

# Efficiency, Improvement and Transformation Programme

## Task and Finish Review

### CUSTOMER SERVICES AND TAXATION

#### EVALUATION OF THE SERVICE & RECOMMENDATIONS FOR FUTURE SERVICE DELIVERY

Report to Corporate, Adult Services & Social Inclusion Select  
Committee

7<sup>th</sup> December 2010

## **SUMMARY**

A “task and finish” EIT Review has been conducted, to identify options for efficiencies, improvement and transformation within Customer Services and Taxation, which is part of the Resources Service Grouping. The task and finish approach requires reviews to be carried out over a shorter timescale because of the emerging financial situation facing local government. The review therefore has concentrated specifically on service provision and identification of options for future service delivery and configuration. Following approval from Members, the next step will be to develop a detailed implementation plan, which will include formal consultation with staff and unions.

### **Recommendations**

1. That Customer Services and Taxation be re-structured, the new structures to be in place by 1<sup>st</sup> June 2011 with estimated savings of £133,000 per annum.
2. That the consultation exercise around the above restructure also include proposals for standardising the disparate contractual arrangements for Customer Service Officers.
3. That a further review of Customer Services and Cashiers be undertaken in 2012/2013 by which time new technologies will be embedded and the new Stockton multi-service centre will be fully operational, thus enabling a more accurate assessment of the staffing resources required to run the service.
4. That the revisions to the discretionary rate relief policy described at paragraphs 15 and 16 be adopted with effect from 2011/2012 with a projected saving of £24,700 per annum.
5. The introduction of a trial scheme to “re-cycle” cases that have been returned by the Council’s main bailiff to an alternative bailiff, as described in detail at paragraph 19 of the report.
6. That work continue to exploit the potential of new technology to improve customer service in particular, further work be undertaken to develop a business case with regard to the introduction of SMS texting for inward and outbound interactions between Customer Services and residents.
7. That the monthly Community Access Points currently held at Tesco stores in Ingleby Barwick and Durham Road cease, and (subject to agreement with store managers) be replaced with occasional promotions for specific events.
8. Develop and roll out a channel access strategy which will outline the broad principles for the ways in which the Council will deliver its services through a range of accessible contact channels that provide value for money and will include a channel migration strategy designed to encourage customers to use cheaper channels, where appropriate.
9. That opportunities for partnering with other Councils continue to be explored and evaluated as the impact of changes to the Benefits Service on any possible future partnering arrangement become clearer.

## INTRODUCTION

- On 26<sup>th</sup> October 2010, Members received a report outlining the baseline information for Customer Services and Taxation and noted that in addition to evaluating current service delivery, the review would focus on two areas, where there appeared to be potential to identify efficiencies and improvements:
  - Identification of smarter ways of working through use of new technology and re-allocation of duties within teams/merger of teams to enable a service re-organisation.
  - Review of the discretionary rate relief policy to ensure relief is targeted in a way that meets Council priorities.
- This report provides details of the evaluation of the service, options for service reconfigurations and improvements that will contribute towards the target savings for the review which are at least £154,500. It makes recommendations for future service delivery in line with the principles of EIT.

## DETAIL

### Baseline

- The baseline information for this review was considered in detail by Members on 26<sup>th</sup> October 2010. The main details of the cost of the service, number of FTE (permanent posts) and resources used is shown in the following table:

<b>CUSTOMER SERVICES</b>								
<u>Cost of the Service</u>	<u>No of FTE</u>	<u>Resources Used</u>						
2010/2011 Budget (excluding support service recharges) <ul style="list-style-type: none"> <li>Contact Centre, Multi-service Centre, admin and management:               <table> <tr> <td>Employees</td> <td>£1,153,684</td> </tr> <tr> <td>Other</td> <td>£ 107,740</td> </tr> <tr> <td><b>Total</b></td> <td><b>£1,261,424</b></td> </tr> </table> </li> <li>CRM system – <b>£44,892</b></li> </ul>	Employees	£1,153,684	Other	£ 107,740	<b>Total</b>	<b>£1,261,424</b>	42.5 (permanent posts)	Contact Centre and management based at Municipal Buildings; Multi-service centre within Thornaby Central Library. Kingsway House reception MacFarlane telephony system, NDL software integration product.  Lagan CRM system, Civica Open Vision module for integration between CRM and Taxation and Benefits system
Employees	£1,153,684							
Other	£ 107,740							
<b>Total</b>	<b>£1,261,424</b>							
<b>TAXATION</b>								
<u>Cost of the Service</u>	<u>No of FTE</u>	<u>Resources Used</u>						
2010/2011 Budget (excluding support service recharges) <ul style="list-style-type: none"> <li>Tax Collection (CTAX and NNDR):               <table> <tr> <td>Employees</td> <td>£784,866</td> </tr> <tr> <td>Other</td> <td>£307,352</td> </tr> <tr> <td>Income*</td> <td>(£755,184)</td> </tr> </table> </li> </ul>	Employees	£784,866	Other	£307,352	Income*	(£755,184)	29.3 (permanent posts)	Taxation service at Kingsway House
Employees	£784,866							
Other	£307,352							
Income*	(£755,184)							

