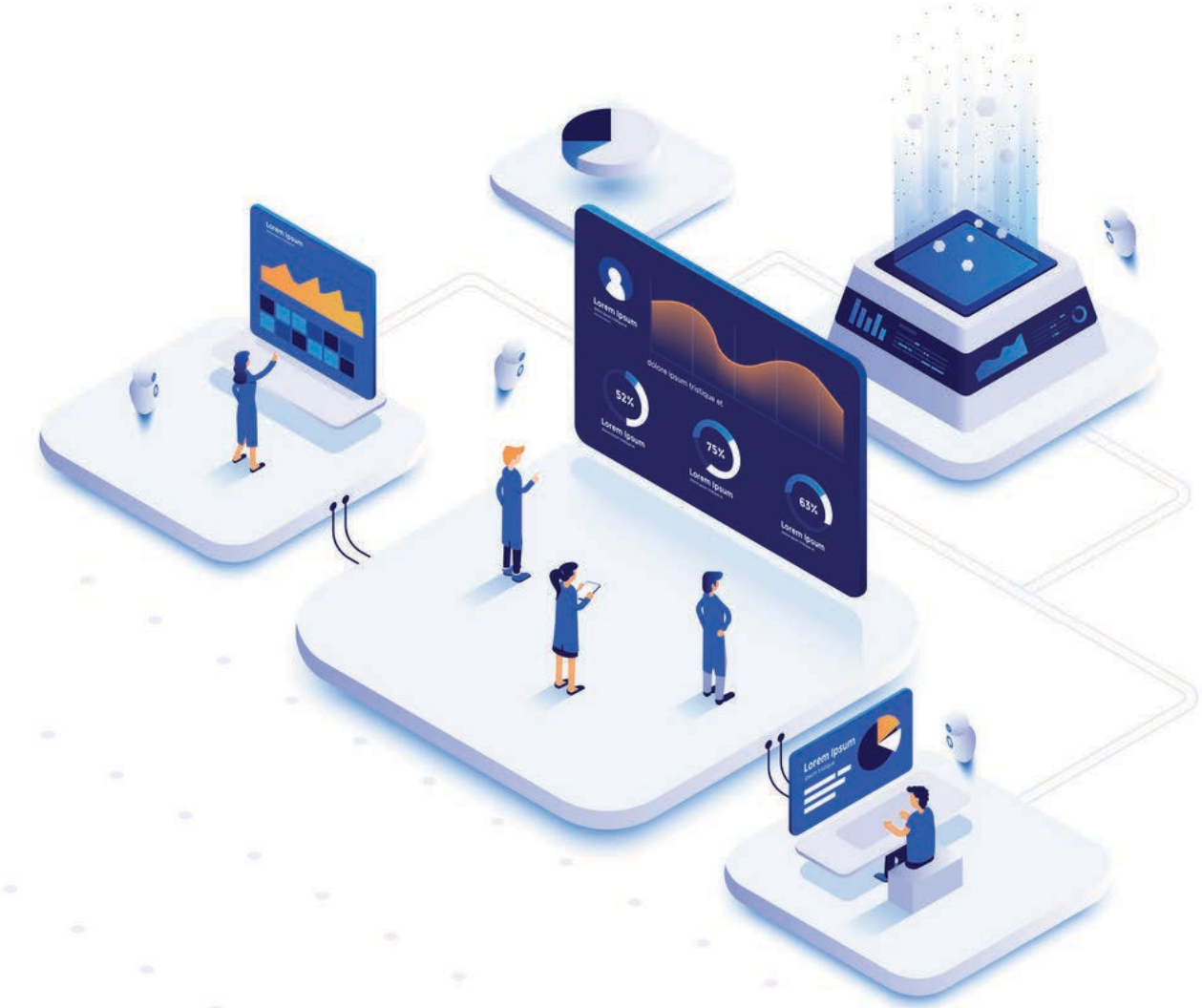
Revenues & Benefits

In the digital age

2020 | Edition



IEG4 | Thoughts & Insights

Contents

The next digital age

There is no doubt that Revenues and Benefits have led Councils in terms of best practice and realisation of change. The irony of this won't be lost on council leaders in that these are arguably the two most complex and high volume areas of service provision.

We have been told countless times that the Revenues/Benefits is seen as the go to digital exemplar for other council services to model upon.

Given that this is the case we thought about how these digital services could go further. By and large the digital services delivered by councils for Revenues and Benefits were developed in a time when digital was not as ubiquitous in our lives as it is today.

This document will look at what a Revenues and Benefits department could look like both today and tomorrow - in the next digital age.

We will walk through the key areas of billing, recovery and benefits / support and highlight how digital is helping councils deliver services that simultaneously offer a better customer experience and efficiency savings.

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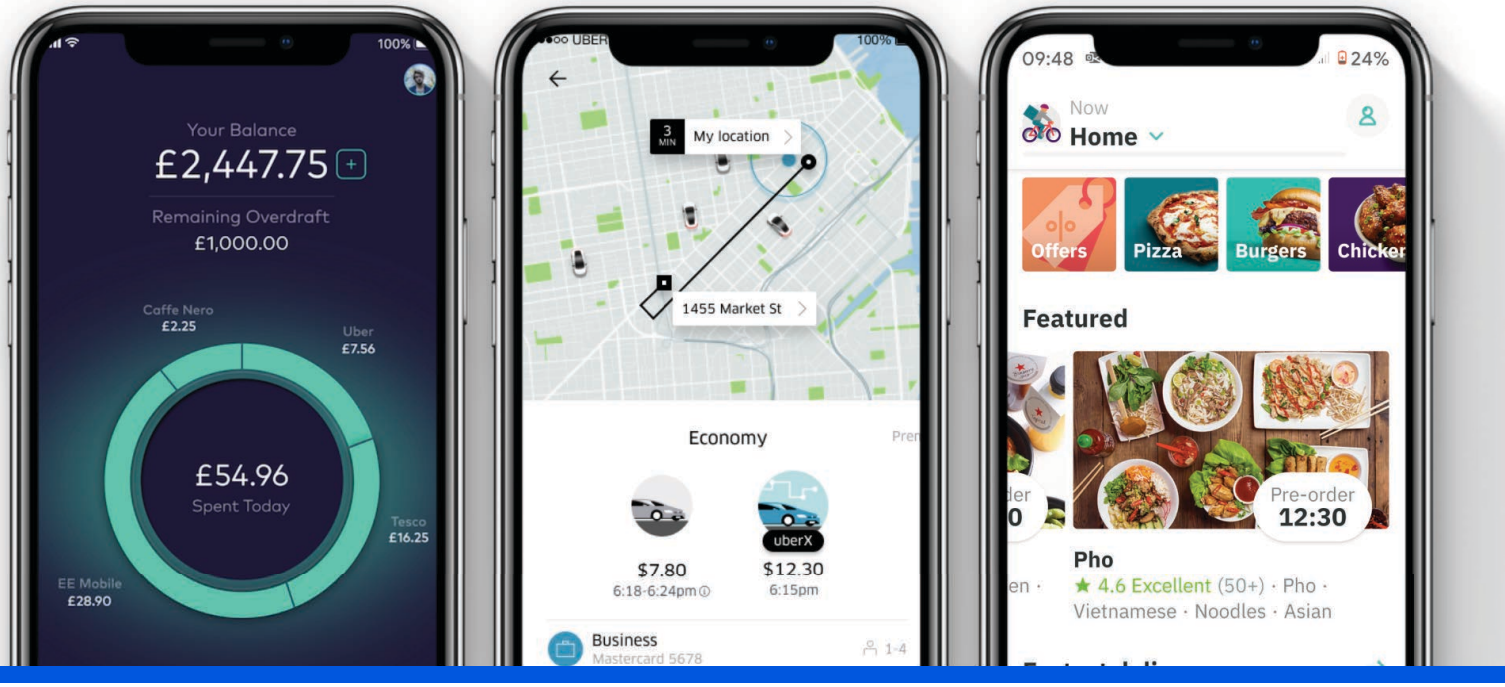
Expectation

As William Shakespeare said “Expectation is the root of all heartache”. Your customers now live in a digitally ubiquitous world where ordering a taxi, tracking a parcel or a bank balance are completed digitally more often than not.

This is as a consequence of these digital offerings affording a better customer experience (CX) than alternative methods of getting the same information. Customer expectations are higher than ever before and not meeting them will lead to short shrift.



Private sector UI/UX examples

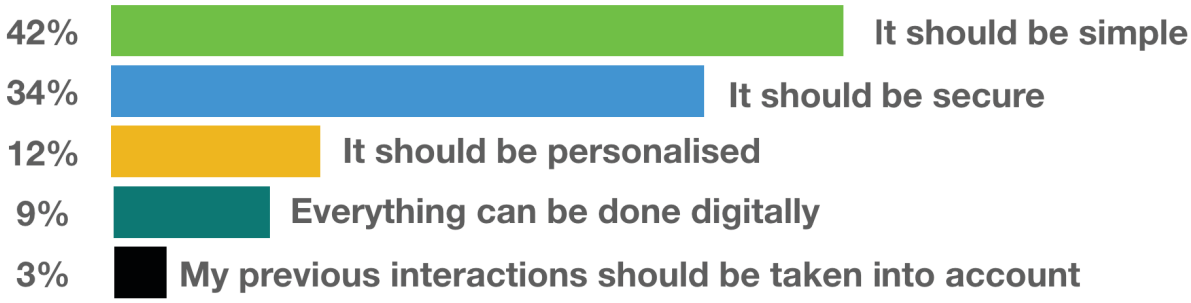
Because “Human nature is like water”, it flows to eke out the easiest way through something. The instant it’s easiest to do something digitally, it is an inevitability that digital becomes the prime option. Digital consumer services have, however, set an expectation of what a digital service looks and feels like. Therefore if your services do not reflect modern CX and design they will feel jarring and less likely to meet the tipping point for digital ubiquity.

As the following survey illustrates, your customers expect more from your digital offering year-on-year.

Do you have higher expectations for digital customer service today than you did a year ago?[1]

The same survey also highlighted that the most important aspect to users is ease of use / being able to complete a request in one go. i.e. It should be simple.

What is the most important aspect of a good digital customer experience?[2]



Let's walk through these in the context of Revenues, Benefits and, in some cases, wider local government.

It should be simple

In many things, simple wins over the complex. But as Steve Jobs put it, “Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple.”

How many of you read the guide that came with the last phone you bought? Chances are you probably didn’t even notice there was one and were quietly just happy the phone was already charged. Unlike most electronic devices, phones/tablets are now designed to be so simple, the content and functions so readily discoverable, that if a user guide is needed the designers have failed.

This level of quality in design is the result of years of research, development and user testing. Indeed, a consequence of such ease of use is that it creates impatience and frustration when anything is more difficult than a user has the perception it should be.

This creates a significant challenge for revenues, benefits and local government more widely. Councils have >10 departments, **hundreds of services**[3], massive legislation surrounding these and significantly reduced budgets.

For Revenues and Benefits managers wishing to maximise return on investment and drive efficiency savings, the areas of simplification are threefold:

- Make digital access very simple
- Answer questions don’t just show data
- Prevention of failure demand

These all seem like no brainers but the design of digital services being used in revenues and benefits does not reflect this. It’s why there are still hundreds of thousands of phone calls made to councils regarding council tax, business rates, and benefits each year. If digital services were good enough these calls would diminish significantly as a result of the **digital offset effect**[4].

As an illustration of why councils still receive hundreds of thousands of calls each year, the following is extracted from a council’s sign up screen for their legacy digital account:

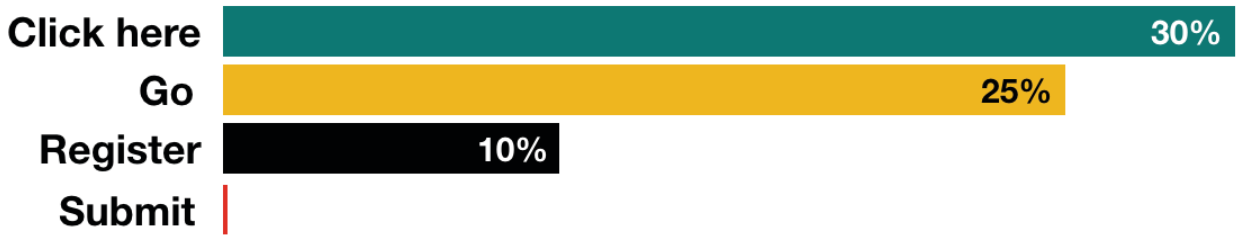
An example of a poor sign up experience

There are FOUR separate pages a person needs to go through to create an account. **Generation Y**[5] does not want to wait five seconds for something. Let alone go through four pages of a form to get an answer to one question they have.

Such is the importance of sign up being simple, there are huge numbers of blogs like those found **here**[6], **here**[7] and **here**[8] around the benefits of designing them well. Reading these we find things like:

- **120%** increase in the number of users signing up by decreasing the number of fields required to register from 11 to four
- **80%** increase in the number of users signing up by indicating certain fields (like phone number) as optional

Incredibly even things that we might take for granted matter. Such as the word on the button to sign in / sign up. Research says one should use relevant, non-intimidating text on buttons so instead of using "Submit" use "Go".

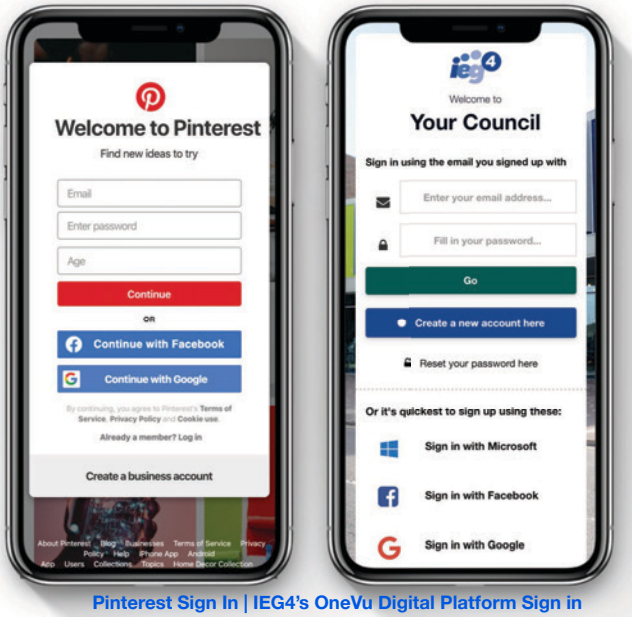


It is vitally important that the front door to your digital council is designed well and easy to access.

