substantially reduced by removing unnecessary and lengthy messages. Callers are now either given the option of being put through to the automated payment line or going on to the website for more information.
- The general wording has been simplified making it easier for customers to select the correct option.
- The typical journey through the IVR has reduced from 3 mins 27 secs for a change in circs and 2 mins 43 secs for a reminder letter to around 1 minute.

7. Current contact centre processes

Please refer to Appendix 1 for the call flows that show the typical customer experience when contacting Council Tax in respect of the most popular call types.

8. Resolution Champions

Earlier this year as part of the 'One Contact vision' Customer Services introduced a team of Resolution Champions to the contact centre. Council Tax Advisors have access to 5 Resolution Champions. The aim of the Resolution Champions was to have a group of senior customer service focussed Advisors who have advanced system, service area and customer knowledge. They support the call handling teams with the immediate resolution of escalated enquiries, repeated service failure, complaints and "on the call" issues that arise. The objective of adding these roles to the operation is to proactively reduce repeat calls, improve the citizen experience and remove the need for further escalation or complaint.

To be successful in this task Resolution Champions have direct contact with members of staff in the Service Area so that they are able to gain background knowledge, progress updates and request assistance on a case in order to resolve any customer concerns in a quick turnaround. Resolution Champions will also call the customer back to give them an update on what they have done and to give them reassurance that action has been taken. They are also able to contact the enforcement agents direct and request a stand over on the account if they feel this is appropriate.

By way of illustration, between July and September one of the Resolution Champions handled 250 escalations with a breakdown as follows:-

- 81 – Customers not happy with the Council Tax recovery process/policy – 32.4%
- 64- Query regarding the process (correct process had been followed) 25.6%
- 33 – Service Error (Back office process delays account not updated) 13.2%
- 33 – Advisor Error (Contact Centre Error) 13.2%
- 18 – Enforcement agent cases – 7.2%
- 17 – Customer error – 6.8%
- 2 – Staff Behaviour (Lack of soft skills) – 0.8%
- 1 – Complaint avoided – 0.4%
- 1 – Complaint Escalated – 0.4%

9. Customer Satisfaction

Customer Services commissions a monthly customer satisfaction survey across the Service Areas that use the contact centre. For Council Tax this is conducted via an SMS text survey. A daily survey is sent to a random selection of citizens who have called the Council via their mobile (approximately 65% of callers use their mobile phone). The text message directs citizens to a website where they respond to a series of 6 questions about the service they received and they score each question on a scale of 1 to 10 where 1 is poor and 10 is excellent. They also have the option of leaving a comment to explain why they have scored the service in the way that they have. A citizen will only receive a maximum of one text per month and has the option to opt out of the survey process altogether.

The following graph tracks overall satisfaction with the Council Tax service since the surveys were first commissioned. This shows a steady increase in overall satisfaction. It is recognised, however, that further improvement is still required and there is a focus in the contact centre on improving soft skills, increasing first time contact resolution, making the customer experience easier for our citizens and improving the online presence.



One of the questions asked of citizens in the survey is how willing the Advisor was to help. This is a key measure for the contact centre as it provides evidence that the improvement plans that were instigated following transfer of the contact centre from SB are working. The results are shown in the graph below. Again this also shows a steady increase since November 2014.



The results for September are disappointing and have shown a dip in performance that is against the longer term trend. Further analysis of the results does not show a clear reason for this dip although there is evidence of more citizens complaining about the time to get through to an Advisor and dissatisfaction with the automated messaging. As detailed above, the automated messaging is due to be improved by the end of October. A number of new Advisors have been recruited to fill gaps in the teams and they are currently in training. They will be fully operational during October and this will improve call answering times.

10. Future plans

Letter review

A review of existing letters shows that citizens typically call as they are unsure what to do with a bill or reminder. The wording is not clear and often causes confusion. 27% of all calls during September were as a result of receiving a bill.

