

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 15 October 2018

CONTACT OFFICER: Neil Wilcox, Director of Finance and Resources
(Section 151 Officer)

(For all enquiries) (01753) 875300

WARD(S): All

PORTFOLIO: Councillor Nazir, Lead Member for Corporate Finance & Housing

PART I **KEY DECISION**

CASHIER'S SERVICE

1 Purpose of Report

To agree the Council's ambition to be "cashless" by December 2019, and to approve next steps via an options appraisal and the return of the in-depth report to Cabinet in January 2019.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to:

- a) Agree the Council's ambition to be "cashless" by December 2019.
- b) Approve the commencement of further investigative work which will incorporate detailed consultation, appropriate impact assessments, and appropriate subsequent support for vulnerable residents who are currently making cash transactions; to ensure a smooth transition to Slough becoming a 'cashless Authority' by December 2019.
- c) Agree to a more detailed report providing informed recommendations are presented to Cabinet in January 2019.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

3b Five Year Plan Outcomes

The Outcome 5 of the council's Five year Plan 2018 – 2023 affirms that 'Slough will attract, retain and grow businesses and investment to attract opportunities for our residents' this report seeks to further demonstrate this outcome by putting our customers needs at the heart of our services by continuously changing the way we do things to ensure that our services are both accessible, agile and efficient.

4 Other Implications

(a) Financial

The financial implications are contained within this report.

(b) Risk Management

| Risk | Mitigating action | Opportunities |
|------------------------|--------------------------|--|
| Legal | N/A | N/A |
| Property | N/A | N/A |
| Human Rights | N/A | N/A |
| Health and Safety | N/A | N/A |
| Employment Issues | N/A | N/A |
| Equalities Issues | N/A | Customer insight work will determine if there are further mitigating steps needed as we seek to identify the profiles and behaviours of those customers that use this service. Mitigation will be addressed through a detailed Equality Impact Assessment to form part of the next report. |
| Community Support | N/A | The options appraisal will determine the work needed to support our customers through a smooth transition |
| Communications | N/A | The options appraisal will detail a robust communications plan ensuring that key stakeholders are engaged / consulted with and informed throughout the process. |
| Community Safety | N/A | N/A |
| Financial | N/A | The options appraisal will determine the financial impacts of the changes as well as realise any potential benefits resulting from this change |
| Timetable for delivery | N/A | The cabinet report on the options appraisal will be presented in |

| | | |
|------------------|-----|---------------|
| | | January 2019. |
| Project Capacity | N/A | N/A |
| Other | N/A | N/A |

(c) Human Rights Act and Other Legal Implications

None.

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA at this stage. This will form part of the detailed options appraisal due to be presented in January 2019.

5. **Supporting Information**

5.1 There is compelling evidence to suggest that moving to cashless transactions is the right way forward for the Council. This would adopt similar processes to that of many other councils as well as helping us to achieve our Transformational ambitions to deliver services and customer improvements whilst modernising our business processes.

5.2 The Council currently provides a front line Cashiers Service for residents to pay for Council Services; this is located with MyCouncil in Landmark Place. The payments made via this service are paid in cash, by both debit and credit card and by cheque.

5.3 The Council also provides a number of other methods of payment which include

- Direct Debit
- BACS
- On-Line payments
- Paying in the Post Office
- Paying by telephone
- Paying at the kiosks

All of these payment methods are utilised to a greater or lesser extent and though there has been some publicity of these payment methods, much more could be done to encourage customers to use any of the above and to maximise take-up.

5.4 Information on how these payment methods are used in Slough at present is attached at Appendix A.

5.5 A number of Local Authorities across the country have implemented cashless payments; some have fully embraced this approach such as the London Borough of Brent, whilst other Local Authorities have partially embraced the change removing front of house cashiers services as well as accepting cash via kiosks and other payment options available commercially such as payzone.

5.6 Customers have also been making the change to cashless payments, as result of the change in approach adopted by the State Retirement Pension and DWP,

whereby benefits have been paid only into bank or post office accounts for a number of years for the majority of customers. This means most customers already have bank accounts.

- 5.7 The Council has also been working with customers without bank accounts in preparation for Universal Credit to ensure that they have at least basic bank accounts in order to receive their payments.
- 5.8 The development in cashless payments and finance technology should be seen as an opportunity, which can assist to help break cycles of dependency on frontline services, and thereby ensuring the right resources reach the right individuals in a timely and cost effective manner, especially in light of current budget provision.
- 5.9 However, there is a great deal of evidence that would need to be gathered and an action plan of support and communication to customers would need to be developed. This would ensure that any change made to the front of house cashiering service would have no detrimental impact on the income to the council or on the vulnerable customers that the Council serves.
- 5.10 In order to ensure that we can fully support our customers in a cashless authority it is necessary for a detailed and robust options appraisal to be conducted. This appraisal will be led by the Service Lead – Finance and will consist of the following:

Information Technology

- 5.11 To review, investigate and explore appropriate digital technology solutions that can be implemented to support the change, whilst doing so ensure that the technology is secure, tailored and streamlined to provide best quality user experience from customer transactions through to back-office accounting, return on investment (ROI) and long-term viability.
- 5.12 To use data insights from current and future transactions to help better structure the service and to ensure joined up services across the council e.g. if someone makes regular payments and misses a payment could this trigger an alert in case they may be needing additional support. The focus of this will be on both demand and preventative service provision - using data to better inform future solutions.
- 5.13 The current Council Tax and Business Rates bills have QR bar codes on them to make transactions easier, this can be extended to other bills dispatched by the Council to ensure a consistent methodology is deployed across the organisation.
- 5.14 To investigate the implementation of an ecommerce solution to drive more payments online; by developing an 'online shop' for products and services such as council tax and licenses which features a shopping basket for multiple items and final check-out and payment - this will assist in improving visibility, adopting a self service methodology as well as moving towards a more agile service provision tailored to meet customer need.