If we look at an example from the consumer world, Pinterest, we can see that sign in involves just three fields and there is an alternative option to sign in with Facebook or Google.

The reason they do this is that most people **access the internet on a mobile/tablet device**[9]. This is important because on those devices the user will likely already be signed in to Google/ Facebook. This means that sign-up and subsequent sign-in to Pinterest is done in a single click. What's more this '**social sign in**'[10] choice is powered by the open standard using best practice following secure methodologies of **OAuth2**[11] and **OpenID**[12].

The screen below illustrates the Pinterest sign up screen and how a similar approach has been implemented in local government:

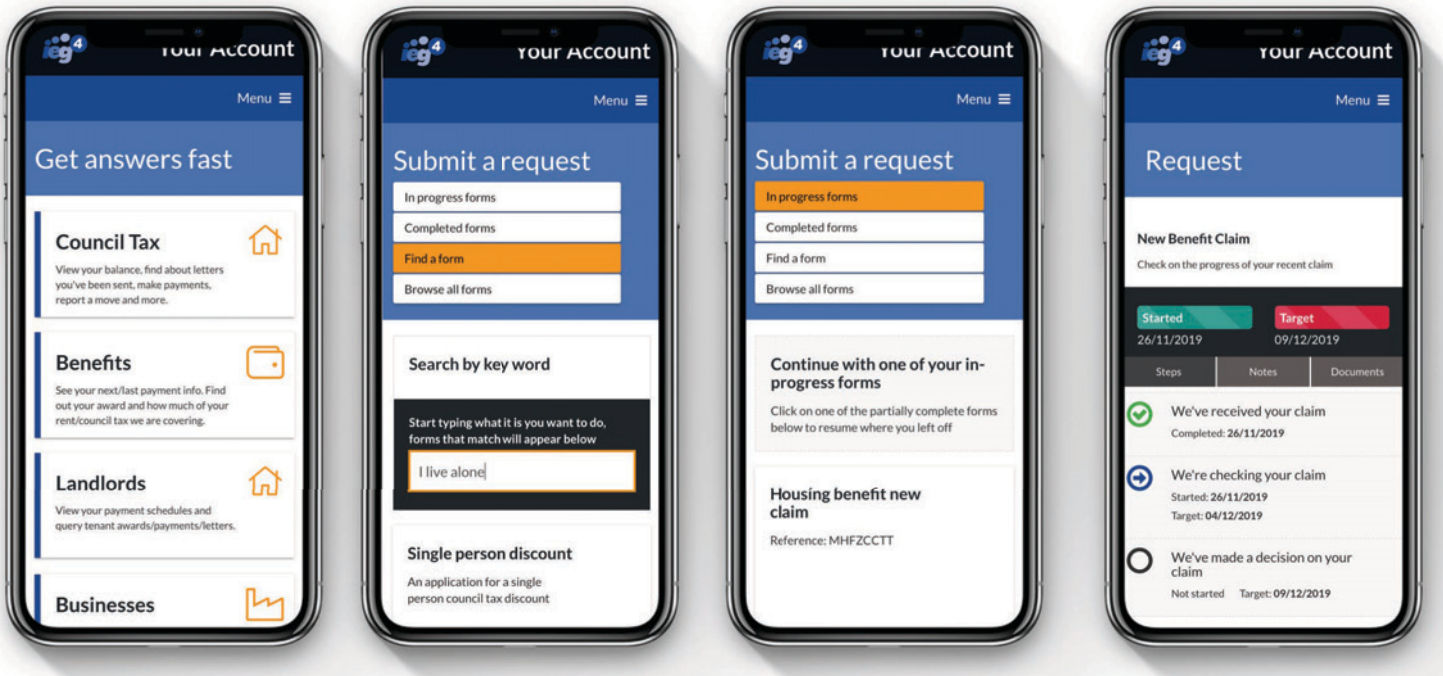


Pinterest Sign In | IEG4's OneVu Digital Platform Sign in

Once a user has signed in, it needs to be simple to navigate to find services irrespective of device. Whether they want to:

- find the answer to a question,
- find/complete a form or
- know when it will be completed

It needs to be very intuitive.



Clear access to each department

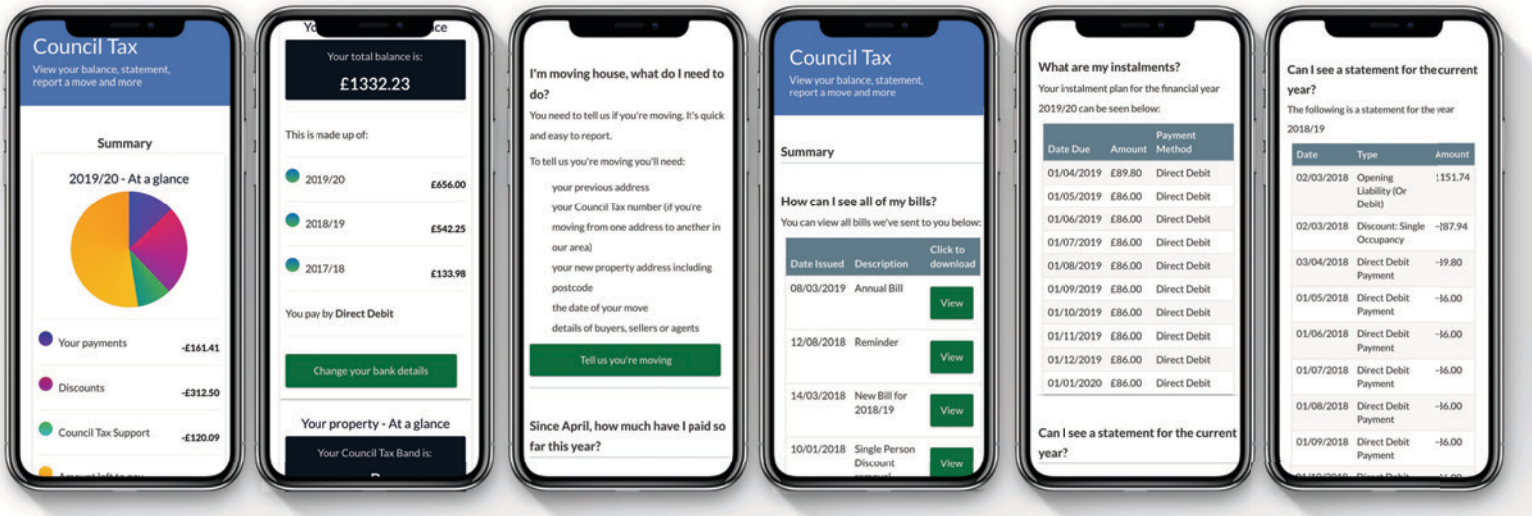
Simply find services

Jump back where you left off

Track & upload documents

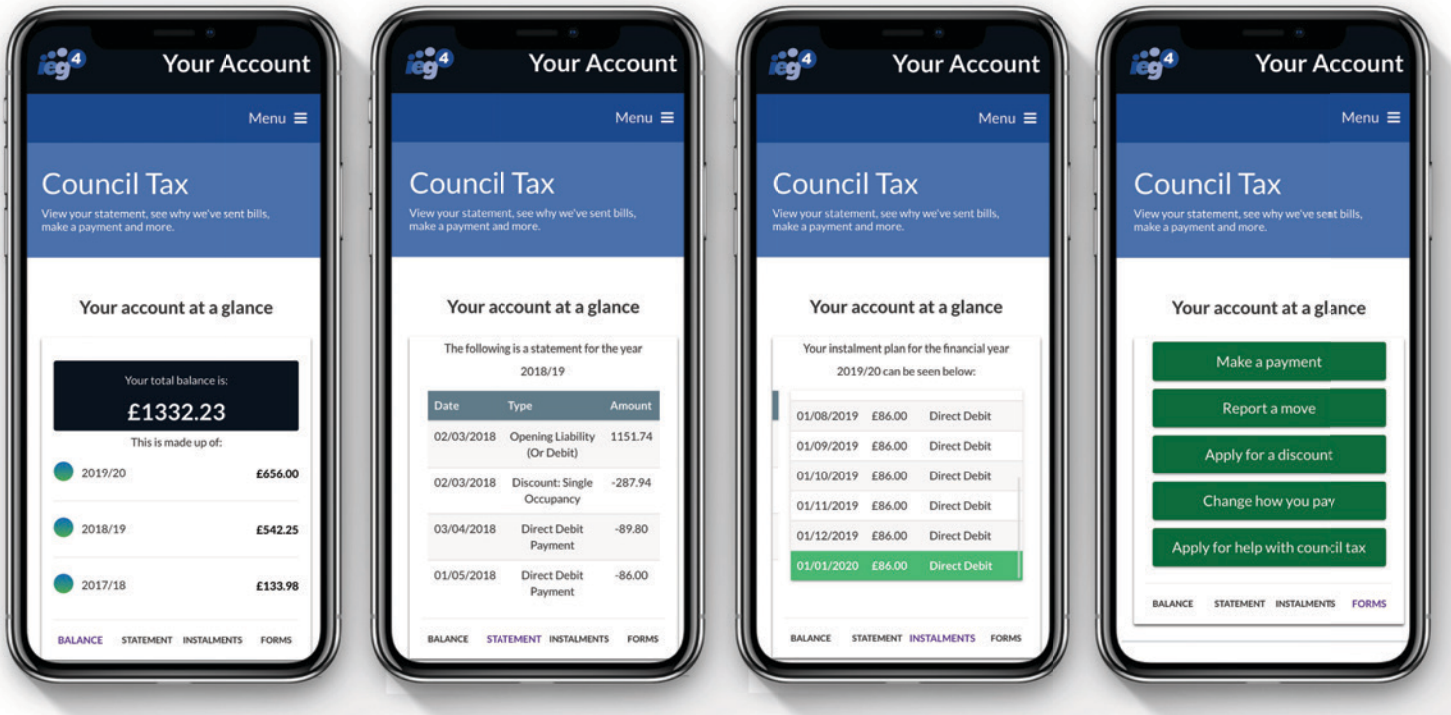
Simplicity of user journey across IEG4's OneVu Digital Platform

Users expect clarity but also modern user interfaces. You should, therefore, ensure that your digital offering looks engaging, answers the most commonly asked questions people have and can be augmented over time by your staff. To illustrate, the following is how you might arrange some of the content for council tax.



Example visualisation of Council Tax information in IEG4's OneVu Digital Platform

But an improved design might be to make the most common queries/tasks into a single 'card' of info. The point is that in order to meet the ever changing fickle expectations of citizens you need digital services that enable you to constant change content / improve layouts yourselves.



Alternative visualisation of Council Tax information in IEG4's OneVu Digital Platform illustrating the incredible flexibility

It should be secure

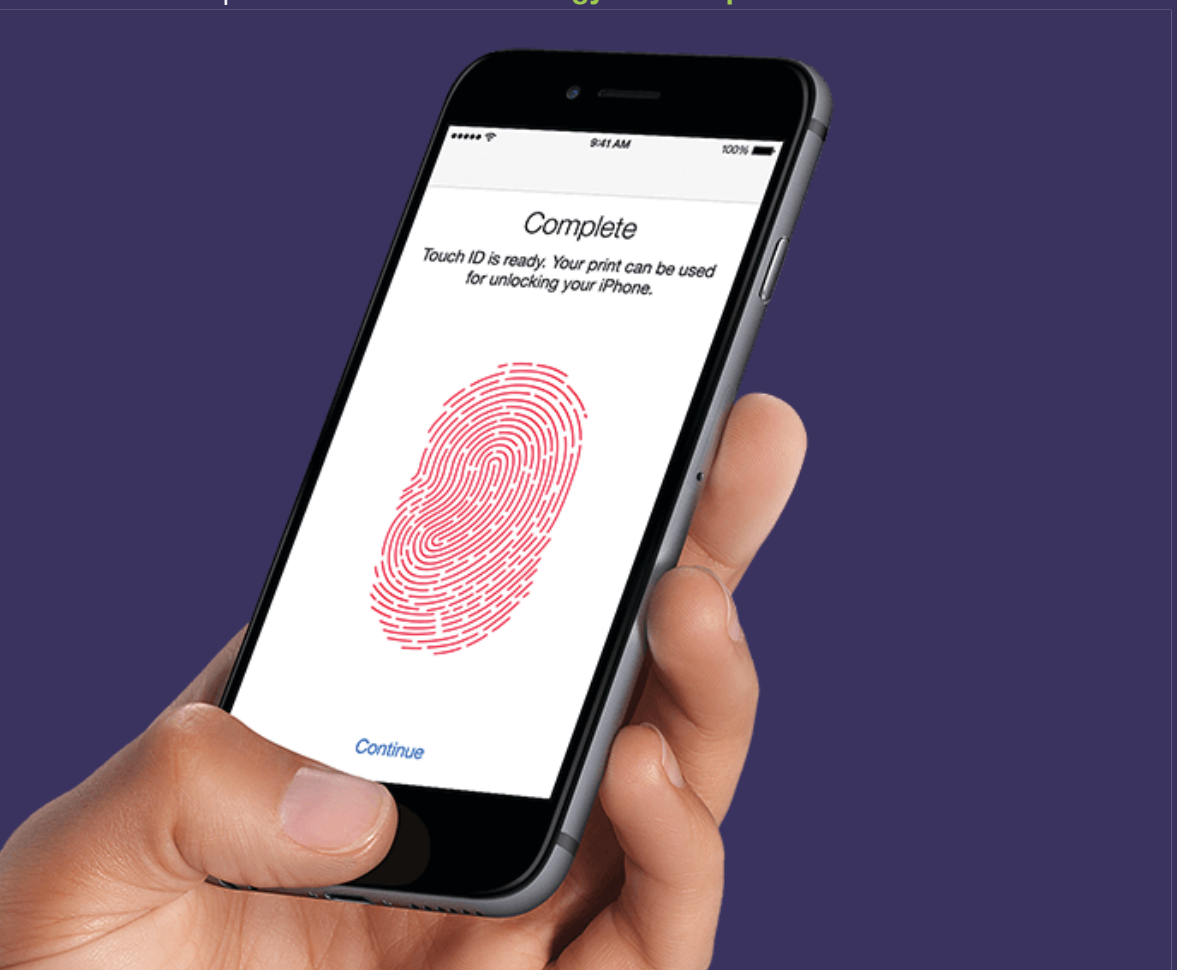
There is a fine balance between security and simplicity. Your customers expect to be able to access their data in seconds but they also expect you to keep their data secure. Indeed, you're **legally bound**[13] to do so.