<p><b>Total £337,034</b></p> <p>* Income from court costs and NNDR grant)</p> <ul style="list-style-type: none"> <li>Cashiers: <ul style="list-style-type: none"> <li>Employees £220,154</li> <li>Other £ 32,535</li> <li>Income* <u>(£ 60,180)</u></li> <li><b>Total £192,509</b></li> </ul> </li> </ul> <p>* Income from Tristar Homes</p> <ul style="list-style-type: none"> <li>IT Systems - <b>£121,072</b></li> </ul> <ul style="list-style-type: none"> <li>Discretionary Rate Relief Budget - <b>£141,750</b> (corporate budget)</li> </ul>	<p>10.6 (permanent)</p>	<p>Cash offices (3) at Municipal Buildings, Thornaby Library/multi-service centre, Billingham Council Offices.</p> <p>ICT systems – Civica Revenues and Benefits system, including e-Government modules; Northgate Information@work document and records management and workflow system. The systems are also used by Benefits</p> <p>This budget is used to fund awards of discretionary rate relief to charities and other non -profit making organisations. The Council has a discretionary rate relief policy to inform decisions on any new applications received.</p>
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4. Members were also advised of the main influences that impact on the service, these being:
- That both Customer Services and Taxation are highly dependent on technology to deliver effective and efficient services;
  - The Recession has generated additional workload for both services in terms of increased numbers of enquiries and account amendments;
  - The services have to deal with frequent legislative changes which require software changes, the design and introduction of new procedures and staff training;
  - The Council's Council Tax base continues to grow as more homes are built. The number of business rate premises has also increased over the last twelve months. The administration of the increasing number of accounts is being managed without any associated increase in staffing resource.
  - Customer Services is still very much a new service, the roll out of the Access to Services Programme is not yet complete and the service is still undergoing considerable change in terms of staff transferring into the team as new services are delivered from the contact centre and maximising the potential of new technology.

## Service Evaluation and Findings

### Is the Service Needed?

5. Customer Services was created in 2007 to deliver the Council's Access to Services Strategy. As the first point of contact for many services, the staff are effectively the "face of the Council" and know that the quality of service provided

can influence customers' perceptions of the Council as a whole. Customer service work is viewed as a profession and to move through the career structure within the team, staff must achieve an NVQ in Customer Service. By the end of 2010/2011, 50% of our pool of customer service officers will have achieved an NVQ level 3 in customer service.

6. Whilst Customer Service is not a statutory service, clearly it is necessary to have arrangements in place to respond to customer enquiries, log requests for service and allow customers to transact with the Council. In adopting its Access to Services Strategy, the Council made the decision to move away from a model where each customer-facing service dealt with its own customer queries, towards a more centralised model, seeing the advantages of this approach as:
  - Improving customer service through the introduction of new technologies and processes.
  - Improving the customer's experience through whichever access channel is chosen.
  - Provision of unified access to all or most Council services.
  - Provision of joined-up services, initially within the Council itself and then expanding to explore opportunities to join up with external providers.
  - Development of an infrastructure to allow a single view of the customer and his/her contact history.
  - Supporting the Council's evolution from a department-centric to customer-centric organisation.
7. The Access to Services strategy and a number of the performance standards adopted by Customer Services were developed in consultation with customers and Members. **Appendix 1** of the report shows some of these standards and how the service has performed during 2010/2011.
8. For Taxation, the collection of Council Tax and Business Rates is a statutory function. Billing, collection and enforcement processes are set out in legislation – the 1988 and 1992 Local Government and Finance Acts and hundreds of statutory instruments associated with these Acts. The administration and enforcement regulations tightly control collection procedures and there is little scope for discretion. Where alternative courses of action are available the Council's "Council Tax and Business Rates Collection Policy" forms a framework that informs the decision-making process. The policy describes the methods to be adopted in the collection of Council Tax and Business Rates and recognises that prompt, firm but fair action in collecting money is essential to ensure the provision of a value for money service.
9. In collecting local taxes the service seeks to balance three objectives:
  - To achieve high collection rates;
  - To deliver an efficient and effective service which provides value for money;
  - To have regard to the individual needs of customers and deliver high standards of customer care.

These three aspects of the service tend to balance each other out. Care must be taken when making changes that might have a positive effect on one element to avoid a negative effect elsewhere. For example, reducing staffing costs may lead to a cheaper service, but could result in a reduction in collection performance. It has been estimated that a sustained 0.5% reduction in Council Tax collection rates could reduce the surplus on the Collection Fund by £350,000 per annum.

10. The cashiering service is not statutory, but feedback indicates that it is popular, and convenient for customers that want to pay by cash. The Council provides facilities for customers to make payments in a variety of ways that meet different needs. During 2009/2010, the cashiers processed 290,000 transactions with a value of £34.5 million. 120,000 of these transactions were for Tristar Homes, for which we received a payment of £59,000.

#### Options for changing the way the service is delivered

##### *Customer Services*

11. Technology and improved use of customer insight offer the potential to transform the way that customer service is delivered.
- New developments in technology have enabled the CRM (customer relationship management system) to integrate more easily with key back office systems providing instant information for Customer Services staff;
  - User-friendly on-line and telephone self-service facilities encourage customers to use cheaper access channels. We have the ability to use customer insight to target the promotion of automated services to certain groups of potential users;
  - Contact centre telephony offers sophisticated call queuing and call routing facilities, options to leave messages, detailed performance monitoring information and IVR facilities (press 1 for x, press 2 for y etc);
  - Kiosk technology, on-line forms and automated payment lines allow customers to self-serve at times that are convenient for them;
  - Automated SMS text messages can be used to communicate with individuals (eg to confirm the date/time of a bulky waste removal) or with groups of subscribers (eg to advise of special events or changes to services) eliminating the need for telephone or face to face interactions.
  - Process re-engineering accompanied by the introduction of automated checking processes can streamline procedures, reduce waiting times and minimise human intervention. Examples of this nationally include schemes relating to free school meal applications and blue badge applications.
12. Data from SOCITM (Society of IT Managers) Channel Value Benchmarking service puts the comparative cost to councils per enquiry at £8.23 for face-to-face, £3.21 for the telephone and £0.39 for web enquiries. There are financial advantages to be realised by developing and promoting user-friendly self-service facilities, enabling a shift to cheaper access channels, where appropriate. Fewer phone calls and face-to-face visits will provide surplus capacity that can be turned into savings or used to bring new services into Customer Services at no cost, improve performance or allow staff to focus on the more complex queries that cannot be dealt with via self service.
13. Work is underway to develop the self-service module that is part of Customer Services CRM system, with some pilot Care for your Area services due to go live before the end of 2010. This is providing a learning opportunity prior to roll-out across other service areas. Other pieces of work are ongoing in relation to SMS texting, and automated messaging. We are also working with the Corporate Communications Team to draw up a Channel Access Strategy and action plan which will ensure an integrated approach to the management of all channels of service delivery and a planned approach for channel shift to self-service, where appropriate. It is anticipated that the action plan will be substantially complete by the end of 2011/2012.

