

AGENDA ITEM: 8

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Meeting	Budget and Performance Overview and Scrutiny Committee
Date	25 November 2010
Subject	Customer Service Performance
Report of	Assistant Director, Customer Services and Libraries
Summary	This report provides information on customer service performance against Corporate Plan targets and improvement actions being taken.

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Status (public or exempt)	Public
Wards Affected	All
Enclosures	None
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1. RECOMMENDATIONS

1.1 That Budget and Performance Overview and Scrutiny Committee note the contents of the report and make comments and recommendations as appropriate

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 The Council's Corporate Plan identifies as one of its priorities 'Better Services with less money'. This is a strategic objective to 'make sure we get best value from resources across the public sector, including our people and assets'.

The activities contained in this report will contribute to this corporate priority.

3. RELEVANT PREVIOUS DECISIONS

3.1 The Quarter 1 Performance information was presented to The Budget and Performance Overview Scrutiny Committee on the 22nd July 2010.

3.2 Following analysis of Quarter 1 performance, a more in-depth report on customer services was requested to be reported to the 25th November 2010 Committee meeting.

4. RISK MANAGEMENT ISSUES

4.1 There is a risk that if the council consistently fails to meet its performance targets for customer service, customers will not receive the information and services they require and confidence in the council will fall.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 If the council is difficult to contact then vulnerable groups and people who find it challenging to make use of existing facilities are at risk of exclusion from some council services. Current performance suggests that this is not the case and further development of web access in particular will free up resources to concentrate more intensive customer service on people most in need.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Poor provision of information, advice and support to customers can lead to customers making numerous contacts with the council that are avoidable and costly for both individual and taxpayer. There is widespread evidence across local government and other sectors of a strong business case for investment in

consolidated and professional customer services in order to both improve the quality of service and reduce avoidable costs. Any case that needs to be made for such investment in Barnet will be covered by the OneBarnet programme.

7. LEGAL ISSUES

7.1 The Local Government Act, 2000 requires that executive arrangements by the authority must include provision for the appointment, by the authority, of one or more Overview and Scrutiny Committees. The, relevant, Overview and Scrutiny Committees must have power:

- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive;
- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive on matters which affect the authority's areas or the inhabitants of that area.

8 CONSTITUTIONAL POWERS

8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, article 6 of the Council's Constitution.

8.2 The Terms of Reference of the Overview & Scrutiny Committees, Panels and Task and Finish Groups is set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). Section 23 refers to the scope and remit of Task and Finish Groups, Project Groups and Research.

9. BACKGROUND INFORMATION

9.1 For several years, two key indicators have been identified in the Corporate Plan to measure the performance of customer service activity:

- Proportion of telephone calls answered within the corporate ringtime target (currently 20 seconds - five rings)
- Waiting times at reception

9.2 While waiting time performance has substantially improved and is significantly within target, the telephone target has consistently been missed.

9.3 In 2010/11 a wider basket of indicators was introduced to provide a broader perspective on the quality of the Council's customer services. Performance across this wider set of indicators is encouraging and, recently, telephone performance has improved significantly, just missing target in quarter 2.

9.4 This report sets out:

- a short summary of customer service activity in the council;
- a summary of current performance, with commentary; and
- improvement initiatives

Summary of customer service activity

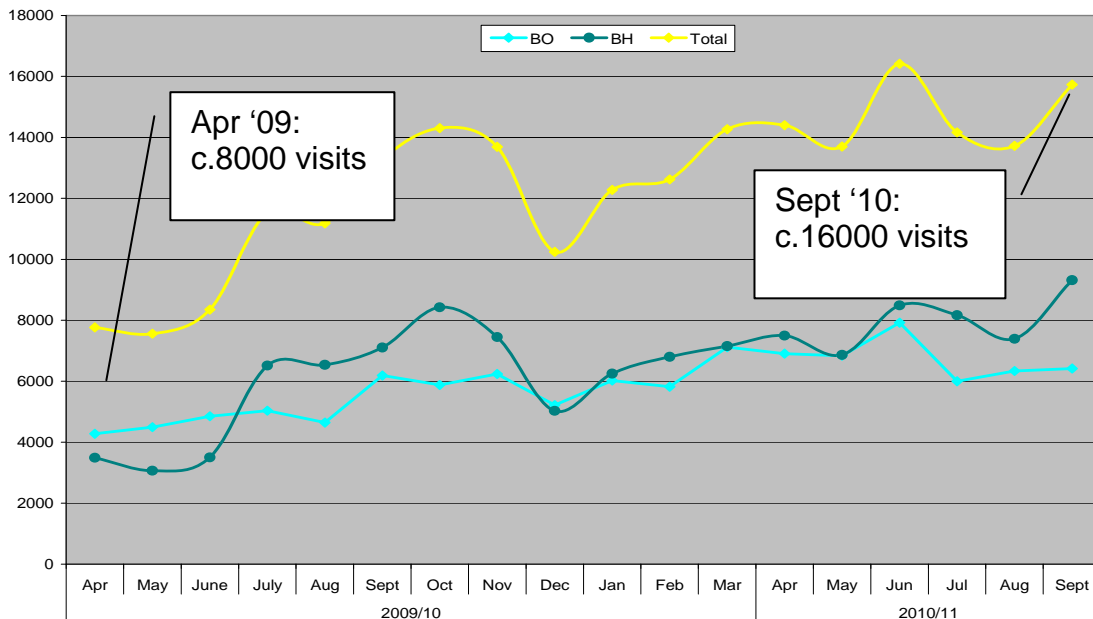
9.5 The council currently has in the region of 1.7 million customer contacts per year and this figure is rising. While telephone remains by far the most popular means by which customers contact the Council (see Table 1 below), demand for face-to-face customer services continues to grow significantly, doubling since April 2009 (see Figure 1 below). Contributing factors to this growth include increased demand for the key face to face services: housing advice and Housing Benefits.