Customer Services has reviewed the current bill, reminder notices and summons. A number of positive changes have been made to the look and feel, plain English has been used and some “nudging” techniques have been used to encourage customers to sign up for direct debit. This will result in savings against printing and postage costs, reduce calls coming into the contact centre and reduce recovery action.

Single Person Discount

Requests for exemptions and discounts account for considerable demand in the contact centre. The most significant are calls in relation to single person discount. Historically the contact centre has been unable to resolve customers' enquiries and instead have had to send an email to the back office for them to send out a manual form. This created unnecessary delay for the customer and created additional activity in the back office.

Customer Services have worked with colleagues in Council Tax to deliver a seamless online solution for single person discounts and some of the other most frequently used exemption and discount forms. Contact centre advisors are now able to order a single person discount form electronically at the first point of contact and award the discount for a one month period pending receipt of the form from the customer. This removes at least 20 days from the process for the customer, reduces back office activity and improves customer satisfaction.

Direct Debit Take up

The Council would like to encourage those in arrears to change their payment method to direct debit; thus reducing the time and money spent on chasing arrears and pursuing citizens at Court where they incur additional costs that they cannot afford to pay.

Work has been undertaken to identify where costs could be reduced and where the service to the customer could be improved.

A new process was introduced on 20th October 2015 whereby contact centre advisors will offer those citizens in arrears the opportunity to pay by direct debit. The incentive to the customer is that if payments are maintained and the account is cleared, court costs will be withdrawn. Once the account is clear the direct debit will continue to the next financial year, reducing the possibility of further arrears.

Discretionary Payments for Rent and Council Tax

Discretionary Housing Payments (DHP) & Council Tax Discretionary Fund payments (CTDF) payments are awarded as a short term measure to help claimants in extremely difficult circumstances. These funds support people who need extra help with their rent or Council Tax when Housing Benefit/Local Housing Allowance/Universal Credit/Council Tax Support does not cover the full amount.

Previously customers claiming the rent element did not claim the council tax element as it was less well known.

A new claim form has been created that incorporates both elements into one form. This will support those suffering financial hardship and reduce the arrears collection for the City. Again this will reduce costs and back office activity.

Refund process

Previously any requests for a Council Tax refund received at the contact centre resulted in an email being sent to Revenues Back Office to request that they make the appropriate refund. Where there has been Council Tax support paid on the account, the back office sent an email to Benefits to check that benefit had been awarded appropriately and that the credit on the account could be refunded to the customer. Once checked, the Benefit Service sent an email back to Revenues to confirm if the refund could be made or not. This process could take more than a month and meanwhile it was not unusual for a citizen to ring in multiple times chasing the progress of the refund.

This process has been improved considerably, saving time for the customer and the back office by up to 20 days; by removing elements of the process to provide a more efficient process.

Text messaging

A mobile phone text alert process is to be introduced from October 2015, sending messages to customers who are in arrears with their Council Tax payments. The text message will be sent automatically to run before the paper reminder notice is sent. This is intended to reduce printing and postage costs and reduce arrears action which can be expensive, by encouraging citizens to bring their account up-to-date sooner. It is also intended to accelerate cash flow by serving as a gentle reminder. It costs BCC approximately £1 per Council Tax Arrears letter, whereas text message alerts cost 3.8p per text. The text will refer customers to the online payment solution, encouraging channel shift for other council services. It is a quick, interactive and convenient way of communicating with Council Tax payers - providing instant information to customers.

11.SB Revenues Role

The Back Office receives over 1,000 items of customer communication per day through the document management systems. Over 50,000 outbound call contacts per annum are also made, as well as maintaining weekly court attendance and customer interaction through a team of inspection officers.

SB has continued to work closely with the Contact Centre to drive down unnecessary customer contacts (both in/outbound) and changes this year to the reminder mailing schedules have reduced premature arrears letters being sent out. This aligns well to the text messaging processes outlined above.

There is regular dialogue to cover aspects of joint working and both Managers and Resolution Champions have received further coaching and development training from the Back Office. Both SB and BCC believe that there is potential to further improve the skill levels of the two areas through the sharing of best practice and using customer data more proactively. A number of specific areas have been highlighted covering escalations, liaison with Enforcement Agents etc.