14. The review has included an examination of the numbers of customers using different access channels. The numbers using the Community Access Points that we hold in Tesco stores at Ingleby Barwick and Durham Road are low.

	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010
Ingleby Barwick	13	10	12	11	10	19	6
Durham Road	Closed	4	5	12	10	27	18

The access points open once a month from 10.00am – 1:00pm, Ingleby Barwick on the last Saturday of every month and Durham Road on the first Friday of every month. Attendance in September was higher than usual because we were advertising Adult Education courses and it has been observed that more visitors are attracted to our “stand” when we promote certain themes of interest. It is suggested that the standard monthly Community Access Points could cease, and (subject to agreement with store managers) be replaced with occasional promotions for specific events (such as Adult Education enrolment, SIRF). This would free up staffing resource for the contact centre.

*Taxation – discretionary rate relief*

15. There is an option to review the Council’s discretionary rate relief policy. This relief is available to charities, certain other non-profit making and sporting organisations, and some shops, filling stations, post offices and public houses in rural areas. There is a cost to the Council for awarding discretionary rate relief – the Council pays for 75% of any top-up relief given to charities that are already in receipt of 80% mandatory relief, or 25% of the cost of awarding discretionary rate relief to an organisation that is not a registered charity. The Council’s discretionary rate relief policy attached at **Appendix 2** informs the decision-making process when new applications are received. The 2010/2011 discretionary rate relief budget is £141,750. CIPFA benchmarking suggests that the Stockton discretionary rate relief scheme is quite generous compared with others – 4.1% of SBC business rate premises receive, compared to a benchmarking club average of 2.1%. Some research has been conducted into other Councils’ discretionary rate relief schemes and several options identified that might reduce expenditure and enable relief to be targeted towards local charities and local priorities:

	Policy change	Potential Saving
1	<p><b>Charity Shops</b></p> <p>The current policy provides for up to 20% top-up relief to be awarded to all charity shops.</p> <p>The recommendation is that generally relief should be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top up relief for regional* charity shops and up to 20% for local charity shops.</p> <p>Where a charity shop does not sell donated goods the recommendation is that the relief be capped at 80% to be aligned with the level of mandatory relief</p>	£6870

	that can be awarded to charity shops.	
2	<p><b>Charity Offices</b></p> <p>The current policy provides for up to 20% top-up relief to be awarded to all charity offices.</p> <p>The recommendation is that generally relief should be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top up relief for regional* charity offices and up to 20% for local charity offices.</p> <p>It is also recommended that a cap be imposed on the award of relief where the charity occupies offices with a rateable value in excess of £40,000.</p>	£11,280
3	<p><b>Workshop and premises</b></p> <p>The current policy provides for up to 20% top-up relief to be awarded to all charity workshops.</p> <p>The recommendation is that generally relief should be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top-up relief for regional* charity workshops and up to 20% for local charity workshops.</p> <p>It is also recommended that a cap be imposed on the award of relief when the charity occupies a workshop with a rateable value in excess of £40,000.</p>	£4920
4	<p><b>Training Centres / Training Organisations</b></p> <p>The current policy provides for up to 20% top-up relief to be awarded to all charity training organisations.</p> <p>The recommendation is that generally relief should be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top-up relief for regional* charity training organisations and up to 20% for local charity training organisations.</p> <p>It is also recommended that a cap be imposed on the award of relief when the charity occupies training premises with a rateable value in excess of £40,000.</p>	£110
5	<p><b>Other charitable organisations</b></p> <p>Applications from any charitable organisations that do not fall within any of the standard categories for awarding relief will be considered on their merits, having regard to the Council's Community and Financial Plans and the following factors – community access, level of fees, facilities/services provided. If the organisation is a national charitable organisation, generally relief will not be awarded</p>	£1490



	<b>TOTAL</b>	<b>£24,680</b> (17% of the budget)
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\* Regional is where a charity has operations that run outside SBC boundaries

16. The discretionary rate relief policy is flexible in that it sets ceilings for the amount of relief to be granted. There may be circumstances where it is appropriate to award less, or even no relief to an organisation and it is recommended that the following additional factors be taken into account in determining whether the maximum available relief will be awarded:
- Is the organisation operating at a financial surplus (as a guide an amount in excess of 12 months spending in reserves would generally not be considered for discretionary relief unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community).
  - Whether the organisation employs staff or relies heavily on unpaid volunteers.
  - Does the organisation provide a service that duplicates or saturates previous service provision. Generally relief should only be granted to an organisation that compliments other services supported or provided by the Council or relieves the need for the Council to provide such services.
  - The organisation should not seek to promote or support political parties.
  - Consideration will be made of the financial impact on the council and its taxpayers in making awards. Relief may be refused or capped if it is considered that the cost to the Council outweighs the benefit that will be gained from the award of the relief.
  - Is the organisation a national charitable organisation: generally relief will not be awarded to a national charity.

*Taxation – Enforcement*

17. In 2009/10 the costs that the Magistrates' Court imposed for committal applications increased substantially from £55 to £240. With the addition of the Council's costs which are currently £65, the total cost incurred per committal application this year is £305.00. It is generally not considered to be appropriate to proceed with committal action on cases where relatively low amounts are owed, especially as there are occasions when we are unable to recover our costs from the tax payer.
18. Committal action is considered when the Council's bailiff (Jacobs) has been unsuccessful in recovering the outstanding amount. There are approximately 580 such cases per year.
19. It is recommended that a scheme be trialled whereby potential committal cases owing less than £800 are referred to a to a second Bailiff company for a further attempt to collect the amount due. Before referring the cases to an alternative Bailiff company the Taxation Division will check that other enforcement action such as an attachment to benefit or earnings is not viable. As the regulations provide that only one set of bailiff fees can be levied on each case accounts will only be referred to the alternative bailiffs if no fees have been paid through Jacobs. This process of "recycling" bailiff cases is becoming increasingly common as authorities try to collect arrears from taxpayers whose accounts have been returned by their main bailiff as unable to collect. A number of bailiff

companies are offering this service and we could trial more than one alternative. Due to the size of the debt and the high fees that are associated with committal proceedings, committal action is not appropriate and often no other enforcement options are available, however it would not be appropriate to write the debt off.