Table 1: Customers choice of channel Q1 and Q2 2010/11¹

Contact channel	Number of contacts	Proportion of non face-to-face contacts
Telephone	697,899	98.4
Email	10,232	1.4
Letter	699	0.1
Text	75	Negligible
Webform	268	0.04

Figure 1: Rising demand for face to face customer services at Burnt Oak and Barnet House 2009-2010

¹ Data taken from CRM and does not cover contacts going direct to service areas



9.6 Much of the customer service activity relating to these contacts is currently devolved to individual service areas, with Corporate Customer Services responsible for: face-to-face services at Barnet House and Burnt Oak Library; the council's switchboard function; First Contact email enquiries; and the Street Based Services and Planning First Contact telephone contact centres.

9.7 In order to measure and manage performance across this network of customer service activity, the Council has developed a performance management framework that provides comprehensive understanding of the quality of customer service. This framework goes beyond the narrow indicators in the corporate plan relating to time to answer the telephone and waiting times at corporate reception points.

Current performance

(i) Face to face

9.8 Satisfaction with the Council's face to face customer services is high at 87% in the 2010 national mystery shopping survey, against a London average of 85%.

9.9 Also, despite the substantial increase in demand, there has been a notable reduction in waiting times at corporate reception points, falling from 15 minutes in 2008 to under 7 minutes in the second quarter of 2010/11. The key contributing factors to this improvement are better queue management, increased focus on routing customers more effectively and, latterly, the changes resulting from the Housing service's lean review.

(ii) Email

9.10 The council has received over 10,000 customer service emails so far this year² and has consistently met its ambitious target to acknowledge (noting receipt of the email) 90% of emails within 2 working days and respond (inform the customer of subsequent actions) to 85% within 10 working days. Unlike many councils, these are not automated responses but a manual acknowledgement of all emails, providing a more personal service to our customers.

(iii) Web contact and self-service

9.11 The council's delivery of services through the web is underdeveloped and presents scope to make significant, tangible improvements in the service offering to customers, which will also lead to efficiencies for the council. This is a key area for development that is being taken forward with some immediate improvements and, in the medium-term, through the work towards establishing a new customer service organisation (see paragraphs 9.24-9.27 below).

Currently, only around 10% of total payments are made online and other online interaction is limited. Although demand for e-forms is relatively high, there is a high drop out rate of customers not completing the online form process having started it.

(iv) Telephone

9.12 Very high demand for telephone contact means that the council struggles to meet its target to answer 65% of calls within 5 rings. This target has not yet been met this year but performance is now on an upward trajectory and has improved significantly from 57% in quarter 1 to just over 64% in quarter 2. This substantial improvement is largely the result of better use of management information, which has enabled a more effective rotation of staff to fit peaks in demand.

9.13 Although performance is slightly below target, productivity on our contact centres is high. Each Barnet customer services officer answers an average of 75 calls per day against a benchmark average of 50 in comparative councils.

9.14 The notable outlier from the broad improvement in telephone service performance in quarter 2 is the parking service contact centre. This centre has consistently underperformed in comparison to other contact centres in the council in recent years. The key reason for this is the sheer volume of telephone calls made to this service. Staff on this contact centre can typically answer upwards of 130 calls a day.

Current improvement initiatives

(i) Developing comprehensive online services

² Data taken from CRM and does not include emails going direct to individual and service specific email addresses.