Organisations need, as a result, to be implementing digital services that ensure:

- data that **needs** to be stored is not stored in just one place,
- data is **only** stored when it is necessary
- data is **encrypted** whenever in transit
- data is **portable**[14] - meaning customers are able to move, copy or transfer personal data easily from one IT environment to another in a safe and secure way

To solve these specific challenges, we suggest organisations ensure that their digital services:

- use cloud infrastructure such as **Microsoft Azure**[15] or **Amazon Web Services**[16] to assure scalability, security, and **compliance**[17]
- have **geo-replication of data**[18] to assure maximum resilience of any data; not held in one place
- are provided by organisations accredited with **CyberEssentials**[19]
- follow **GDS best practice**[20] with APIs that use HTTPS, are RESTful and satisfy the requirements of the **technology code of practice** [21]



CYBER ESSENTIALS

It should be personalised

Personalisation is the number one way to ensure that your customers get tailored answers to their queries that maximise the propensity of them continuing their journey in the digital channel. We think, **and the results show it**[22], the concept of 'Personalised FAQs' is the most logical way to deliver the outcome of solving queries. That is, to answer the same questions customers were constantly phoning about through a consistent and intelligent UI online.

What do we mean by personalised FAQs? In this context, the word personalised is meant in two ways:

- What does the specific council get called about for each department?
- What content is known about that customer's account/claim that is most likely to resolve a query?

Personalised council content

The questions a council is asked for revenues and benefits will depend upon a variety of factors. e.g. Location (in/out London), particular times of year (annual billing / legislative / policy changes for benefits), times of the month (recovery), days of the week (e.g. Monday mornings).

So it is illogical that the content a council shows to customers is the same in Inverness as it is Brixton. In the same way, it is illogical to not dynamically 'promote' recovery based information if a revenues manager knows reminders/final notices will be landing.

Personalised customer content

The same is also true in terms of personalisation of a customer's content. e.g. If a customer has a refund due on their account, chances are if they go to their account then that's what it will be about. If a summons notice or overpayment notification has just been delivered their query is probably going to be about that. So with modern digital services, you need them to be able to:

- Be personalised to you and your customers
- Be changeable by you
- Personalise the content based upon real-time authentication/access

Content you control

If you're able to retrieve all of the data available on accounts/claims then the ultimate is being able to update the content of your digital offering without the help of IT. It enables your council to:

- have greater resilience in terms of who can make changes (owing to a lower learning curve)
- personalise content to the actual most commonly asked questions citizens call up about
- respond to feedback internally/externally by making changes quickly/enhancing the digital channel
- respond to operational demands in a citizen-centred (personalised) way

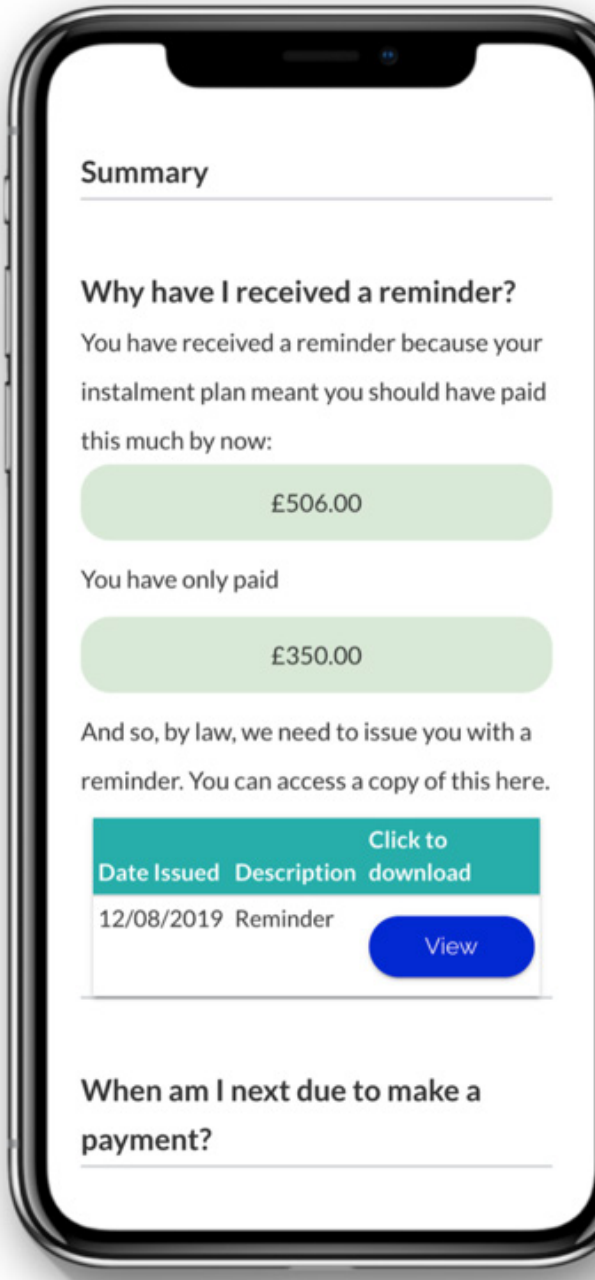
For example, a Revenues Manager knows that on the day recovery notices are issued the call centre would get more questions about council tax recovery. Rather than just show the same stuff all year round in the same place, OneVu can dynamically slot in content and only show this where it applies to that person.

This is because it is possible to conditionally show content based upon back-office information. i.e. For the account on the right the content could be sent to only be shown:

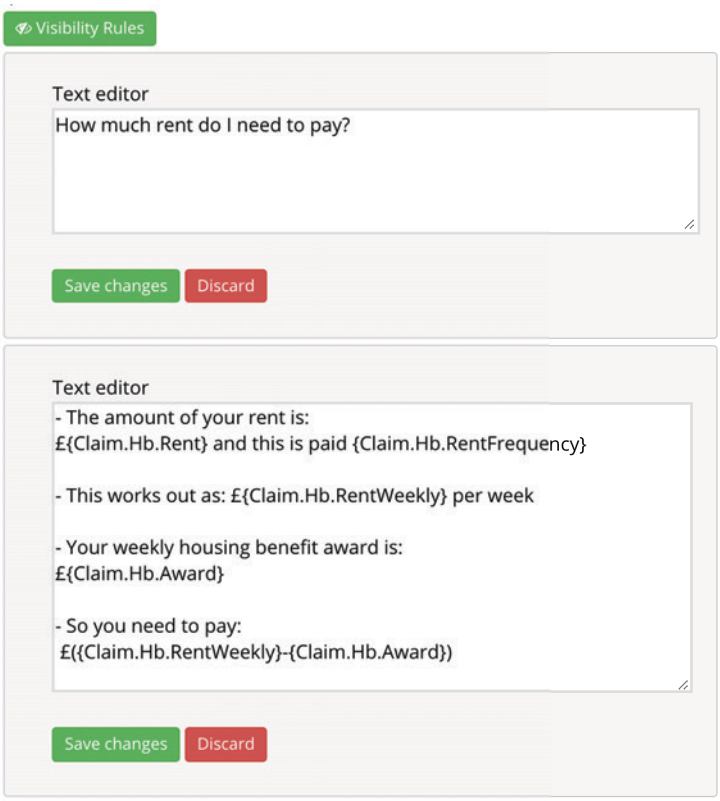
IF Northgate.Recovery.Status = "Reminder"

If it were a second reminder, a final notice, etc. entirely different content can be shown. Furthermore, OneVu enables you to answer questions the way a customer services agent would. Rather than just tell someone they have a reminder as every single other digital system does, it is possible to plot what should be shown in terms of answering the question.

This is particularly powerful in terms of answering benefit questions where a lot of the complexity comes from the many conditions/exceptions to the rule that are used to calculate benefit claims. For example, a Benefit question like "How much rent do I need to pay" has many different answers based upon things like payment frequency, eligible rent, current award, presence of DHP / presence of overpayment recovery. Overleaf, on the left, we can see the editor within which an officer can change the content of the question/answer.



Here is an example of the power of the visibility rules where this version of the answer is shown:



Editing Questions/Answers in IEG4's OneVu Digital Platform

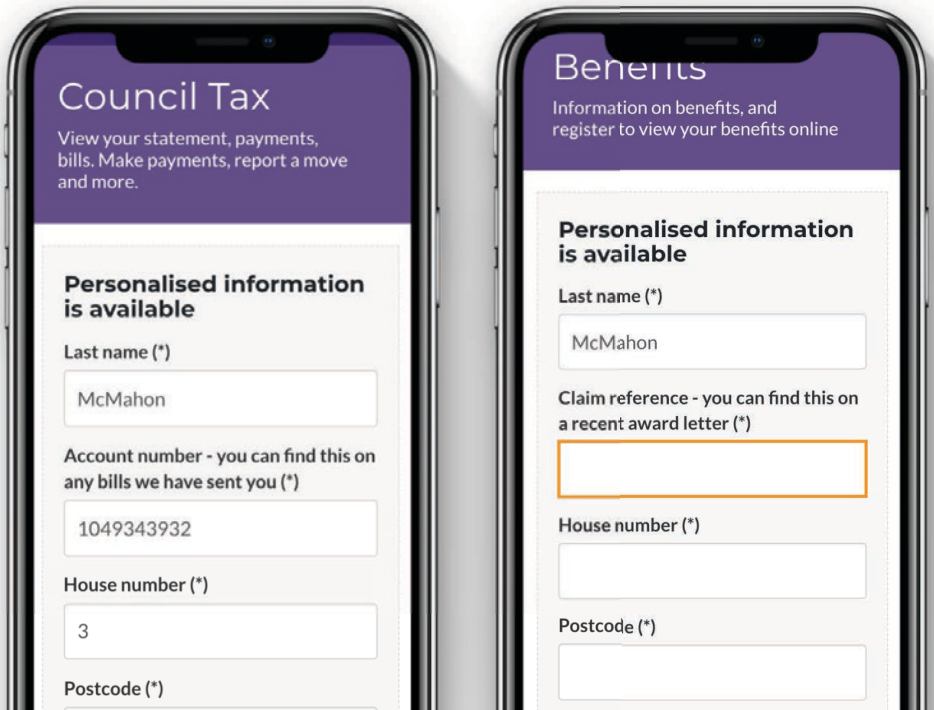
Claim.Hb.BenefitAward.AwardAmount > 0
AND
Claim.Hb.RentFrequency = "Calendar Monthly"
AND
Claim.Hb.DHPAward = 0
AND
Claim.Hb.Type = "Private"
AND
Claim.Status ="Active"

i.e. Only show this version of the content where all of the following are true:

- the benefit award is greater than zero,
- they pay their rent monthly,
- they don't receive DHP
- they are private tenants
- they have a live claim

This type of logic and the control you have means that even the most complex of questions can be answered in an intelligible manner and improved as and when you like.

It's important to realise that this personalisation is only possible if you're able to retrieve data from a back-office system in real-time. Being able to retrieve a customer's data securely, and in a way which means it is never stored, not only assured the best user experience, it assures best practice from a data security perspective. With reductions in call volumes **like 45%**[23] it's clear personalised FAQs make an impact.



Real time authentication mechanism
IEG4's OneVu Digital Platform

Automation

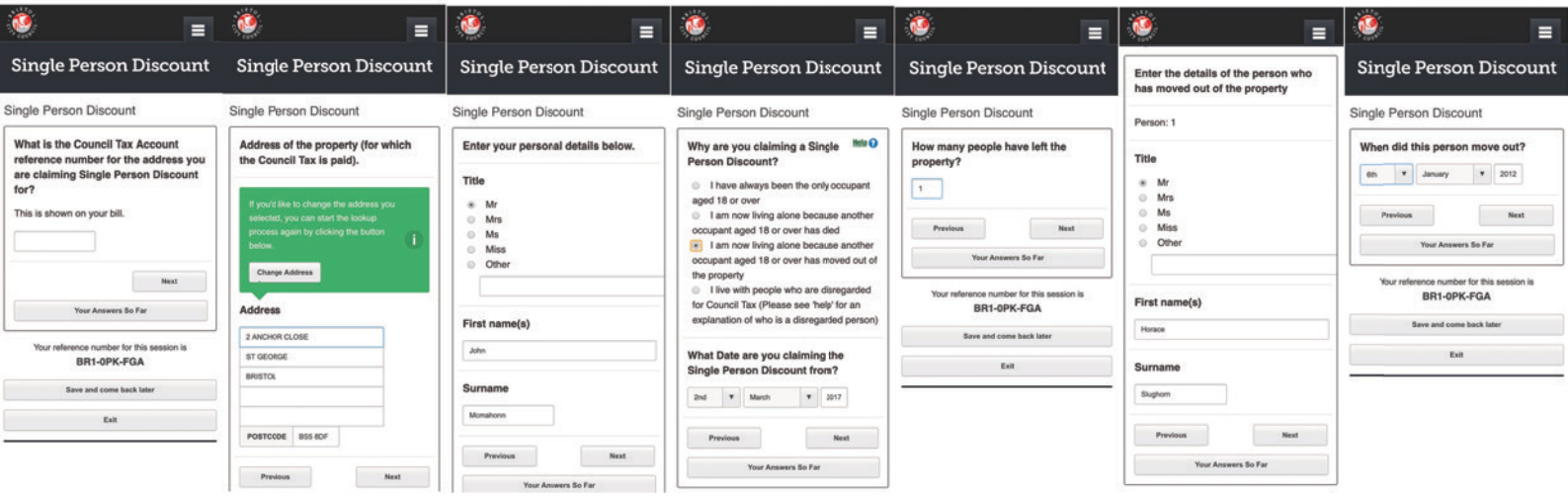
There is a significant shift in the purpose of automation. It is not just about direct efficiency of updates; it's about intelligently improving the customer experience through real-time automation during the completion of digital services.

It's driving wider efficiencies and engagement through the duality of both back-office updates **and** the prevention of failure induced demand caused by poor online service design.