### *Cashiers*

20. The review has considered the option of closing the two satellite cash offices at Thornaby and Billingham and reducing the cashiering service at Municipal Buildings. This would entail offering alternative payment facilities, through the Post Office and Pay Point outlets, for customers that currently pay at the cash office. The appraisal demonstrated that there were no financial benefits in adopting this approach in the short to medium term. The annual running costs were almost the same for each model of service delivery, however the set up costs and potential redundancy costs associated with changing to the Post Office/Pay Point scheme were prohibitive.

### Benchmarking

#### *Customer Services*

21. Benchmarking Customer Services is difficult because councils have different services in their contact centre, some services more complex than others and even when the same services are delivered through a contact centre, enquiries are answered to different cut-off points for referral to the back office. Consequently there is a lack of financial benchmarking information. We are currently working with the North-East RIEP (Regional Improvement & Efficiency Partnership) on a “cost to serve” model for customer services and it is hoped this will facilitate like-for-like cost comparisons.
22. We are members of a local benchmarking club which includes Redcar and Cleveland, Middlesbrough and Hartlepool Councils. This club focuses mainly on process benchmarking and sharing of best practice, however some comparative performance information is available, and presented below:

#### Telephone

Switchboard – Percentage of Calls Handled Within 20 Seconds			
Stockton	Authority A	Authority B	Authority D
93%	80%	96%	90%
Switchboard – Average Response Time			
Stockton	Authority A	Authority B	Authority D
7 seconds	12 seconds	Not provided	1 second (ring time with agent – not time in queue)

Telephony Overall – Volume of Calls Presented			
Stockton	Authority A	Authority B	Authority D
442,934	363,524	314,404	559,455

Telephony Overall – Percentage of Calls Handled (ie not abandoned)			
Stockton	Authority A	Authority B	Authority D
91%	89%	96%	91%

### Email

Emails – Percentage Handled Within Target of 1 day			
Stockton	Authority A	Authority B	Authority D
100%	90%	87%	100%

### Face to Face

Face to Face – Percentage Handled Within Target			
Stockton	Authority A	Authority B	Authority D
99% in 10 mins	86% in 10 mins	Not provided	80% in 5 mins (at Reception pod)

In terms of salary scales, the rates of pay of Customer Service Officers across the councils have been compared and all are in a similar range.

23. The above benchmarking suggests that Stockton’s performance is comparable with other local Councils’. As highlighted in the baseline report, customer feedback about performance and service quality through MORI, Viewpoint and internal satisfaction surveys has been consistently positive. Feedback from Ipsos MORI in 2008 stated, “Staff in Stockton Council are generally seen as being more helpful, efficient and able to deal with problems than in other authorities where Ipsos MORI has measured similar customer care issues in recent years.”

### *Taxation & Cashiers*

24. Taxation are members of the CIPFA benchmarking club. The results of benchmarking show above average collection performance for both Council Tax and Business Rates, lower than average costs of collection for Council Tax but higher than average costs of collection for business rates. However, the net cost of collecting business rates is still a “negative” figure ie the grant we receive from the government for collecting business rates is greater than the actual cost.

	2005/06	2006/07	2007/08	2008/09	2009/10
<b><u>Council Tax Collection Rates (in-year)</u></b>					
SBC	96.8%	97.1%	97.1%	97.0%	97.4%
CIPFA Average	96.6%	96.5%	96.9%	96.8%	97.0%
<b><u>Business Rates Collection Rates (in-year)</u></b>					
SBC	99.6%	99.5%	99.7%	99.0%	99.0%
CIPFA Average	98.3%	98.7%	98.7%	97.6%	97.6%

<b>Net Cost of Collection / Council Tax Dwelling</b>					
SBC	£15.41	£13.54	£12.59	£11.86	£13.49
CIPFA Average	£15.18	£15.87	£15.23	£15.22	£15.57
<b>Net Cost of Collection / Business Rate Property</b>					
SBC	£3.09	£2.57	- £0.85	- £2.39	- £0.57
CIPFA Average	- £5.60	- £5.06	- £7.01	- £5.02	- £4.67

25. The downward trend in costs of collection over the period shown reflects a commitment to deliver a value for money service and make use of new technology to achieve efficiencies. The value for money aspect of the service has been challenged over the years through CCT (compulsory competitive tendering), a Best Value Review and inspection and most recently a service review in 2008. These have all resulted in restructures with accompanying reduced staffing costs.
26. There is no comparative cashiers benchmarking for 2009/2010, as the CIPFA methodology changed to include other costs associated with cash collection such as banking. Previous years results show:

	Cost per cashiering transaction			
	2005/2006	2006/2007	2007/2008	2008/2009
Stockton	68p	74p	76p	75p
CIPFA Average	94p	99p	95p	£1.00

#### Inspection

27. Given the scale and complexity of Taxation work and the sums of money involved, the service is subject to annual internal audits. The last 4 audit opinions have been:

Year	Audit opinion
2007	Substantial Assurance
2008	Substantial Assurance
2009	Substantial Assurance
2010	Substantial Assurance

28. Customer Services have held ISO9001:2008 certification since 2008 and are subject to twice yearly external audits to ensure that standards continue to be met.
29. Customer Services and Taxation was one of the first Council services to be assessed as achieving the Government's Customer Service Excellence Standard.