SB liaises with a number of BCC functional areas to support and improve Council Tax collection rates including the Benefits Service, Finance and Property Services. There is also an involvement with many of the ongoing projects that cross the operation including process change, annual billing and improvements to the customer journey.

SB has recently been undertaking more detailed analysis of customer behaviour particularly dealing with the more significantly indebted customer. They are working closely to identify opportunities to segment customers that require more specific action through bankruptcy or committal.

A new workflow management tool has been implemented within the back office and whilst this is a recent addition it is expected to deliver significant improvements to the management information and performance of the operation. In addition this is being used to shape and deliver a better customer-centred view of actions required when dealing with more complex interactions. This will reduce customer confusion where multiple communications are being sent out. This system will be extended to the Business Rates teams over the next few weeks.

The SB back office function is also going through a restructure and refocus of approach. It is expected that this will enhance and drive clarity to the customer journey whilst also providing opportunities for contractual savings.

12. Longer Term Improvements

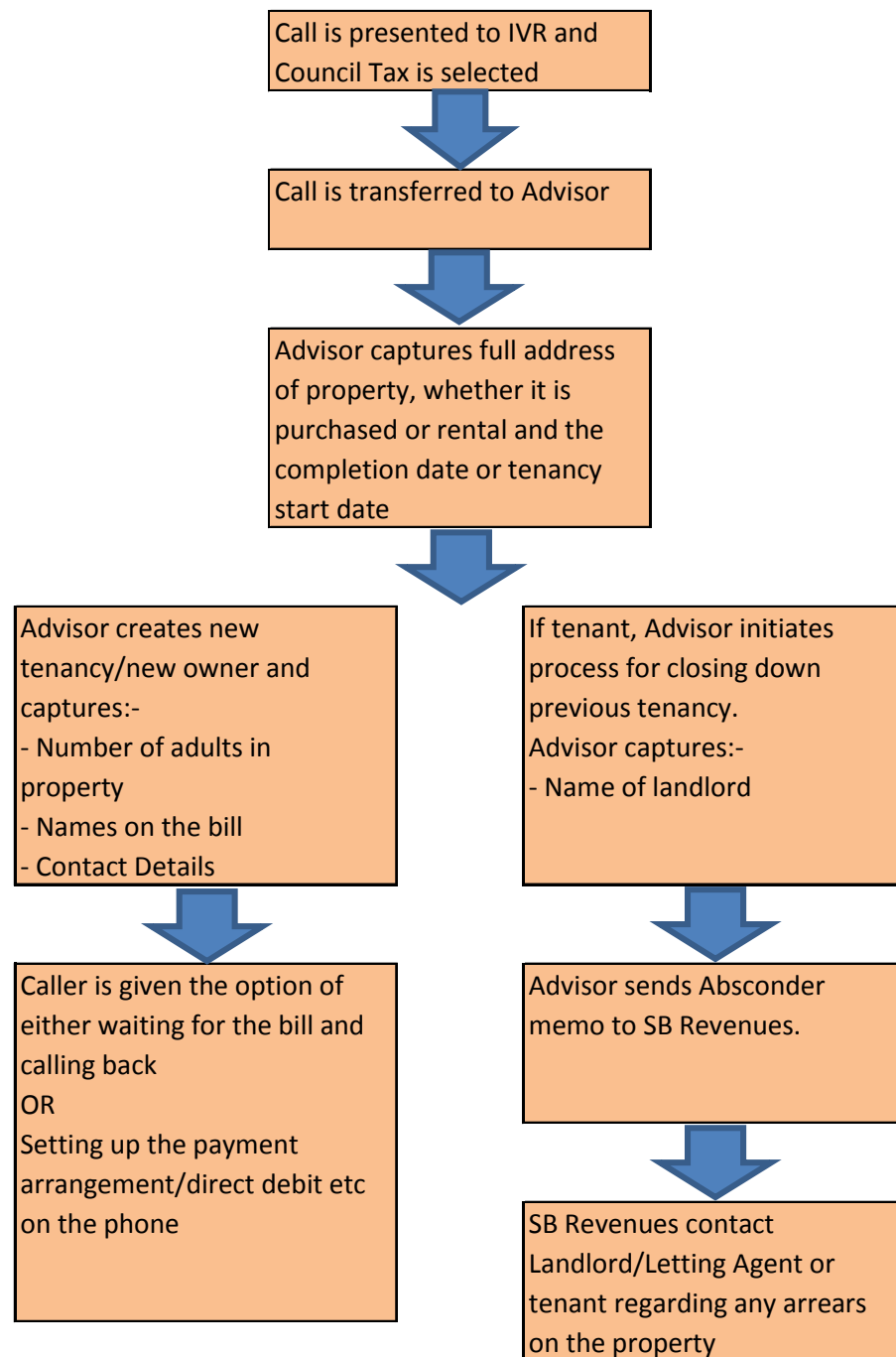
Identifying and segmenting the customer base to understand and distinguish between the “Can’t pay/ Won’t pay” is an important part of developing communication strategies that maximise performance and service. SB is working increasingly with a wider sphere of specialists to not only learn from them but also share the knowledge that exists within Birmingham. This includes other Authorities and specialist Legal/Insolvency practitioners.