To help illustrate what is meant by the above statement, we will walk through the three most common digital services for revenues. Starting with an online form for customers to apply for a single person discount (SPD). The principles we will walk through actually hold true when designing any digital solution.

Single Person Discount

Here we see an example of the customer journey in an online application for an SPD:



Single Person Discount Application which is NOT how IEG4 would have designed it - see later for we we did

Historically, having an online form that was able to capture information and update a back-office application would have been seen as cutting edge. But, in 2019, with a fresh outlook on automation, we can the design of the above form has two core flaws. We will walk through these to help us understand what one should look out for when designing modern digital services. The two flaws are:

1) It's too long - both in terms of pages and questions

- The number of pages and fields (questions and answers) has a **direct relationship**[24] with the conversion rate.
- In revenues and benefits, the conversion rate is the likelihood of them completing a form.

2) It asks questions in a way that means there is too much chance of user error/manual rework when it is received.

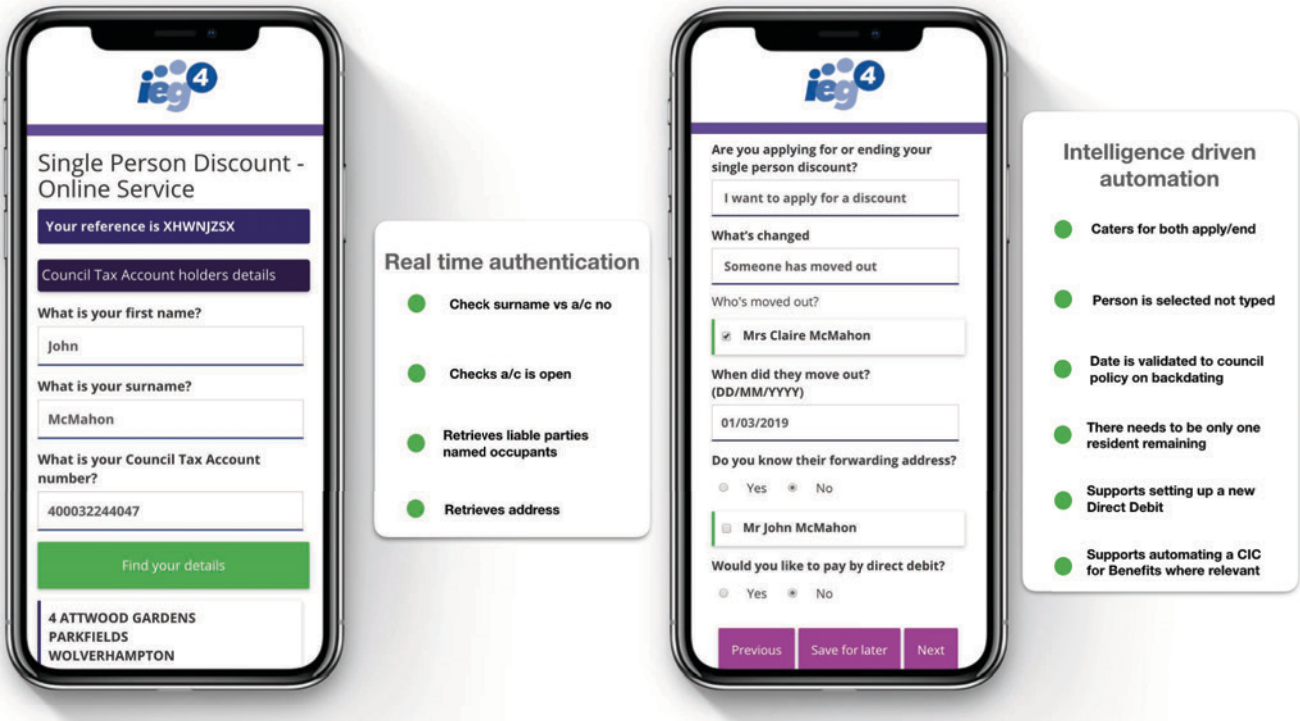
- A user does not have to provide their council tax account number, nor is it even validated if they do enter it.
- The customer manually types their surname and this is not checked as being related to the account number provided.
- Some of the questions assume knowledge of council tax. There are separate questions for when a person moved out and also when they would like a discount.
- Where a person has moved out, the customer free types their name meaning potential for the name to be typed differently from how it is held in the back office.

In summary, the design means a customer will find the process slow to complete and it leaves too much scope for confusion and user error.

If we consider all of the above points we can say that the service should:

- ensure that the number of questions asked is minimal
- ensure the customer's details are validated in real-time
- retrieve information that might change e.g. a person moving out to enable a user to simply click they moved out rather than typing their name out. This is particularly relevant if more than one person is moving out.
- work out the effective date of the single person discount based upon the effective dates of those moving out

It might work something like this where the number of pages is reduced from **seven to just two**:



IEG4's Single Person Discount Application/Cancellation service with just two pages

One doesn't have to be a user experience designer to see that a customer gets a slicker journey in the second service. It's ironic that the simpler of the two designs simultaneously achieves a greater level of automation upon completion. Adding weight to the quote from earlier that getting simplicity right is much harder but the rewards are great.

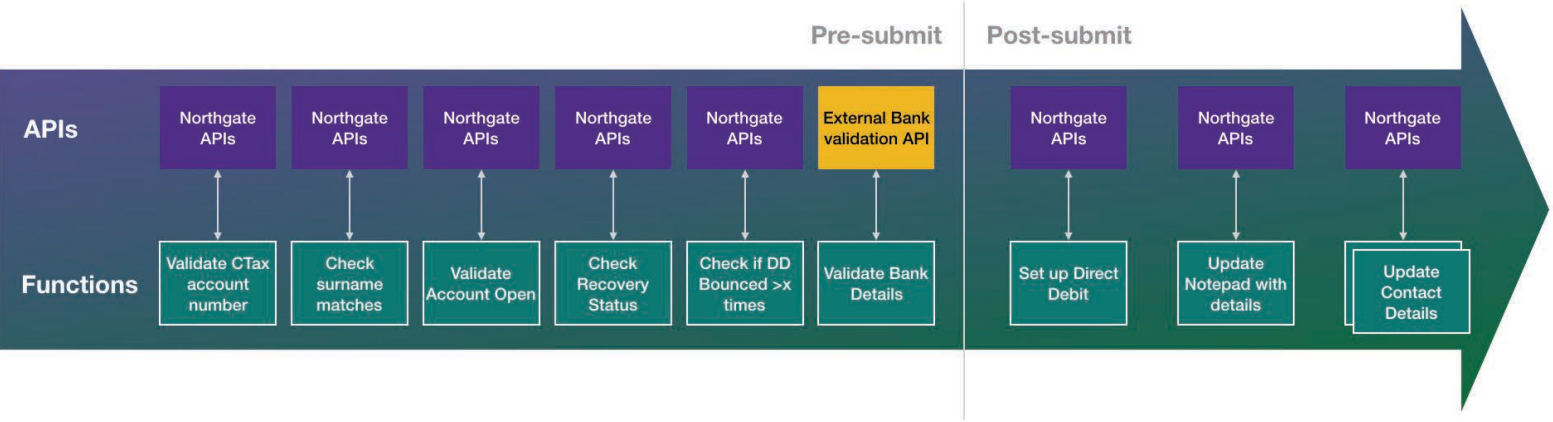
Direct Debits

Robotic Process Automation (RPA) has been seen as the latest and greatest thing in terms of being able to realise optimum efficiencies. While its capabilities are significant it is worth highlighting that its value is inversely proportional to the quality of back office application's interoperability (or APIs). Ergo, the more effective the APIs of back-office applications are, the less value an organisation will derive from RPA.

Furthermore, having been the first organisation **to deliver RPA for benefit claims**[25], IEG4 has deep knowledge of the strengths and weaknesses of RPA. The core issue that led us to try a new approach was in the lack of real-time access to back-office data. As we saw with the single person discount service, the entire design was made possible and predicated upon validating details **before** submission. This instant access is simply not possible with RPA owing to the time it would take to access the back office and scrape the necessary data.

By having immediate access to data during the form completion process we're able to do checks/ intelligent functions that were not possible solely using RPA. To provide some context, the simplest of the three processes we are walking thought is the digital Direct Debit service.

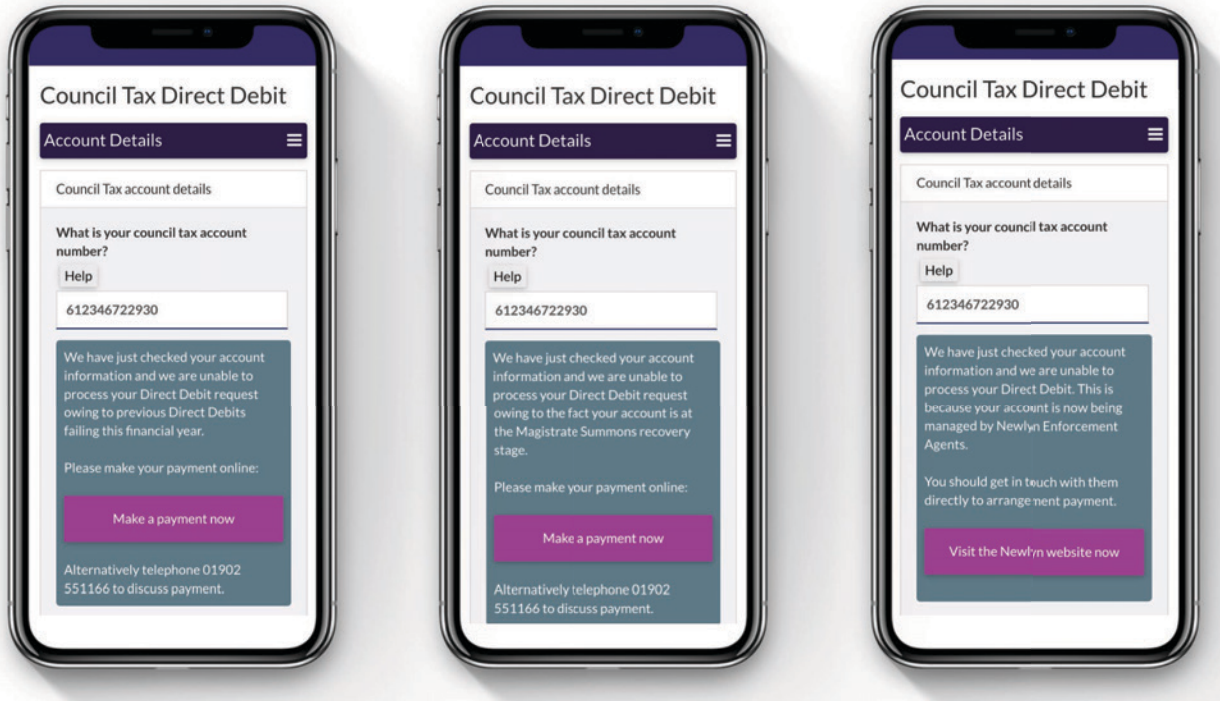
With this online service, **two-thirds** of the processes that ultimately provide the outcome of 100% automation take place before submission; with real-time API checks simply not possible with RPA:



Stages involved in IEG4's online Direct Debit service

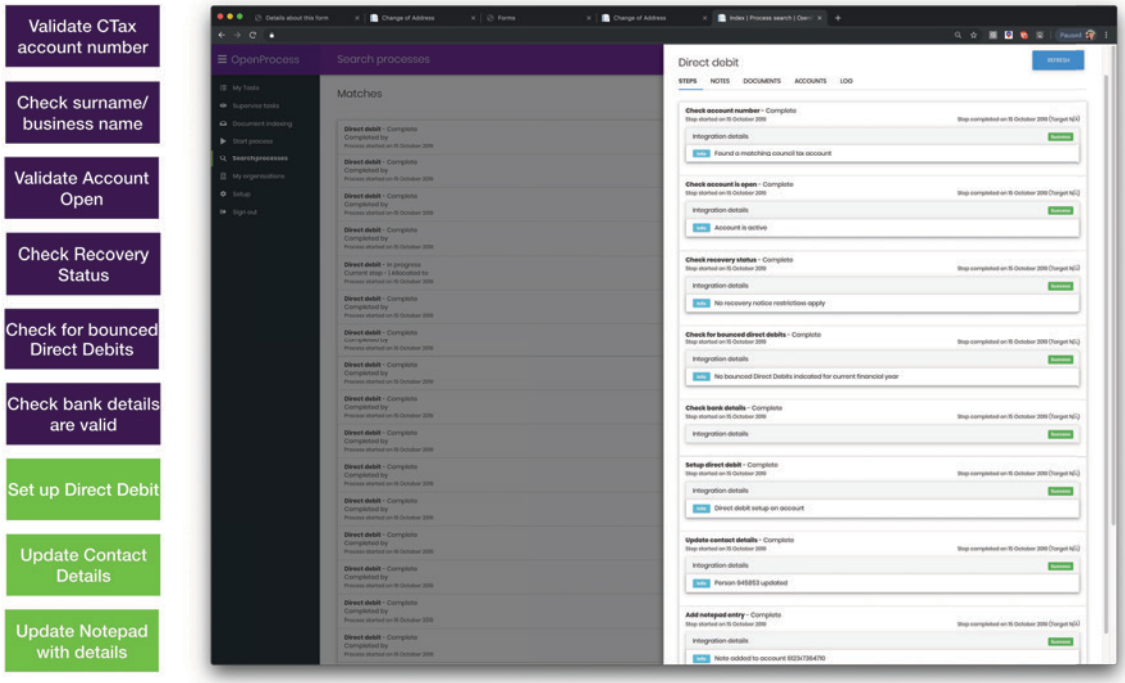
We can see that there are **nine** specific functions in place designed to maximise efficiency. Below we can see how checks made to look for a history of 'bounced' direct debits or recovery stages result in messages/calls to action personalised to the citizen.