#### Impact of Changes on Customers

30. The services provided by Customer Services and Taxation impact on all households and businesses in the borough. Our customers are all over the age of 18.

31. The technological changes described in this report, such as the expansion of self-service or introduction of SMS texting, will improve customer service and accessibility whilst providing opportunities to reduce costs. These new technologies will supplement, rather than replace, existing access channels, creating more choice for customers and meeting the objectives of the Access to Services Programme.
32. The proposed changes to the discretionary rate relief scheme will impact mainly on national charities that occupy shops and offices within the borough – these would have to start paying 20% of their rates bill. However the proposals will allow relief to be targeted to local charities which more directly benefit to Stockton residents.

Future demand for the services

33. The implementation of the Access to Services Programme is ongoing, with the Stockton and Billingham multi-service centres due to open in 2011 and 2013 respectively. There is the possibility of the first point of contact for more services coming in to Customer Services as the EIT programme continues. In addition recent Government announcements about changes to Housing and Council Tax Benefit schemes will have a significant impact on Customer Services, but there is not enough information at the moment to assess this in any detail. There is still more work to be done balancing staffing levels to meet peaks, troughs and seasonal changes to workload and assessing the appropriate staffing levels. A successful access channel strategy that encourages channel migration should ultimately see a reduction in customer demand for telephone and face-to-face services, but this may take several years to come to fruition. Consequently, the final outcome for Customer Services and the level of future demand for services is far from clear.
34. Changes to the Council Tax Benefit system will also impact on Taxation and may require major changes to ICT systems. The situation will become clearer as more details emerge from Government over the coming months.
35. The additional workload for Customer Services and Taxation associated with the recession continues to be monitored. Temporary staff have been employed to assist with the extra enquiries and account amendments and budget is available to fund these posts, if necessary, for a further 9 months in Taxation and currently 3 months in Customer Services.
36. The increasing number of Council Tax and Business Rates properties in the borough results in an increased number of accounts to administer and an associated increase in demand for services. This increase is currently being managed without any associated increase in staffing resource.
37. The number of residents using the cashiering services is decreasing slightly each year in line with a move to a cashless society and the introduction of more automated and convenient ways of making payment. However it is clear that the cashiering service is still valued by many customers in terms of convenience and face-to-face interaction:

Year	Cashiering transactions
2006/2007	368,131
2007/2008	345,276

2008/2009	307,177
2009/2010	290,081

In response, the number of FTE cashiers has been reduced and the new Stockton and Billingham cash offices will open with fewer cashiering points. In addition to straight forward cashiering activities, the cashiers also undertake a range of ancillary services including processing Members Allowances on the payroll system, paying out social Services allowances, petty cash / cash advances, booking travel and accommodation and counting/banking car park receipts.

### **Options for Service Reconfigurations**

38. Between May and July 2010 a feasibility study was conducted into the possibility of partnership working between the Taxation and Benefits services of Stockton and Darlington Councils. When considering partnering arrangements Taxation and Benefits must be looked at together in view of their close working relationship and the need to pass information between these two services, which share an integrated ICT system. The detailed analysis included comparison of the two councils' services with similar councils, large councils, existing partnerships and outsourced Taxation and Benefits services, together with identification of the costs of changing to a single ICT system for both councils.

39. The main findings from the review were that:

- Both Councils' Taxation and Benefits services are performing well in terms of cost and performance and whilst there was some scope for improved ways of working it was questionable as to whether these could be achieved through partnership working at the current time.
- On the basis of the information available, the services are competitive when compared with outsourced services and other partnerships.
- There is no optimal size for partnership working – factors other than size impact on costs and performance.
- Full partnering between the two Council's Revenues and Benefits services could generate an estimated £1.6 million saving over a ten year period, 3.5% of current costs, with payback starting in Year 5, eventual annual savings of £306,000. However these would take time to materialise and carry risks associated with changing ICT systems. Process review and redesign once common ICT systems are in place, and possible expansion of the partnership in the future provide the potential for further efficiencies to be released.
- Given the legislative and government policy uncertainties around the future of Benefits there are significant risks in investing in a long term partnership and ICT migration at the moment.

40. It was therefore decided that partnering with Darlington Council should be put on hold until the future of Benefit administration becomes clearer. Partnering may not be appropriate at the moment, however in recognition of the potential for partnering with another Council to deliver improved services and efficiencies in the future, it is important that any recommendations put forward as part of this review do not obstruct options for partnership working in the medium or longer term.

41. There are options to restructure the service and to review terms and conditions and career grade structures. It is important to distinguish between changes that can be made now, without any impact on front-line service delivery and those where it is appropriate to conduct a further review once changes relating to the introduction of new technologies and the opening of the new Stockton multi-service centre are more embedded and there is more certainty over the future of the Benefits system:

- *For 2011/2012* – Deletion of some vacant posts and restructure at management and supervisory levels in both Customer Services and Taxation, standardise terms and conditions of Customer Services staff around Saturday working - **estimated savings £133,000 per annum (excluding any redundancy costs)**
- *During 2012/2013* – Review number of posts, work allocation and career grade structure within Customer Services. Review cashiers management / supervision arrangements following the opening of the new Stockton multi-service centre.

42. As well as delivering efficiencies, the above arrangements will ensure:

- A continued focus on delivery of core front-line and operational services to ensure no detrimental effect on key performance indicators connected with customer service and collection performance.
- Maintenance of corporate customer service excellence initiatives.
- That resources are available for the delivery of the procedural reviews and technology projects that will improve customer service and efficiency in the medium to longer term.

### Conclusions & Recommendations

43. Customer Services and Taxation are essential services that are being delivered efficiently and effectively and recording high customer satisfaction. However there is scope for efficiencies that will contribute to the Council's value for money programme.

44. Customer Services is a relatively new service area and still in transition as the Access to Services Programme is not yet fully implemented and legislative changes will impact in the future. A phased approach to the implementation of efficiencies in this area will allow new arrangements to settle and a full evaluation of resource requirements to take place in the medium term, thereby reducing the risk of an adverse effect on performance if changes were introduced too soon.

