

An appealing idea

Oldham Council improved the efficiency of its representations and appeals service by contracting it out, writes **Pauline Phillips**



Oldham's Correspondence turnaround has dropped from 17 days to two days

LOCAL AUTHORITY parking teams across the country are seeking ways of delivering services to reduce budgets. Streamlining and contracting out back office functions to specialist contractors is one way of achieving economies, but a number of challenges present themselves.

First, there is a need to maintain service standards. Secondly, when it comes to handling representations and appeals, there is the question of whether or not these functions can be contracted out. The experience of Oldham Council is that not only can service standards be maintained but enhanced, and that it is entirely possible to contract almost all elements of the representations and appeals service.

The challenge

Oldham is located to the east of the Greater Manchester area occupying a pivotal position between the Greater Manchester and Leeds regions, enjoying a central position on the M62 corridor. Oldham comprises a town centre with 16 districts with almost a quarter of the borough in the Peak District National Park.

Oldham Council delivers services for the people of the borough with an annual budget of about £235m. With looming financial challenges nationally, the council decided that it needed to get 'ahead of the game' by striving for efficiency and re-positioning itself as a 'commissioning authority'.

The council's strategic decision to work within any budget shortfall prompted it to identify potential

partners who could develop innovative ways of delivering greater value for public money.

Oldham's key parking partner is NSL Services, which has enforced decriminalised parking and managed 62 council-owned car parks since 2004. During late 2009 Oldham council approached NSL with our aspiration to significantly reduce operational costs whilst minimising the impact on frontline services. This led to the production of proposals from NSL that envisaged reworking the operation and delivery of the whole parking service, including the public interface.

Phil Matley, Oldham's head of highways and engineering, led the work on this project on joining the authority in September 2010. "The objective of the review was to identify significant opportunities to achieve cost efficiencies whilst also meeting the council's corporate plan to provide high quality services and to improve value for public money," says Matley. "Ultimately any changes would have to be conducted in a way that continued to maintain and protect the council's reputation. Oldham Council identified NSL as a partner capable of meeting their needs for labour, process and technology efficiencies. Importantly, opportunities to cluster more core services under the NSL contract became a very viable proposition, including the core provision of penalty charge notice (PCN) processing."

Contracting out penalty processing

A central challenge was the need to meet core

Department for Transport (DfT) guidance on third party involvement with PCN processing, particularly at the representation stage. This has been a grey area, with many authorities actively avoiding the outsourcing of this aspect of the process.

The Traffic Management Act (TMA) 2004 guidance states: "Enforcement authorities should not contract out the consideration of formal representations. Enforcement authorities remain responsible for the whole process, whether they contract out part of it or not."

Oldham tackled this issue head on, and sought to outsource almost the entire back office PCN processing operation whilst keeping in line with DfT requirements. In considering how we might achieve some outsourcing benefits linked to representations we sought to understand exactly what could and could not be achieved within complex technical and legal boundaries. The council sought advice from our in-house legal department, which endorsed the legality of the process NSL would operate on Oldham's behalf.

One council officer has retained responsibility for setting enforcement and representation policy, whilst also processing Traffic Penalty Tribunal (TPT) cases. This officer checks and signs post NTO (Notice to Owner) formal rejection of challenge and statutory declaration letters, endorsing correspondence completed by NSL agents, and accepting case files produced by them for the TPT cases. There is an exceptions process whereby representations that have mitigation or merit, even when the council's policy is to reject, are forwarded to the council officer for consideration.

We produced a rigorous policy document that clearly sets out the criteria for allowing or refusing representations against PCNs. This thorough document provides clear direction to the outsourced processing team for the whole process. The document works within legislation and DfT guidelines to ensure that any decision to deviate from the policy can only be made by a council officer, not by a third



A policy of continuous improvement triggered the introduction of a new digital telephone system within the call centre producing improved telephone handling and management

Pauline Phillips



NSL now processes around 30,000 penalty charge notices a year for Oldham

party provider.

We believe the document produces a consistency of decision-making and provides the council with the ability to demonstrate absolute transparency to the public (the policy is displayed on the council's website).

The fundamental shift in thinking we have undergone has allowed Oldham to include the outsourcing of the whole PCN operation, while still maintaining the local authority as the final arbiter of appeals, ensuring the operation is legally robust while delivering significant cost savings.

The solution

In order to outsource the notice processing and customer contact operation, NSL arranged initially in April 2010 for Oldham Council staff to be seconded, in anticipation of the achievement of a contractual agreement. This flexibility of arrangement without formal arrangement was put in place to expedite the migration process to produce optimum efficiencies.

New processes have been backed up with continuing training and coaching to produce better customer focussed correspondence, along with interactive staff meetings where issues are discussed and resolved.

NSL and Oldham Council looked at the make-up of the processing team and made use of flexibility in staffing the operation. This allowed some early retirement, key time working, peak time multi-skilling of the wider enforcement and trainee positions, all supported by an automated telephone PCN payment facility. The efficiency of the automated telephone technology means that 60% of payments are now made without the need for human interaction. This system is available at nights and weekends, leading to improved customer interaction and satisfaction.

On 1 December 2010 Oldham Council and NSL signed an agreement that cemented our relationship for nine years. This coincided with the TUPE transfer

of Oldham Council staff to cover the responsibilities of end-to-end notice processing, together with an agreement for NSL's bailiff service TASK to provide debt recovery services. As part of this process, NSL sought and secured Pension Fund Admitted Body Status to protect the TUPE-ed local authority staff's pension rights.

The result

NSL has achieved a seamless transfer of services and is now processing around 30,000 PCNs a year, exceeding the operation's agreed key performance indicators. The review and consequent implementation of new processes within the parking service has produced efficiencies of 31% upon the existing outsourced on-street/off-street cash collection and machine maintenance operation, operated by NSL.

NSL and Oldham Council were able to reduce the number of notice processing and customer contact staff from nine to six through voluntary retirements,

the introduction of automated telephone payment and the recruitment of an apprentice position within the customer service function. The overall reduction in labour costs has been 25%.

A policy of continuous improvement triggered the introduction of a new digital telephone system within the call centre producing improved telephone handling and management. Allied to this is a staff-training programme that provides a contingency resource that can be called upon within the larger NSL team to meet peaks in the workload. This has resulted in correspondence turnaround within an average of two working days, down from a peak of 17 days. From a situation where over 600 letters a month were outstanding, the team now have consistently fewer than 100 letters. This control of workload has, in turn, produced increased staff satisfaction, significant improvements in customer service levels, lower complaint levels, thereby protecting and enhancing Oldham Council's reputation.

Next steps

Having achieved an improvement in service at a reduced cost, NSL and Oldham are working together to further drive up quality and efficiency. The planned development of the parking service website will facilitate a more effective customer interaction, and the introduction of web-based PCN payments and permit applications will drive further process efficiencies.

NSL is currently evaluating the opportunity to introduce software that allows the setting of local authority policy criteria on the system, thus preventing the production of a letter that is not in accordance with that policy. This software would provide an absolute guarantee of compliance with policy and produce even greater efficiencies.

Pauline Phillips is car parking client officer at Oldham Council



Oldham says the transfer of services has resulted in 'significant improvements' in customer service