Identifying these means that we can, where applicable, Prevent the set up of direct debits in the back office automatically. We can even direct them to contact an external enforcement agent where applicable:



Real time alerts presented based upon real time information from the Council Tax system | IEG4's online Direct Debit service

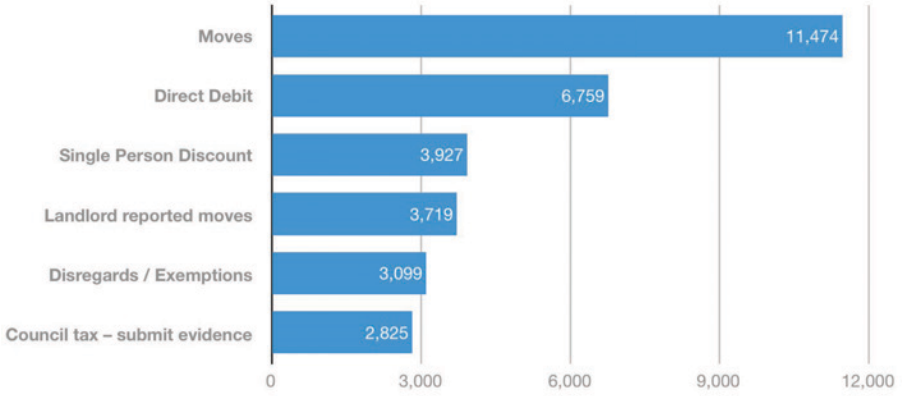
Each check and API call is interlinked in a long chain orchestrated by a highly intelligent workflow engine - extraordinarily powerful when compared with the average EDMS:

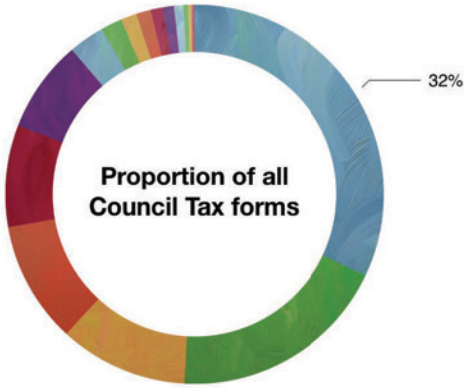


Visualisation of the stages of an intelligent Direct Debit process | IEG4's OpenProcess workflow auditing the steps/updates

Moves - the big one

It's not just big because of its complexity. It's big in that the reporting of a change of address happens to form the highest volume of work received by council tax. For some objectivity, see the following two charts:





Volumes of online forms received for Council Tax in 1 year in a London Borough using IEG4's online Council forms

Illustrate:

- the top **five** online forms received for the past year in a London Borough Council and
- **32%** of the submissions across 19 different forms are moves reported by citizens
- **3719** moves were also reported by landlords which takes the total to **42%**

With some simple assumptions around the time to manually deal with **~15,000** moves in a year, you'd be looking at a minimum of **five full-time staff**. So driving automation in this area is a sure-fire way to minimise operational costs.

Just like the single person discount and direct debit services, it's vital that the online service only asks the questions that matter. However, this is complicated by the fact that when a person moves into a property they may wish to:

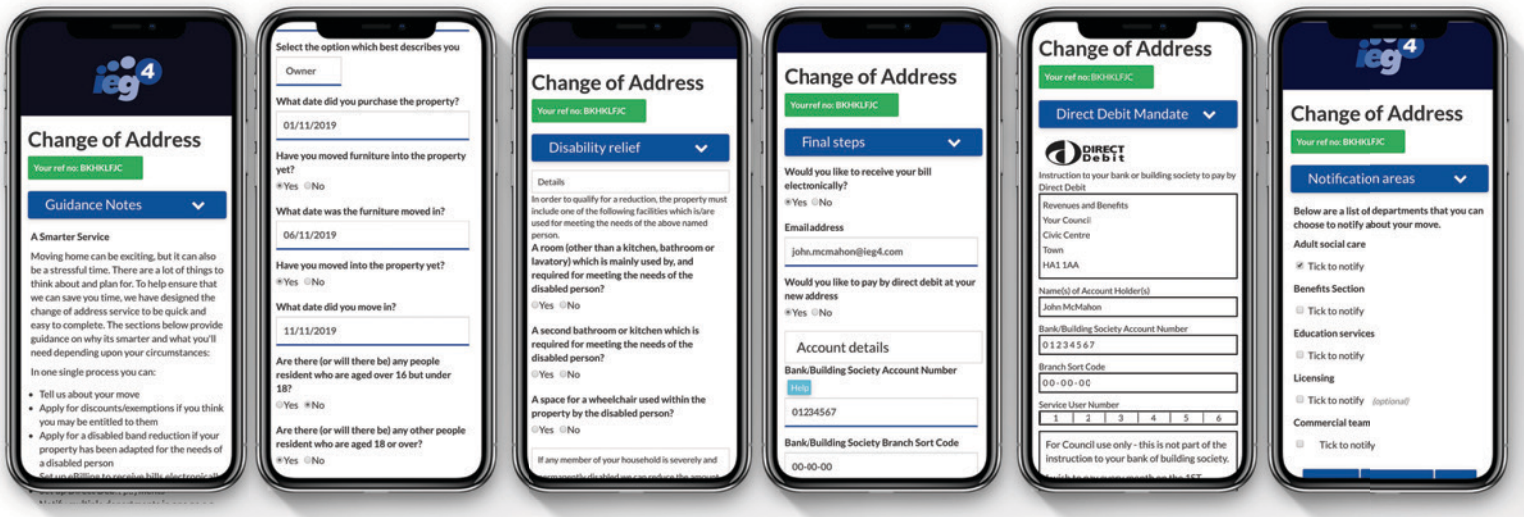
- move into one property to another inside the council area
- apply for a discount, exemption or disabled band relief
- provide supporting evidence of this
- set up payment by direct debit or eBilling
- notify other departments of the council about the move

So the scale of the form can vary significantly dependant on the circumstances of the customer. Plus, customers cannot be expected to know about entitlements and qualifying eligibilities for discounts, exemptions, and disabled band relief. They should be guided toward them and walked through the process of their application. This is because it is more efficient and less costly for the council to have a bill calculated in a single transaction.

To provide an example of a complex move let's say a customer reports they are moving into the council's area and:

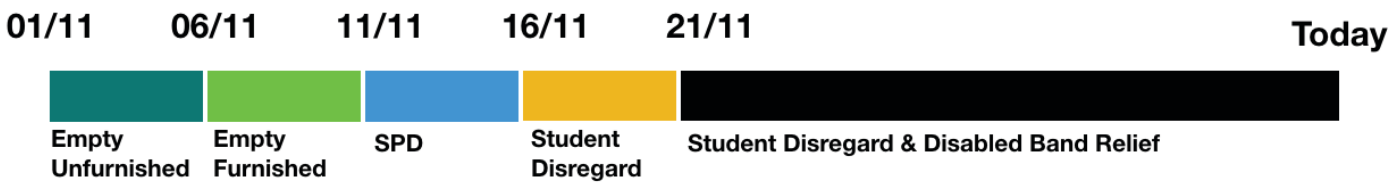
- They bought the property on 01/11/2019
- They moved in furniture on 06/11/2019
- They moved in alone on 11/11/2019
- Their partner moved in on 16/11/2019 and they are a student
- They have the proof of this
- Their adult son moved in with them on 21/11/2019 and their property was adapted to suit that person's disability
- They wish to pay by direct debit
- They want to sign up to eBilling
- They wish to notify the Social Care department

This journey through the form might look something like this:



Visualisation of the stages of an intelligent change of address form that can capture much more than a move | IEG4's Moves service

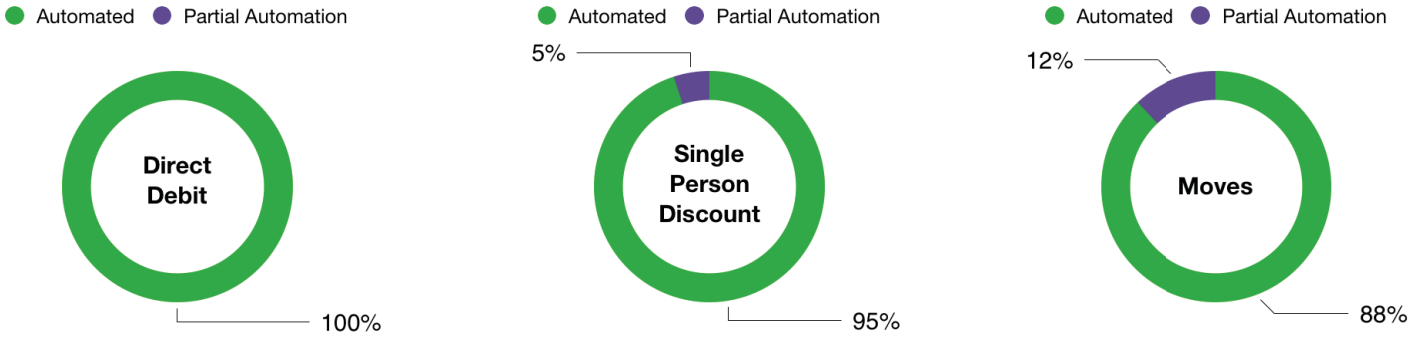
But the crucial aspect is that the culmination of a well-designed form is having the data to drive massive automation. In the above example, the relevant discounts/disregards/occupancy periods are being automated at the point of submission into the Northgate Revenues application. i.e. the following will be automated with suppression of billing solely pending the student status/disabled band relief verification:



Visualisation of how IEG4's Council Tax Moves service will automate many discounts as well as the actual move

This is on top of the updates that have carried out the move, set up the Direct Debit / eBilling, pushed it directly to the EDMS and sent a notification to the Social Care team.

For some perspective into the success of taking such an approach, the City of Wolverhampton Council now has the following levels of automation on the most common online Council Tax services:



Visualisation of City of Wolverhampton Council are performing since the implementation of IEG4's Council Tax online services

Notifications

Not only do Banks, Credit Card companies, telecom, utility bill providers and insurance companies provide notifications electronically, most of them **charge you**[26] if you want a paper version. This shift means customers are used to receiving all of their correspondence in this manner.

So something as fundamental to Revenues and Benefits as sending notifications (bills/letters) should not be as poor as it currently is within the back office applications provided for Revenues and Benefits. All of the work that takes place in Revenues and Benefits has an end result of generating a bill or letter to inform a customer of the updates made.

It is unusual, therefore, that even today, very few councils have access to bills/letters that have been automatically generated by their application in the format that the customer gets them. If they can get them at all without regenerating them. Plus, bills and letters (**documents**) issued to customers are generally not available in a council's **document** management system.

This does **not make sense**.

There's a whole industry that revolves around being able to fix parts of the above issues. For example, XL Print and Gandlake have software many councils are using to convert document output from their systems into properly formatted in PDF format. The lack of properly formatted documents being stored somewhere digitally also has significant consequences in terms of being able to deliver effective eBilling and eNotification functions beyond the limited capabilities of the back-office modules.

Plus, when one looks at the eBilling/eNotifications functions provided by the legacy systems it is as if they were purposefully designed to:

a) be complicated to understand
b) be limited in function (email is the only option/use case is bills/letters only)
c) make it difficult to achieve without their help

Local Government is tasked with delivering online experiences that customers choose over traditional channels, providing the best value for money and adopting a platform-based approach to service delivery. Legacy suppliers have made this much trickier without heavy involvement from them but there is a solution.

What councils want (and need)

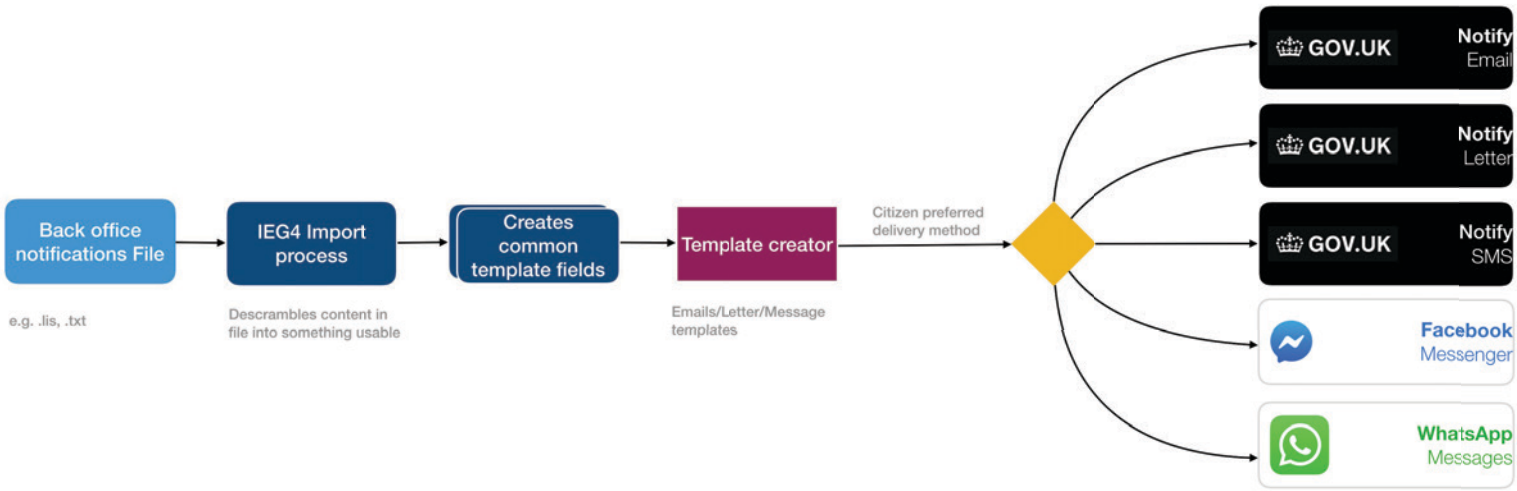
If we walk through the challenges mentioned we can create a wish list. It should be possible for all bills/notifications to be:

a) well formatted i.e. presentable to customers in the same manner a printed bill would be
b) saved in PDF format in a location accessible to staff
c) able to be sent in a variety of delivery methods i.e. Email, SMS, WhatsApp, Messenger
d) able to be issued for all notifications including new use cases the council comes up with e.g. payment reminders, annual SPD reviews, three-month self-employed reviews
e) able to use open standards that cost less money I.e. **GOV.UK Notify**[27]
f) retrievable via API for maximum interoperability/access

When you look into the creation of notifications/bills in these back-office applications, we can see that the root cause of all issues is the mechanism for their creation and their resulting output.

The format of the file output from back-office applications is .txt, .lis or .csv format. With the exception of .csv, these formats have a natural affinity for poor structure and logical readability. So the solution has been to create a mechanism of converting these outputs from something from the 1980s to something designed today.