45. This review has identified potential savings of minimum £157,700 per annum, spread over a phased implementation:

	<u>Estimated Annual Saving</u>	<u>Effective</u>	<u>Comments</u>
Reorganisation (phase 1)	£133,000	2011/2012	Formal consultation to commence January 2011, new arrangements in place by 01.06.11

Revised discretionary rate relief policy	£24,700	2011/2012	
Reorganisation (phase 2)	To be determined. Any saving achieved will be over and above the target set for this review.	2012/2013	Savings dependent on successful channel migration strategy and level of demand for services
Total	£157,700		Target = £154,500

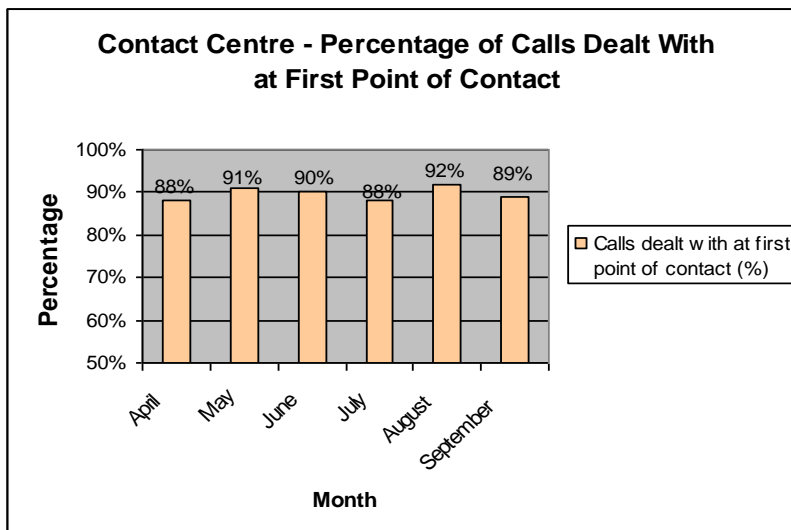
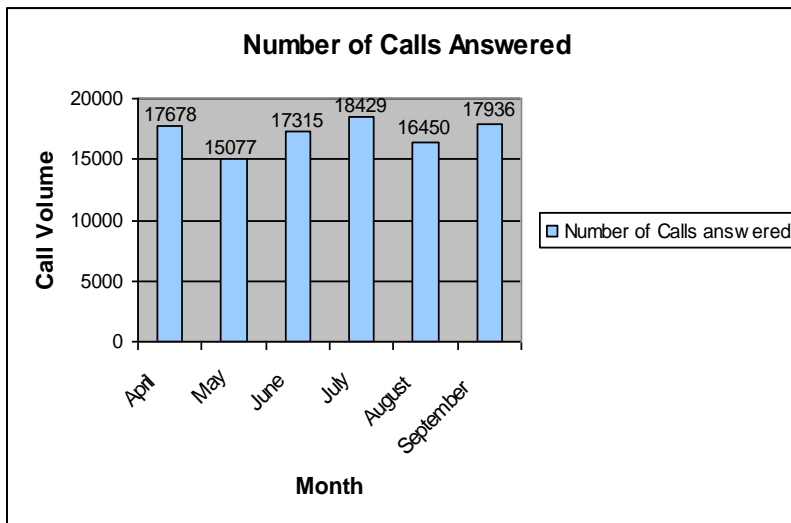
46. The actions required to achieve the efficiencies and improvements identified in the report are listed in recommendations 1 – 9 on page 1.

**Name of Contact Officer:** Debbie Hurwood  
**Post Title:** Head of Customer Services & Taxation  
**Telephone Number:** 01642 527014  
**E-mail Address:** [debbie.hurwood@stockton.gov.uk](mailto:debbie.hurwood@stockton.gov.uk)