Data capture is being refined to understand more about what makes customers respond to all of the communication channels. Joint working is taking place to reduce multiple contacts. There are customers that require more engagement in order to educate and inform and the intention is to increase the channels used. .SB and the contact centre will also continue to respond to feedback gained through complaints and front office satisfaction surveys.

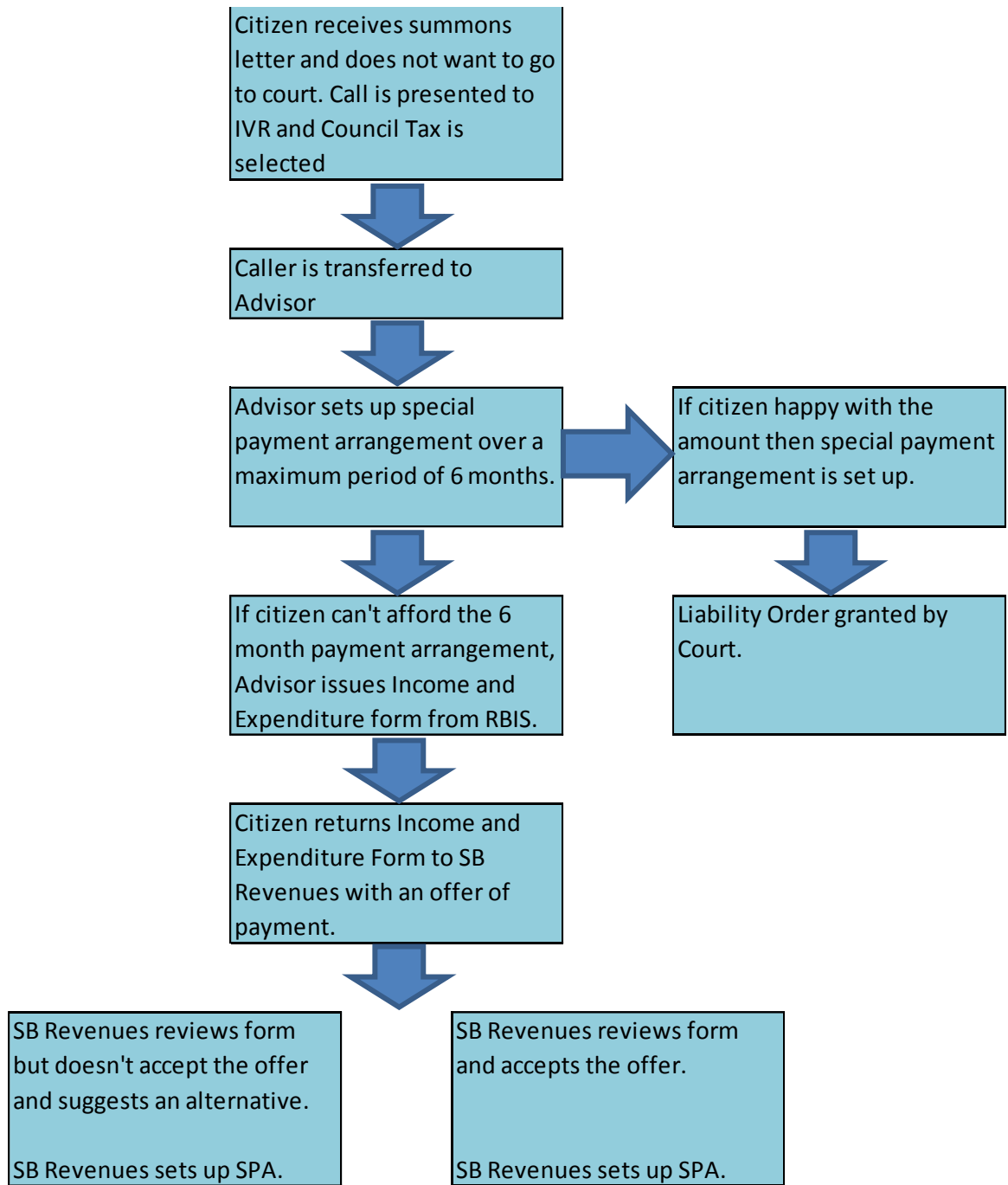
There are a number of automation opportunities under consideration aimed at reducing processing time, enhancing the customer experience and consequently reducing customer contact, to include enhancing payment capabilities, on line data capture and greater personalisation of communications.