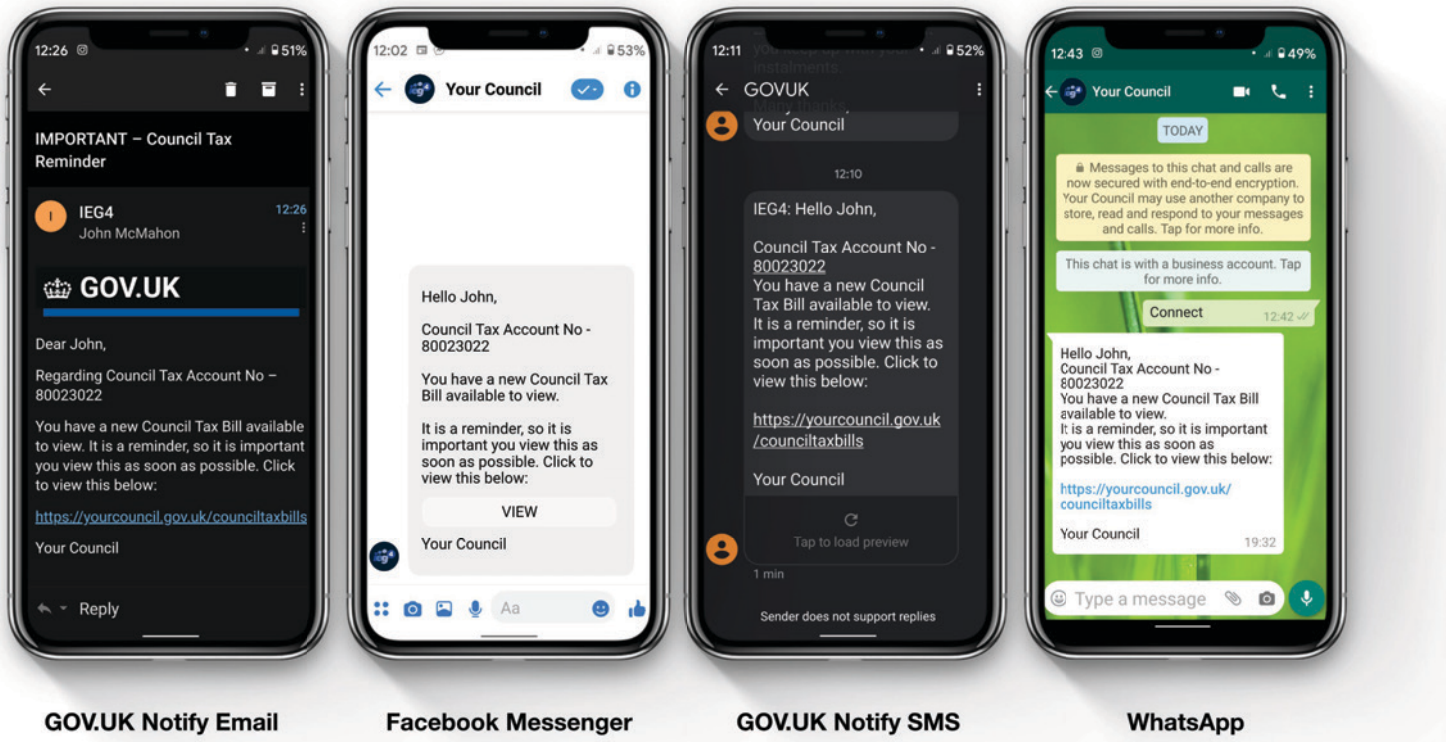
This can be simplified as follows:



Visualisation of IEG4's Notify Pro functionality

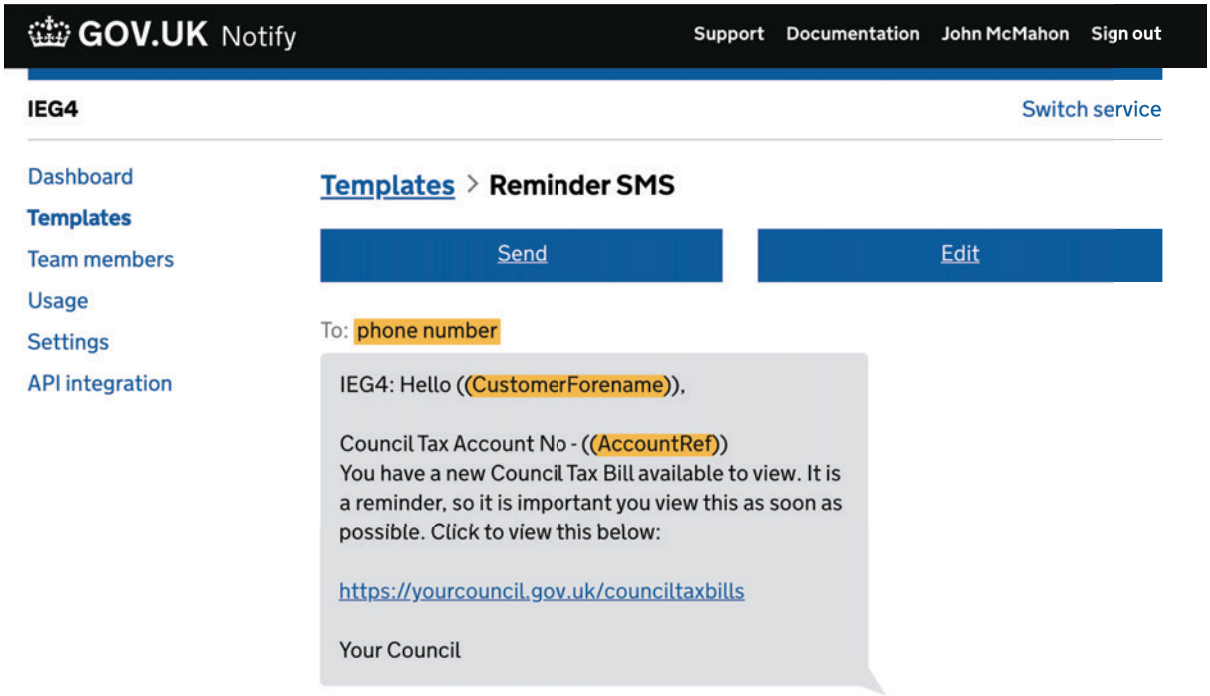
With the data accessible as template fields, it is possible off the bat to use the government's **GOV.UK Notify**[28] service to cater for email, SMS (text message) and letter formats.

This means that it is possible to achieve the following for users choosing eBilling/eNotifications. The same message delivered over four distinct delivery channels:



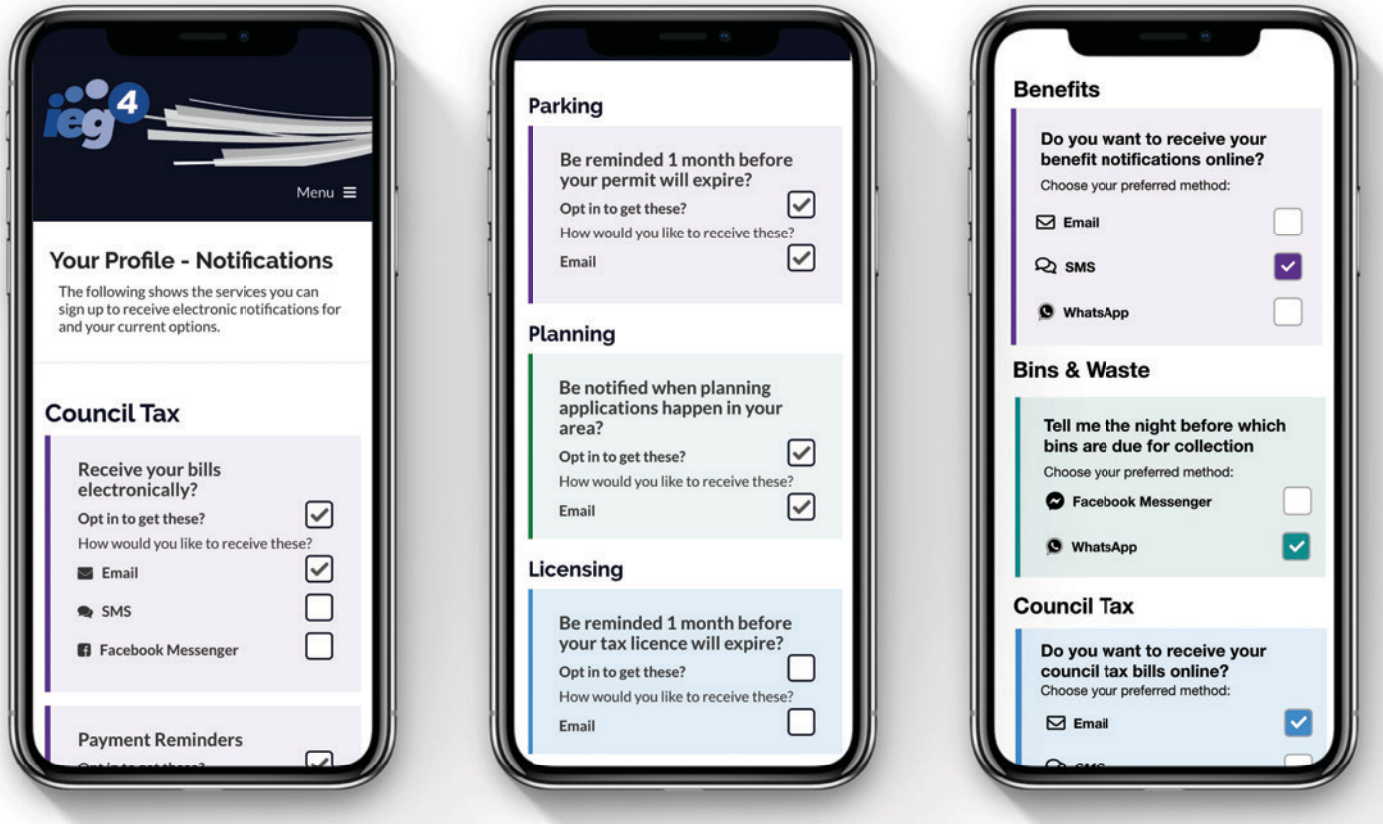
Visualisation of IEG4's Notify Pro functionality sending the same notification via four different digital channels

Your template management functionality for email, SMS, and letters can be driven entirely by the GOV.UK Notify service without the limitations of your back office application:



Visualisation of how one creates a GOV.UK Notify template that is subsequently linked to IEG4's Notify Pro service

And when this is connected to an intelligent online digital account, citizens can choose exactly how they should receive their notifications:



Visualisation of how a user can opt in to different services with different channels | IEG4's OneVu Digital Platform

It may not be immediately apparent but this approach technically means that it is possible to no longer print anything in the council or with a printer company working for the council. By leveraging GOV.UK Notify, the council has a consistent, government-backed, cost-effective way to send communications to customers; be they letters, emails or text messages.

Quite simply as more people opt into eBilling, fewer letters are sent through your GOV.UK Notify account. No contracts with external print organisations to tie you in. A better, more resilient service that happens to cost less.

This is what is possible when the restrictions of legacy systems are removed.

Recovery

The most complex queries received for revenues revolve around recovery. When someone has years of:

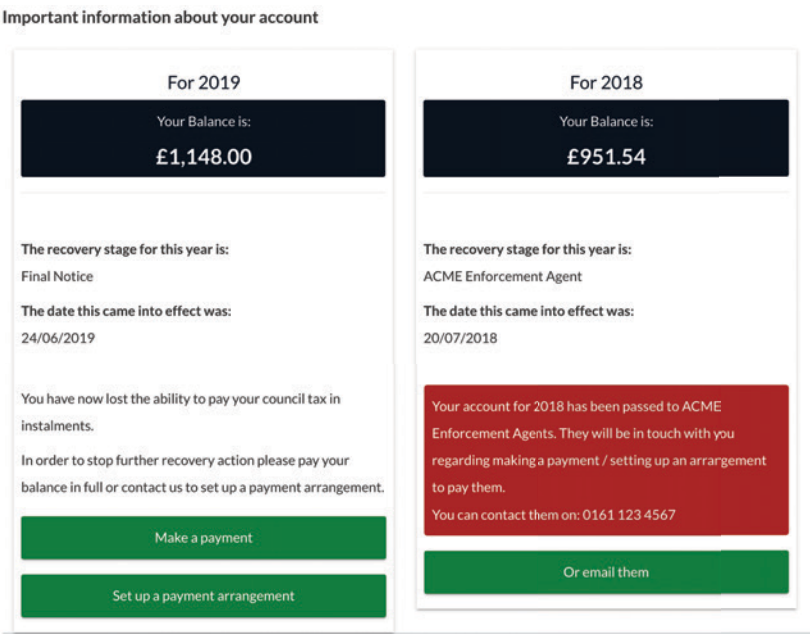
- part-payments,
- varying recovery stages,
- enforcement costs,
- attachments of earnings/benefits,
- varying payment / special arrangements

…it can make it taxing for even the best trained of revenues officers. Some of the queries in this area will always need to be handled by officers using traditional channels because the council actively wants engagement face to face/over the phone. By having that broader conversation one to one it might be possible to more fully understand the most appropriate action to take. That said, for a large proportion of recovery contacts, there are simple and effective things you can do to maximise channel shift and customer experience when:

a) you have control over what is shown to customers in your digital account and
b) you can personalise and promote recovery based content to citizens when they access their account.

Simplicity from complexity

Let's look at a simple, yet intelligent example of what a digital service could do where a customer has 2018/19 and 2019/20 at different recovery stages.