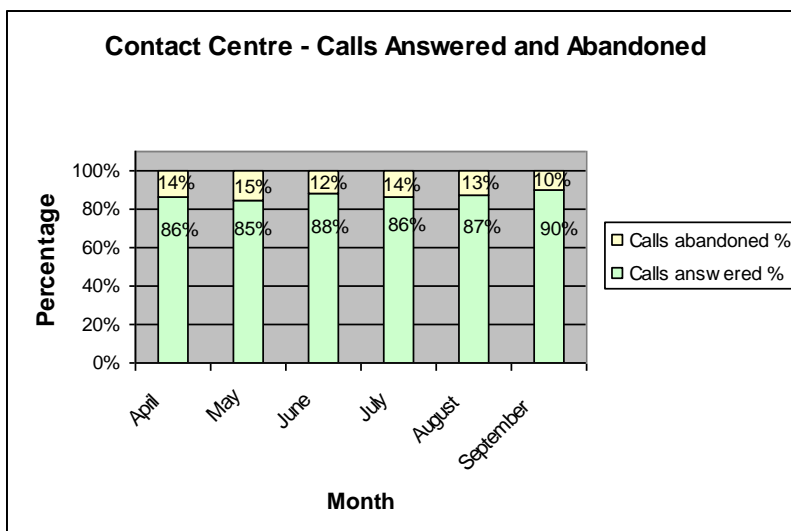


## Appendix 1 - Customer Services Performance Summary April 2010 to September 2010

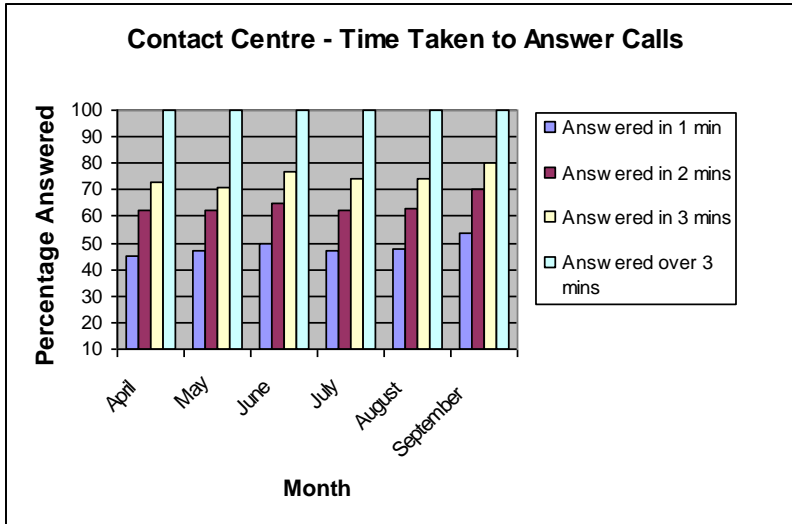
### Contact Centre



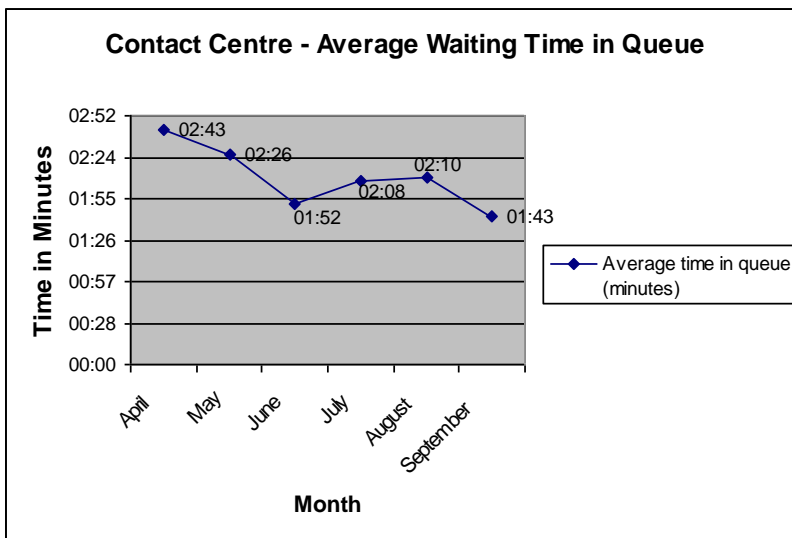
Target for calls answered at first point of contact = 90% of contact centre calls.



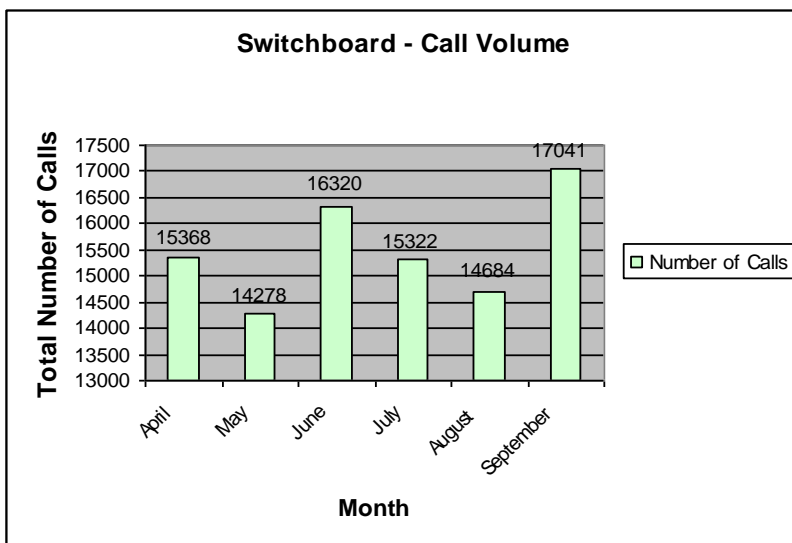
Target for abandoned calls = aim to be less than 10%

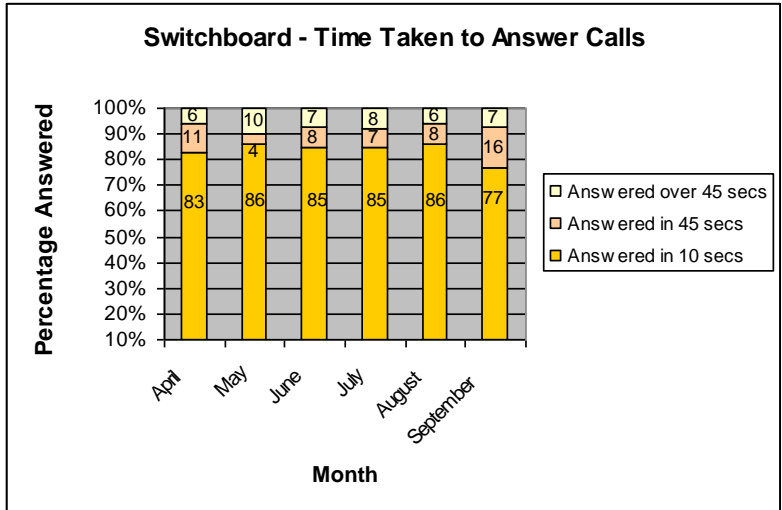


Target for time taken to answer calls in the contact centre = aim to answer call within 3 minutes wait in queue.