Appendix 1 – Call flows for the most popular call types

Move in / move out process

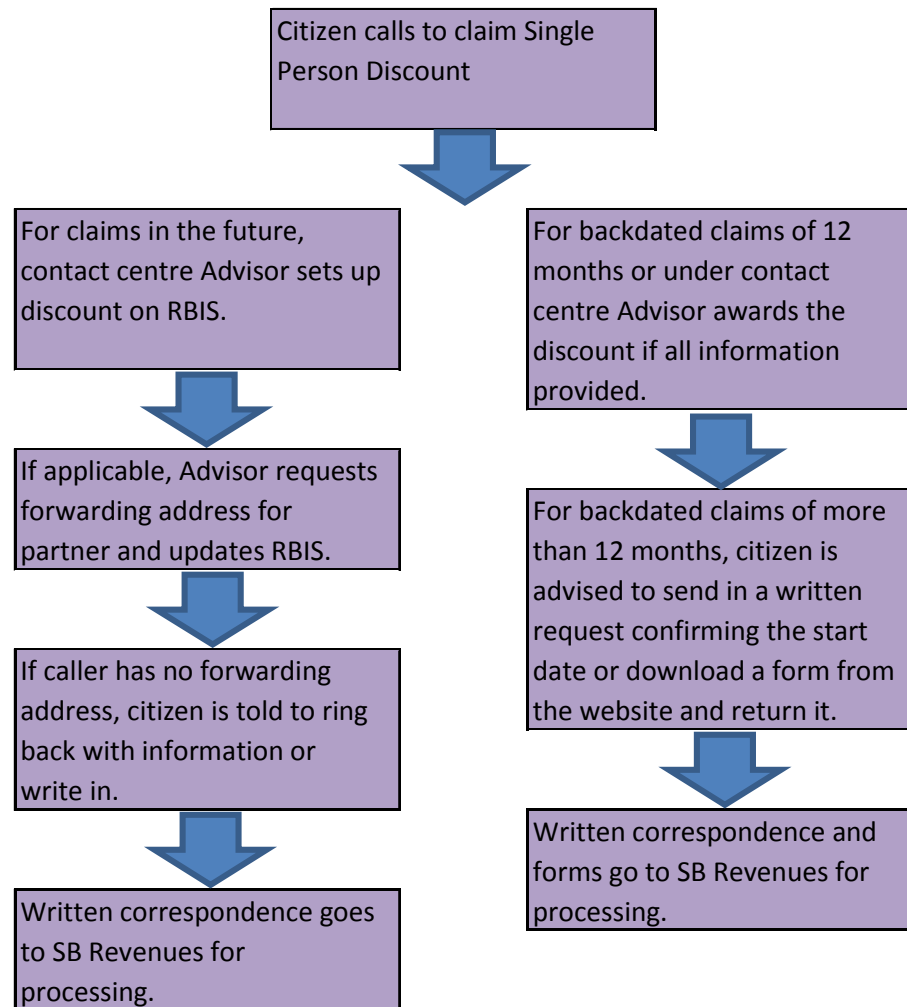


Summons Process



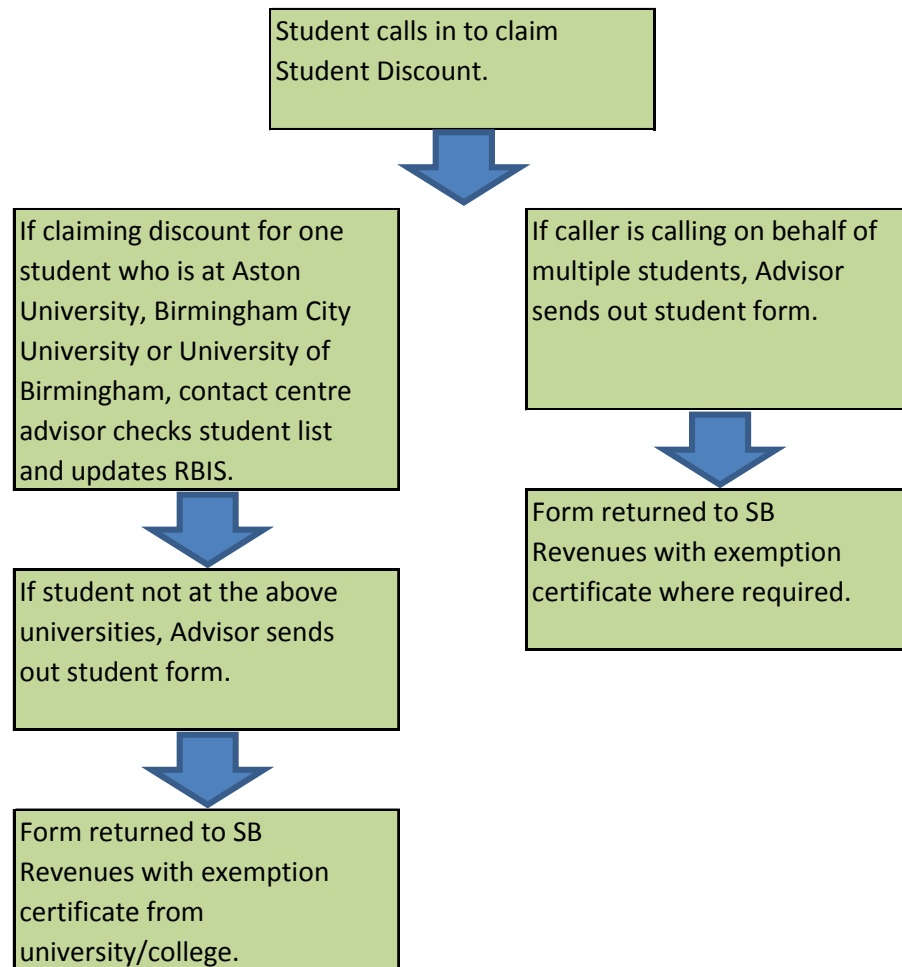
Note: SPA stands for Special Payment Arrangement.

Single Person Discount Process



Note: RBIS is the specialist Council Tax and Benefits system that is used to record information about the customer.

Student Process



Reallocation Process