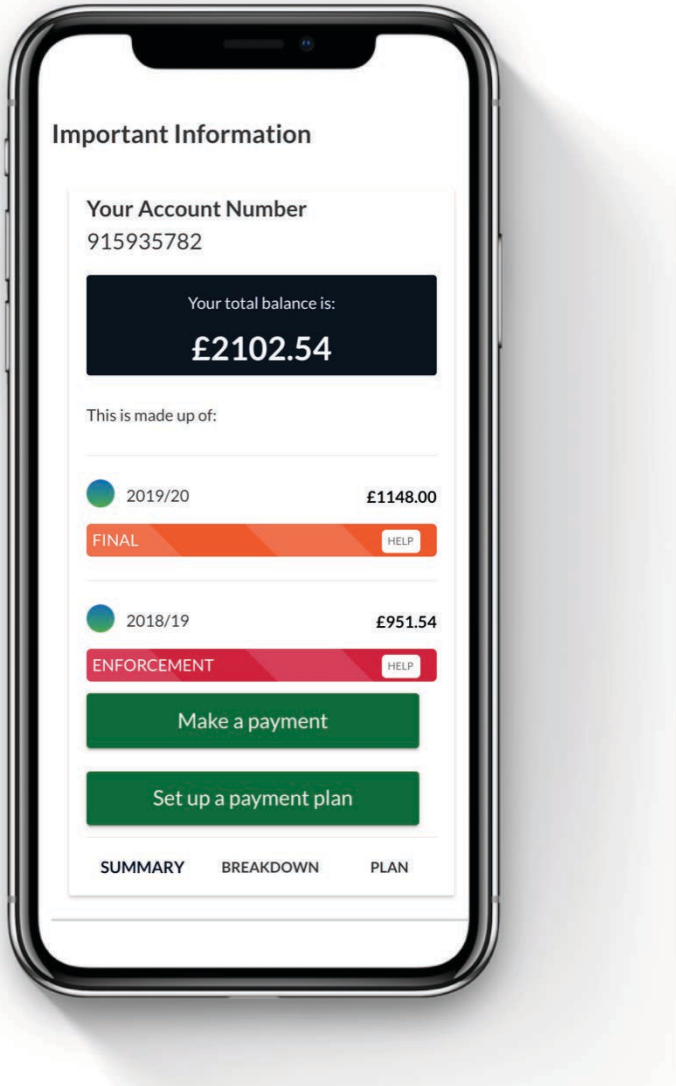
Essentially, in this case, the council has added rules that say:

- For each financial year where the latest recovery status is not bill.
- Show the balance, the current stage and the date it came into effect.
- For each recovery stage show information describing precisely what they need to do for each financial year to resolve things.
- Including directing them to contact the enforcement agents where applicable.
- Show this as the first thing they see when they access their account.

Visualisation of how council defined messages can be presented personalised to the customer's circumstances IEG4's OneVu Digital Platform

Now, if we consider that this was able to be created by a non-technical revenues/customer service officer, it's pretty smart and will be effective in guiding a council tax payer.

But, the beauty of having a digital service that can evolve is that you might decide, or establish through call metrics/feedback that it might be better to do something different. For example, if you had your own enforcement agents or, had an agreement with a contracted organisation that you could still organise arrangements on debts they manage, you might do something like this:



An alternative view of how council defined messages can be presented personalised to the customer's circumstances
IEG4's OneVu Digital Platform

This is something that is effective in showing the breakdown but allows the customer is guided to create a payment plan that covers all years. The point being is as a council you have a choice and can '**Iterate. Then Iterate again**'[29] optimising as often as desired.

Payment arrangements and a single view

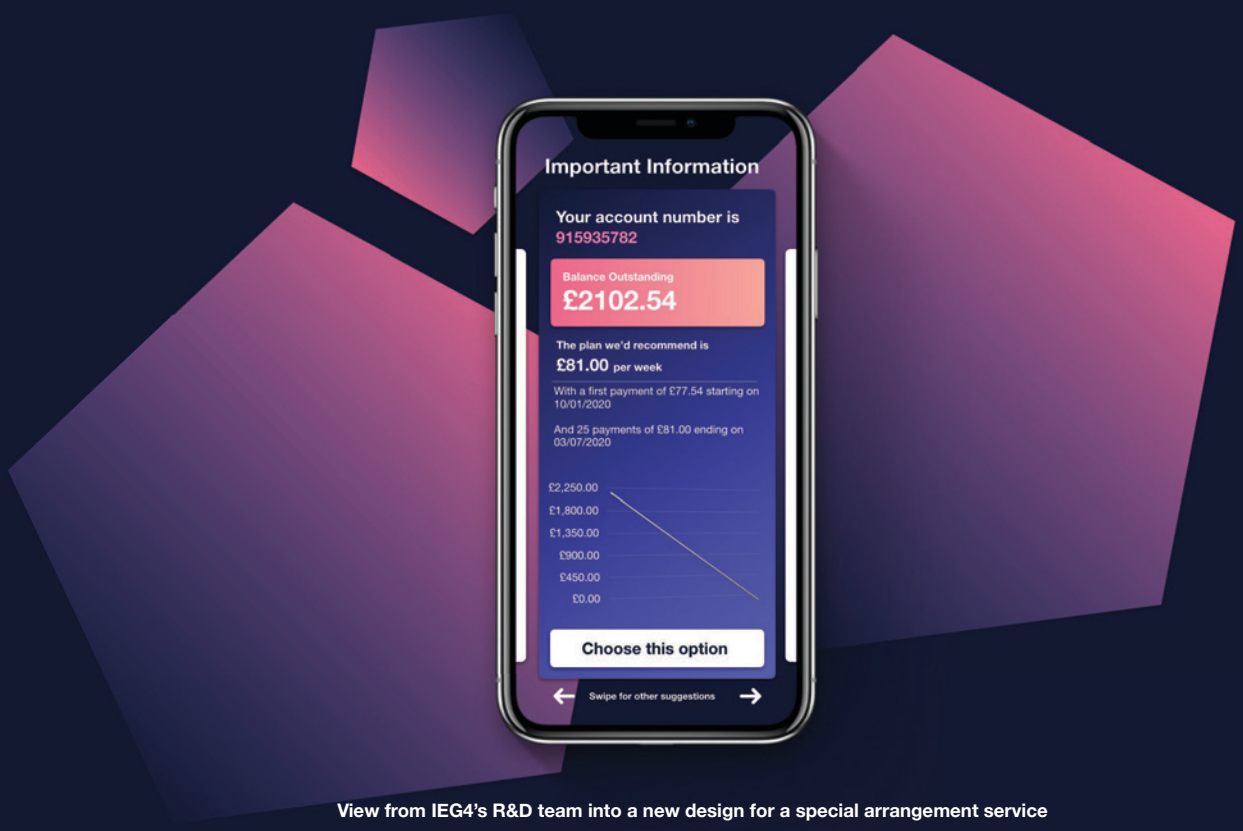
When we looked at the statistics from local authorities providing digital revenues services we saw that of all of the online services being used, the payment arrangement service was 3% of total forms received. A statistic like this could result in organisations de-prioritising having a digital offering for this. However, this volume accounts for those arrangements made directly with the council and not with outside enforcement agencies.

Our research would suggest that the optimum approach to maximising recovery is to integrate directly with both the revenues and enforcement agencies' applications (such as OneStep). Thereby providing a real-time single view of that person's debt and no opportunity for the customer to call because something paid to a bailiff has yet to show in the council tax system.

Plus, when integration to both applications is in place, it is possible to:

- visualise the arrangements they have in place
- make creating a single arrangement across debts more simple as both systems are updated simultaneously.

Having this aggregated view of data could allow for rules or machine learning based smart arrangement suggestions. Behaviours that take into account the **vulnerability of their clients**[30], their other debts and their resulting propensity to pay. A suggested design from our research and development looks like this:



View from IEG4's R&D team into a new design for a special arrangement service

Benefits

Benefits is very complex. Have a little **look here**[31] if you want to see why. There are over 100 legislative provisions, which is roughly three times the scale of the Council Tax **legislation**[32]. The complexity of Benefits comes from an extraordinary number of exceptions to the rule.

To give some examples of this:

- A person can claim benefits on one property only; **except in five circumstances**[33]
- A tenant will be eligible for assessment; **except in twelve circumstances**[34]
- There are, quite literally, millions of combinations of changes in circumstances that can be reported.

Virtually every provision of the legislation has exceptions to the rule and this makes learning this difficult for those working in this area. It results in average training times of 3-6 months and a full grasp of the legislation takes considerably longer. So imagine the complexity of answering questions from benefit claimants like explaining how a decision was made. Especially when the content of what must be stated in such decisions is **mandated in law.**[35] Benefit claimants, from our experience of working with customer services and benefits managers, ask the following top five questions most often:

- When will I receive my next payment?
- Why don't I get all my rent paid?TRICKY
- How much rent do I need to pay?TRICKY
- How do I claim discretionary housing payment for the difference?
- Why have my payments stopped?

It may not seem at first glance, particularly to the layperson, that the answer to any of these should be more difficult than the next. However, two of these questions marked with TRICKY have very complicated answers, owing to the many exceptions to the rule mentioned earlier.

The analysis we did of every single digital service for Benefits found that these TRICKY questions were, quite simply, not answered. Not only that but the answers to the other questions needed to be discovered because the services were designed like front ends to back-office systems. To go back to the quote from Steve Jobs from earlier. If making the complex simple is where the greatest difficulty lies then, in local government, benefits is trickiest of all and these two questions the pinnacle of this. Let's choose one of them to highlight why:

Why don't I get all my rent paid?

As we know, the purpose of online services is to provide a more accessible 24/7 alternative that is superior to calling and is in the digital channel. If this is true benefit claimants no longer need to phone the council. So, it was surprising that the way in which we found this question to be 'answered' was as follows (this is simplified!):

Here's how we calculated your benefit	
Your Personal Allowance	**£114.85**
Weekly Earned Income	£204.10
Income Disregard	£17.10
Assessed Income	£187.00
Excess Income	£72.15
Government Taper of 65%	**£46.90**
Weekly Rent	£150.00
Bedroom Tax Reduction of 14%	-£21.00
Weekly Eligible Rent	**£129.00**
Non-Dependant Deductions	**-£14.65**
Calculated Weekly Housing Benefit	**£67.45**

How many benefit claimants do we think will read this and say:

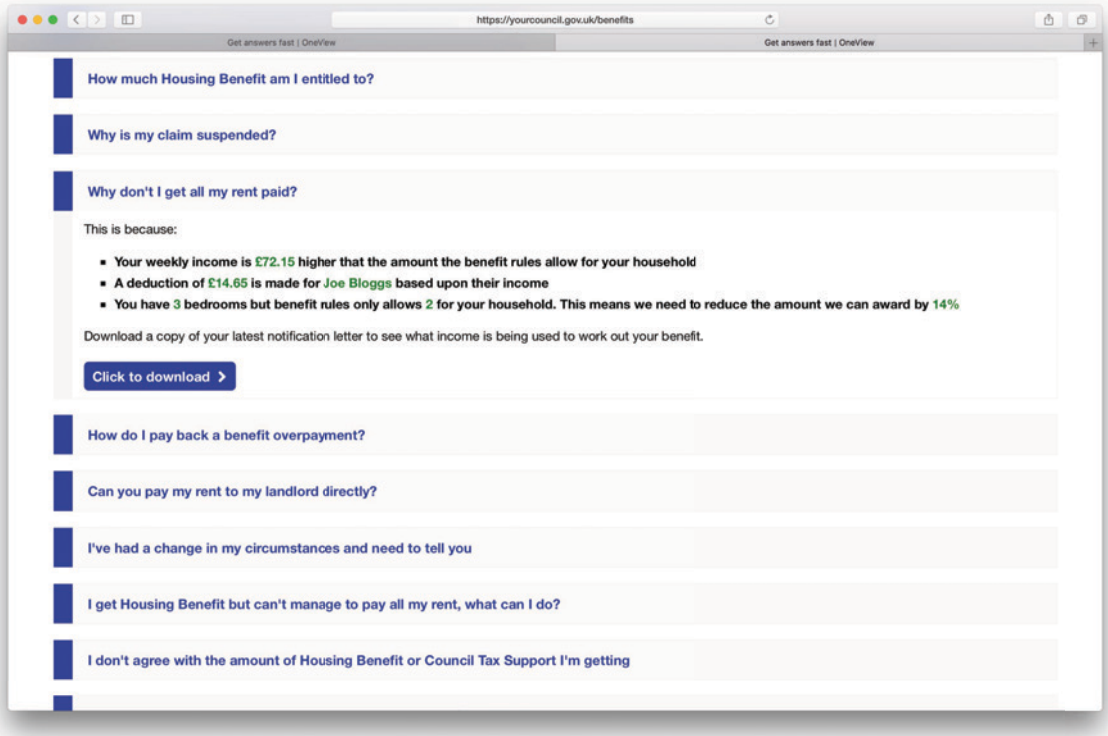
"Yes, I now know why my rent is not covered in full by housing benefit"

The answer is **zero**.

It is:

a) **not even the question** that customers ask - it's the answer to the question "How was my claim calculated".
b) ironic that this answer has the exact opposite effect of what it should. It will create a phone call **not prevent** one.
c) the same as '**computer says no**'

Just like the council tax simplification from earlier - what if you could use intelligent design to not only be able to answer the tricky questions; but also a council could even change them, improve them over time-based upon feedback and add their own too. Below is the result. Rather than provide an answer that's worried about schedule 9 compliance, the focus is on answering the customer's question.



An view of how council defined answers can be presented personalised to the customer's circumstances to answer tricky questions
IEG4's OneVu Digital Platform

Conditional rules control what is shown/hidden and these can be set by benefit staff. For example:

IF Claim.ExcessIncome > 0

THEN SHOW

Your weekly income is **(Claim.ExcessIncome)** higher than the amount that benefit rules allow for your household.

For each reason a person might not get all of their rent paid, there are many, different conditions and content can be presented to ensure the customer is always present with a clear answer that is as good as, or better than they'd get if the phoned the council.

The focus is on what the customer wants and the best outcome. Not how to provide a 'periscope like view' from the back office to a digital window. As the stats indicated earlier, keeping it simple is the single most important thing you can do for customers.

Evidence, Verify and fraud prevention

It is an inconvenient truth when it comes to Housing Benefits / Council Tax Support. It takes 100 times longer to ensure you have all of the evidence to support a claim/change than it does to assess it.

Since the introduction of Council Tax Support and the start of the **Universal Credit**[36] roll-out in 2013, the rules around what should and should not be required have certainly been given some flexibility by virtue of the decrease in the number of claims that have an element of housing benefit on them. That said councils still need to balance their ability to decrease the requirements with the prevention of fraud in the system.

To provide context for this statement, in January 2019, seven benefit assessors across three separate London councils took advantage of their roles to commit **over £1m in benefit fraud.**[37] Using false identity documents and bank accounts they had access to, they took advantage of the roles they had to achieve staggering levels of fraud and extrapolate funds from the public purse when it can least afford it. Ben Reid, a specialist prosecutor at the Crown Prosecution Service (CPS), said: "The defendants were trusted with public money, but abused the systems to satisfy their own greed. Their criminal network was large and complex.".