- 9.15 Improving web services is key to reducing the high volume of telephone contact customers make with the council while also significantly improving the quality of customers' experiences. This is particularly true for the parking service. The web offers 24/7 access to the Council, enabling customers to find information or perform transactions at times that are convenient to them. It also offers potentially significant savings for Council Taxpayers as the average online contact costs the council £0.39 as opposed to £3.21 for a telephone contact or £8.23 for a face to face contact³. Therefore, encouraging customers to modify their contact to make regular use of the Council website will reduce the cost of transactions and free up officer time to deal with more complex enquiries for those customers most in need.
- 9.16 The Council is currently in the process of reviewing and overhauling its current website. This overhaul will create a website that makes transactions fast, easy to find and easy to use. In addition, it will enable the council to integrate social media initiatives, maps and interactive web services such as fixmystreet (see paragraphs 9.18-9.19 below) with transactions. This will enable customers to move from their initial transaction to other, related information, ensuring it is accessible to customers at the point when they need it. Moreover, the new website will provide a point for joined up communication between customers and other public service partners – an online representation of the One Barnet approach.
- 9.17 Initial improvements in the website are expected in January with the launch of a new, easy to use platform for the Council's online forms. The new e-forms are a key improvement initiative for two reasons. First, they will provide customers with a facility to complete interactions (requests, queries, etc) online which then automatically populate back-office systems. This will significantly reduce the need for data to be manually transferred and thereby reduce the time and cost to the council of completing a transaction. Second, providing easy to use forms from the homepage will provide a channel of choice for customers to use at the time of their choosing. Evidence from councils that have undertaken similar initiatives suggest that this will lead to a significant reduction in telephone contact.

(ii) Fixmystreet

- 9.18 Fixmystreet.com is a national, web based solution for customers to report street based issues in a user friendly way, at times that are suitable to them.
- 9.19 This has proved popular, with over 250 issues being reported per month. To improve the effectiveness of this facility, the council is looking to integrate the service with its Customer Relationship Management (CRM) system. This will make the reporting process quicker for customers and create efficiencies for the council as automation means that manual processing will not be required. Furthermore, over time the Council will enable the fixmystreet service to feedback to customers on all streetscene related reports, not just those submitted through the fixmystreet service.

³ Source: SOCITM (Society of Local Authority IT Managers)

(iii) Performance management framework and data-led improvement

- 9.20 The development of the Customer Services performance management framework has helped customer service teams deliver short-term, data led, service improvements. Better use of data has enabled the implementation of a more sophisticated resource management model in the contact centres, helping them get close to meeting the 65% target.
- 9.21 Understanding customer demand has also led to changes in opening times at Burnt Oak and the Street Based Services contact centre to ensure more staff are available to deal with customers at times of high demand, thereby providing a better experience for customers.
- 9.22 Although significant improvements have been made in the development of a comprehensive performance management framework for customer services, there are still some areas where the quality of performance information could improve. This is partly due to the need to integrate existing processes and systems. In these cases, work is in progress to identify short term data reporting mechanisms. In the mid to long-term, the solution to capturing more data will be the deployment of Customer Relationship Management (CRM) technology to customer contact for all service areas.

(iv) Consolidating and professionalising Customer Service

- 9.23 The council is in the process of bringing together all customer service activity across all channels into a single function. By summer 2011, all telephone calls, emails and web contact with council services will be dealt with by frontline customer service staff. The aim of this consolidation is to:
- simplify access for customers, dramatically reducing the number of contact numbers, email addresses and webforms
 - ensure customers are dealt with professionally, by informed, customer service officers
 - develop a cadre of customer service staff who see their role as working on behalf of the customer, either providing all the information they require at the point of access or advocating for the customer, helping them to answer their query through contact with other parts of the council (or other service providers)
 - create a strong knowledge base that customers can draw on to support themselves and one another develop a strong, comprehensive knowledge of customers' needs and use of services that, in turn, can be used to design more effective and efficient services in the future
- 9.24 In addition, many council staff who work with customers are undertaking the Institute of Customer Services professional awards qualification.

Medium-term improvements

9.25 In the medium-term, the council's strategy for both improving customer services and reducing costs for the taxpayer are captured by the OneBarnet programme's work to develop a new Customer Service Organisation (CSO). This includes a number of key strands aimed at improving customer service:

(i) Consolidation and further professionalisation of customer service activity

9.26 A further stage of development of the consolidated customer service function will be to encourage public sector partners to utilise it to improve customers' access to Barnet's wider public services.

(ii) Further development of the web channel

9.27 Enabling customers to make use of the web as the key contact channel for most access to the council (and ultimately partner) services is a key focus for: improving the responsiveness of the council. Therefore, any future development of the CSO will have innovation in web services at its heart. Options will be considered for appropriate development of and investment in web access as part of the OneBarnet programme. Longer term options for improvements to the website include the development of personalised web access, allowing customers to log on to their individual account and access personal information and transaction history - e.g. Council Tax information.

(iii) Customer insight

9.28 A key aim of the development of a new CSO is to significantly improve the council's access to and use of customer insight - that is, rigorous evidence of customers' needs, preferences and activities. While there are efficiencies to be made through the consolidation of customer service activity, the most substantial service improvements and cost savings will be delivered by using insight to redesign services around customer need rather than delivering through the more traditional service silos.

10. LIST OF BACKGROUND PAPERS

10.1 Quarter 2 corporate performance report

Appendix 1: Customer Services Performance Management Framework