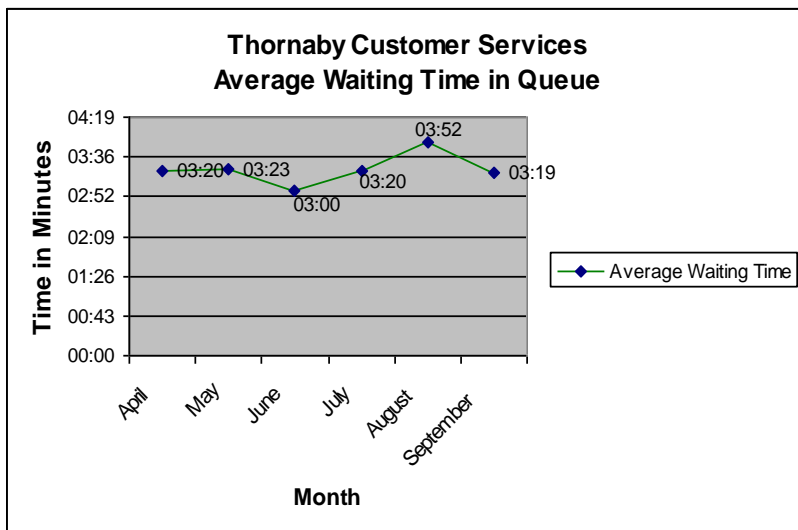
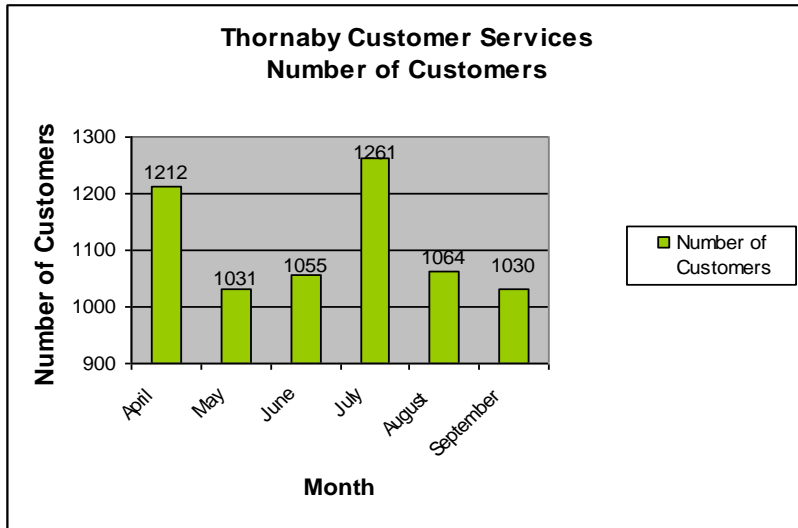
## Switchboard





Target for time taken to answer calls on the switchboard = aim to answer 90% calls within 10 seconds.

### Thornaby Customer Services



Target for waiting time to be seen at Thornaby = 10 minutes.



**Stockton-on-Tees**

BOROUGH COUNCIL

**RESOURCES**

Taxation

[www.stockton.gov.uk](http://www.stockton.gov.uk)

P.O. Box 410, Kingsway House, West Precinct, Billingham TS23 2YD  
Tel: (01642) 397108 • Fax: (01642) 526813 • Minicom (01642) 526844

**DISCRETIONARY RATE RELIEF UNDER SECTIONS 47 (2)(a), 47 (2)(b) & 47 (3)  
OF THE LOCAL GOVERNMENT FINANCE ACT 1988**

**POLICY FRAMEWORK**

The following tables describe the guidelines that will be applied by the Council in deciding whether or not to grant discretionary relief and for determining the amount of relief to be granted.

Each application for discretionary rate relief will be considered on its own merits having regard to the Council's Community Strategy and Financial Plans. The % relief indicated in these guidelines may not therefore be granted in full or at all. As a general rule Trading Arms of charities will not be granted relief.

**1. Applications from Charities already in receipt of the statutory 80% mandatory relief.**

<u>Category</u>	<u>% top-up relief</u>
<b>1.</b> Community Centres/Community Associations and other registered charities responsible for paying rates on Community Centres and Village Halls	Usually 20%
<b>2.</b> Community Resource Centres	Usually 20%
<b>3.</b> Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g young people, unemployed people etc	Up to 20%
<b>4.</b> Charity Shops	Up to 20%
<b>5.</b> Charity Offices	Up to 20%
<b>6.</b> Local Heritage Projects	Up to 20%
<b>7.</b> Essential Community Services eg CAB, Hospice, Samaritans	Up to 20%
<b>8.</b> Warehouses, Workshops, occupied by charities providing services / facilities that meet a need identified as being a priority for action.	Up to 20%
Any applications from charities that do not fall within the above categories will be considered on their merits, having regard to the Council's Community and Financial Plans and the following factors – community access, level of fees, facilities/services provided.	

## 2. Applications from Non-Registered Charities

Where appropriate, the following criteria will be applied to calculate the amount of relief (if any) to be granted:

	<u>Relief to be awarded as % of total rate liability</u>
Community Resource Centres, Community Associations/Agencies/ Centres which are not conducted for profit and which occupy premises that provide a community focal point.	Usually 100%

Remaining applications from non-registered charities (other than the above Community organisations):

### Base Qualification

Organisation not established or conducted for profit, whose main objects are charitable, philanthropic or religious, or concerned with education, social welfare, science, literature or the fine arts	50%
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### Access

Majority usage by the Council's residents	Add 10%
Open membership	Add 10%
Some restriction on membership	Add 5%
Very restricted membership rules	Deduct 50%

### Level of Fees

High Membership fees	Deduct 50%
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### Facilities/Services

Organisation targets disadvantaged groups	Add 10%
Assist in education/skills training	Add 10%
Meet priority need identified in Community Plan	Add 10%
Bar/gaming machine present	Deduct 20%

### Other

New organisation (less than 3 years old)	Add 5%
Facility is a community focal point	Add 10%

<b>TOTAL RELIEF</b>	<b>Maximum 100%</b>
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### 3. BUSINESSES IN AREAS COVERED BY RURAL SETTLEMENT LISTS

<u>Category</u>	<u>% relief</u>
Sole shop in a rural settlement area selling mainly food and household goods meeting criteria for mandatory relief.	Up to 50% top-up
Sole Post Office in a rural settlement area meeting the criteria for mandatory rate relief.	Up to 50% top-up
Sole Public House in a rural settlement area meeting the criteria for mandatory rate relief	Up to 50% top-up
Sole Petrol Filling Station in a rural settlement area meeting the criteria for mandatory rate relief	Up to 50% top-up