This was reported just one year after a similar fraud happening across London in Harrow. Cases like these are the reason why benefit applications have laborious verification processes in place that slow the administration process down for everyone.

An opportunity that could have helped with this type of fraud has, at least for the time being, been lost in the form of **GOV.UK Verify**[38]. A service that could (should) have provided an easy to use, effective way of confirming a claimant's identity and NINO. The problem is it was evidently **designed by committee** [39] trying to appease the private sector. We can say this because the number one use case for Verify is for Universal Credit and it **simply doesn't work** [40]. It cannot be right that a system that **cost £212,000,000 so far**[41] works 20% of the time for the demographics of benefit applicants. So what are the alternatives? How can we confirm someone's identity, reduce the risk of fraud and keep it simple?

In 2011, Risk-Based Verification (RBV) became mainstream with the publication of the **S11 Circular**[42]. RBV recognises that there are specific combinations of variables on claims that means some claims do not need the full amount of evidence the old school Verification Framework suggested. In fact, 55%+ of claims fall into the low-risk category meaning only proof of ID is required.

However, to get to the pinnacle of evidence verification we realised that if we could:

- Confirm Identity in real-time
- Validate the bank account details a person provides are not just valid but that they relate to that person claiming

We could remove all evidence requirements from those in the low-risk category and simultaneously prevent the types of fraud mentioned earlier. By integrating its online **benefit claim service**[43] with **CallValidate**[44] this has been achieved. Now, when a benefit claimant makes an application their identity is checked in real-time and evidence required dynamically updated. If they have indicated they want the money paid to themselves and the bank details they have provided do not relate to them, it will prevent submission.

By leveraging real-time web service calls powered by lookups to many different data sources, we have ensured fraud is removed, prevented intelligently and that the many get their applications processed quicker.

But there's also another way. Back when the **Verification Framework**[45] was widely adopted many councils offered a 'Fast Track' service. Indeed **some councils**[46] continue to do this today because it is a great way to ensure that when claimants apply they provide all of the supporting documentation that is needed. There is normally an incentive to the customer to do this e.g. processing it in half the time it would normally take. The incentive to the council of offering the service is that those claims received with all of the evidence will be able to be decided much quicker and at a reduced cost, as there is less chasing of missing evidence.

A simple and effective way to do this today is to offer a **digital fast track**[47] service. This is where the customer can start but not submit an online form until all evidence is provided. This is superior to a paper-based process because:

1) the first contact date is ALWAYS recorded and therefore the customer gets their benefit based upon when they started the form not when they submit it
2) it is not possible to submit an application or change without all evidence provided and having ticked to confirm its validity

Sometimes good ideas continue because they are precisely that. Adopting a digital fast track process ensures better processing times (ergo better customer experience) and massively reduces processing costs.

The future

To predict what Revenues and Benefits will want/need from a software perspective, and how this might affect operations, we need to predict the outcomes these teams will demand in the future. By looking at what is working well, changes in citizen expectations and advances in technology it is possible to come to natural logic-based conclusions.

Prediction One - More and wider shared services

Basis - in 2020 councils like the City of Wolverhampton Council **are already automating** [48] between 90-100% of the most common tasks a council tax team receives. It is logical therefore that even a unitary council like this should be able to begin taking workloads from other councils to generate additional revenue.

Where this is particularly relevant, however, is in district and borough councils where there will naturally be fewer staff per council tax team. By sharing services and staff, organisations can provide a framework of resilience irrespective of the naturally resulting changes in operational resource pools in specific councils. Indeed, organisations could choose to branch into other areas of functionality such as creating in house enforcement teams like **Anglia Revenues Partnership** [49] has.

Moreover, the complexity of administering revenues and benefits, particularly business rates/benefits, means that staff within these teams are ideally placed to assist with wider council operations. In fact, this is about more than just optimisation of resource use. Revenues and benefits are responsible for a huge proportion of calls and should be seen as the key way to cross 'sell' other digital services. Rather than a focus on 'My Council Tax' and or 'My Benefits' it should be one of 'My Home'.

An view from IEG4's R&D team on next gen digital services
IEG4's OneVu Digital Platform

Prediction Two - Smart Bots

Basis - as our opening section on 'Expectation' explored, your customers are fickle and expect more **every**, **single**, **year**.

Plus, your customers are getting both older and younger because, paradoxically, **millennials** [50] / **generation z** [51] will do pretty much everything digitally and, compounding this, will have **much** higher expectations of the simplicity of use and service quality. Baby boomers are living longer and, consequently, there is a likelihood of increased interactions from this segment of your customer base.

Today's young people differ from yesterday's.

	B Baby boomer 1940–59	X Gen X 1960–79	Y Gen Y (millennial) 1980–94	Z Gen Z 1995–2010
Context	• Postwar • Dictatorship and repression in Brazil	• Political transition • Capitalism and meritocracy dominate	• Globalization • Economic stability • Emergence of internet	• Mobility and multiple realities • Social networks • Digital natives
Behavior	• Idealism • Revolutionary • Collectivist	• Materialistic • Competitive • Individualistic	• Globalist • Questioning • Oriented to self	• Undefined ID • "Communaholic" • "Dialoguer" • Realistic
Consumption	• Ideology • Vinyl and movies	• Status • Brands and cars • Luxury articles	• Experience • Festivals and travel • Flagships	• Uniqueness • Unlimited • Ethical

Credit - McKinsey and Company [52]

So this prediction is one based upon how one meets the challenge of the customer service candle burning at both ends.

Bots are uniquely placed to do this because:

- They can act as both a customer service agent and as intelligent online 'forms'
- The same bot can serve multiple delivery channels e.g. web, voice, native app, assistant

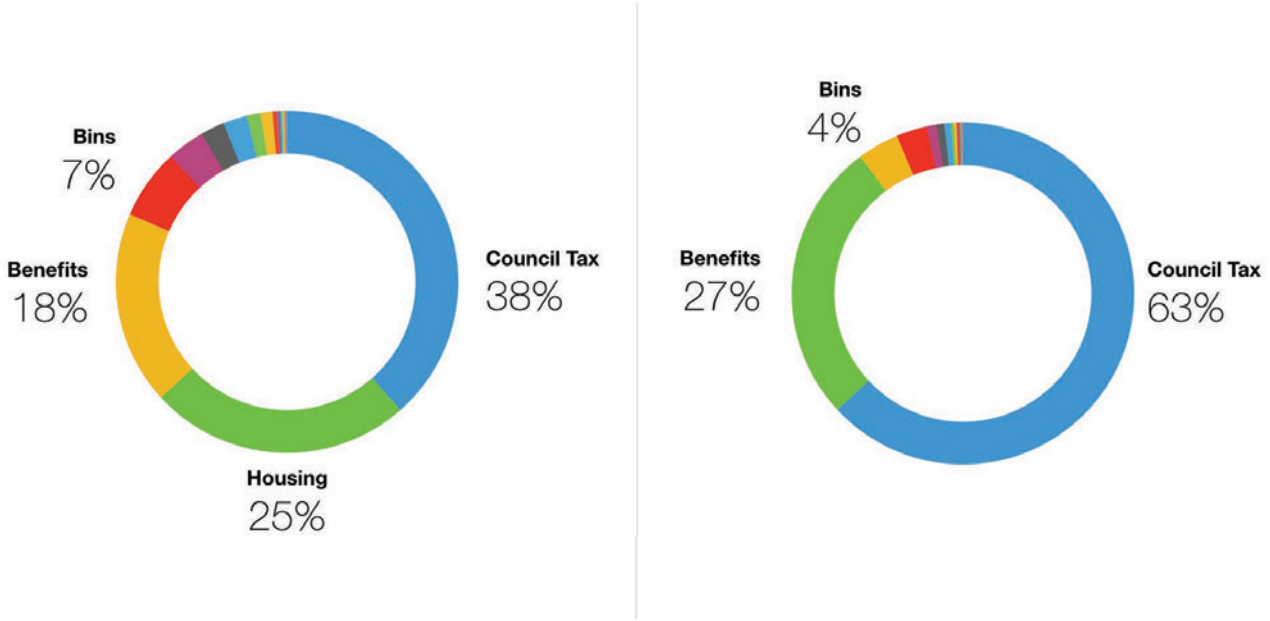
- They're highly accessible as a result of the flexibility of the channel. If questions can be answered using one's voice then compliance for visually impaired users etc. is massively improved.

What do we mean when we say 'Smart Bot'?

Chatbots do already exist in local government but, while all innovation should be applauded, they are carrying out relatively trivial functions. For example, being able to answer questions like "when will my bin be collected?". There are some exceptions to this - for example:

- A **council wide bot that scan the council's website content** [53] to then direct customer queries based upon natural language intents
- A chatbot that is **able to use AI** [54] to analyse planning applications and field queries about its status

But how do we push the envelope further? Our analysis shows the following breakdowns of where two district council receives their calls. One with housing stock (left) one without (right):



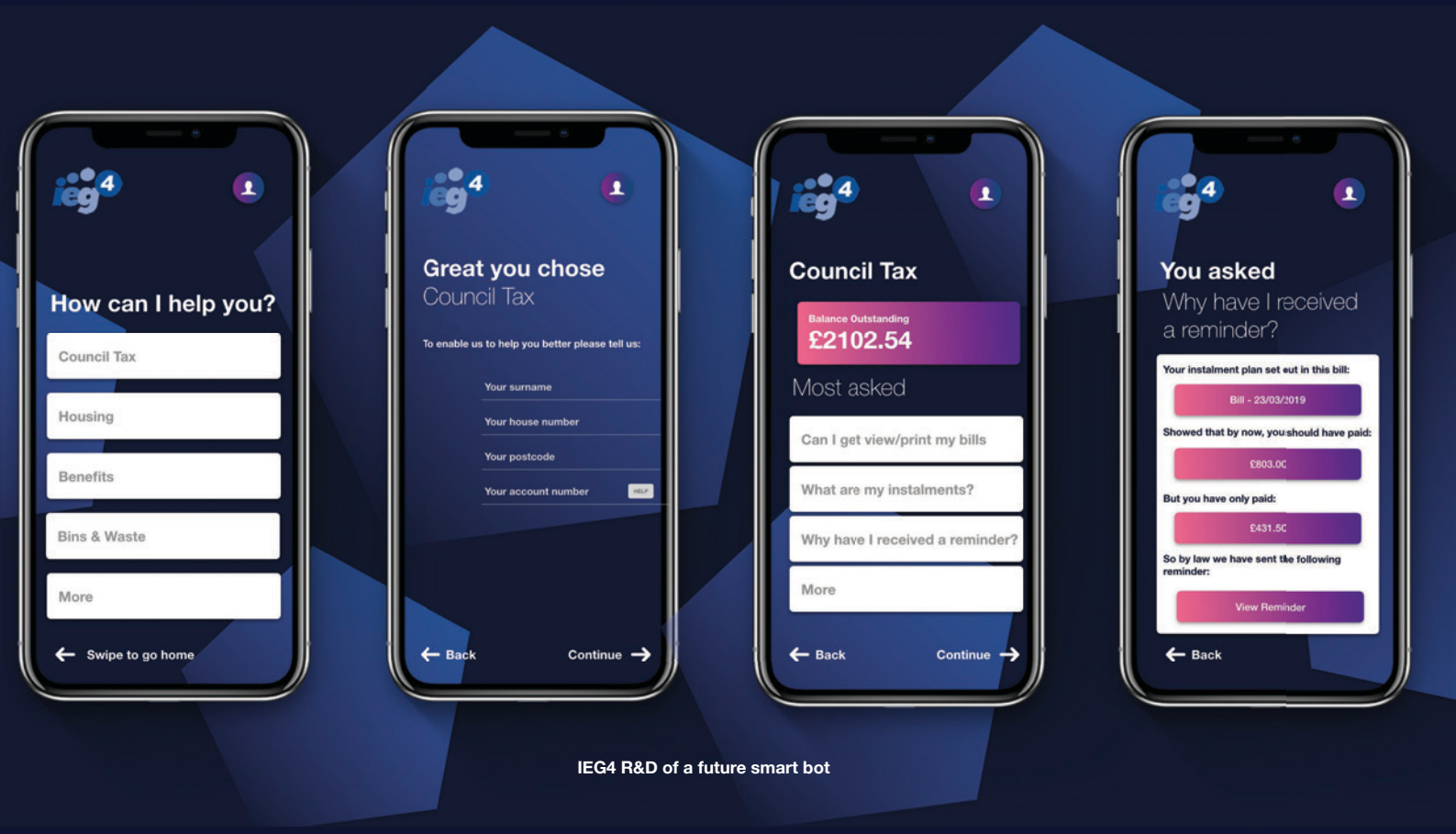
Breakdown of call volumes at 2 borough councils. 1 with council Housing | 1 without council housing

Astonishingly in one council 90% of calls related to Council Tax, Recovery, Business Rates and Benefits. On the right, we can see that where Housing is present it takes up a significant chunk of the call volumes. When one has objectivity, with statistics like this, it is clear to see where the focus of smarter chatbots needs to be. A smart chatbot should be able to:

- answer questions spanning multiple departments,
- should be able to answer tricky questions and
- carry out the functions of short transactional forms e.g. report a missed bin

A smart bot in action

The user journey of how a smart bot might guide a user to understand why they have received a recovery notice i.e. a reminder:



IEG4 R&D of a future smart bot

Bot based 'forms'

As we saw with the design of the Single Person Discount online form earlier. The smarter a service is the shorter it can be.

So we see chat bots able to both field answers to customer questions and capture information to perform real time back office updates too.

Voice bots

When you've built the 'engine' of a bot, which is the mapping of intents (what the customer wants) to the knowledge base of information/answers it's possible to provide the same capabilities via IVR with services like LEX. Or via home assistants such as Alexa and Google Home.

The future is bright, the future is **bot based**.

About IEG4

IEG4 was formed in 2006 and is based in Alderley Edge, Cheshire. Our team collectively has hundreds of years of experience of dealing with some of the most complex areas of local government and healthcare.

IEG4's focus is to ensure that digital transformation is simple and effective for everyone. We provide disruptive solutions that enable outcome-driven service change in the public sector. At IEG4, we punch above our weight, and our aim is to enable our customers to do the same.

You can find out more about our services here:

www.ieg4.com

You can follow us on Twitter and LinkedIn here:

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You can access our blog here:

https://www.ieg4.com/blog-insights

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