- 5.15 In addition customers who pay Sundry Debts do not as yet have the opportunity to pay by Direct Debit as this has not been implemented on Agresso. This is scheduled to 'go live' in April 2019.
- 5.16 There are various other options that need to be considered which would look at solutions such as the adoption of pre payment plans on Debit and Credit cards - which act as instalment payments without the need for the customer to remember to make a payment each month.
- 5.17 Data security and compliance will be a high risk consideration and will need to be thoroughly addressed. Many people do not like paying by digital technology for this reason. The communications plan should ensure that the security we have in place is clear to all our customers and that assurances are provided as to the safety of the solutions we would seek to implement.

Communication

- 5.18 A communication plan would need to be put in place as soon as possible. Securing community buy-in is key to the success of change and our commitment to engaging and consulting with our residents is embedded within our organisation ethos. A review of key stakeholders to embrace our diverse audience including the elderly or those lacking in digital skills or infrastructure would form a key target group. We would seek to use our Customer insight / CACI data to identify our customers to ensure a comprehensive communication plan supports this change to support the launch of any cashless campaign
- 5.19 The communication plan would ensure that customers are made aware of the changes, how to use the various different digital platforms and where to go if they are unable to do so. Accessibility remains key to this being a successful transition.
- 5.20 In addition, a more robust direct debit take up plan / campaign should need to be implemented. Currently the following pay by direct debit or BACS
- Business Rates 79%
 - Council Tax 58.2%
 - Rent 32.2%
 - Other 0%
- 5.21 Direct Debit is the most cost effective method of payment for both the Council and customers. It removes the need for customers to remember to make the payment, and ensures that reminders or costly court action does not take place providing a strong focus on a more proactive and preventative approach to customer delivery wherever possible.

Ensuring financial inclusion

- 5.22 It is vital to ensure customers understand that 'cashless' does not mean 'financially excluded'. Due consideration will need to be developed to ensure that cashless works for all customers including the most vulnerable.

Vulnerable Customers

5.23 There are a small number of extremely vulnerable customers who receive their weekly expenditure by cash from the Cashiers; (under 40) they are people for whom the council controls their finances. These must be reviewed, and a process put in place for them that ensure their needs are met. On early investigation and research gleaned other local authorities, about half of these customers could work with payments cards which are pre loaded each week. The remainder will continue to need cash and an appropriate process will need to be put in place to service these customers.

Other Areas within scope

5.24 In addition to the above, there are a number of other areas of the Cash Office service which will have to be considered as part of the detailed review, for example, payment of petty cash to staff. Most companies and council's pay this via the payroll system and this could be easily implemented utilising our Agresso Payroll system which has the functionality to adopt this approach to paying expenses.

5.25 Cashiers back office function – this will continue to be a required function going forward, and as such consideration of an appropriate solution will need to be sought to ascertain the most cost effective way of managing this.

5.26 Cash provided to children's centres - the completion of detailed impact assessments will consider what this is used for and if there are alternative options available.

5.27 An alternative operating model will need to be considered as part of the wider Customer Transformation Programme which will result in a much improved customer services offer for both front of house and for the back office. We would seek to use the decant of My Council following the end of the current lease as an opportunity to implement any proposed operating model

5.28 A review of the commercial and contractual delivery impact on the Arvato contract will also need to be factored into this appraisal as the cashiering service is currently provided by Arvato.

5.29 The options appraisal will also seek to review both existing and alternative methods of payment that can be used, and provide a cost benefit analysis of all the options which can be supported by an appropriate technology stack to achieve the required recommendations.

6 Financial Implications

6.1 The cashier function needs to be reviewed as part of the ongoing improvements offered to customers by the council and must consider the financial implications on the council as well as customers.

6.2 A full financial implications paper will be provided when the Options Appraisal is completed.

7 **Transformation**

The move to becoming a 'cashless' authority is aligned to the Council's Transformation ambitions and will be predicated on the key principles of the Council's Customer experience Strategy, currently in train. There are undoubtedly efficiencies to be realised as a result of this move and they will be scoped in more detail in readiness for a further report to be presented to Cabinet in January 2019.

8 **Comments of Other Committees**

None.

9 **Conclusion**

That Members are requested to agree and support the Council's ambition is to be "cashless" Authority by December 2019 and approve the commencement of further investigative work which will culminate into a detailed options appraisal for presentation at Cabinet in January 2019.

10 **Appendices Attached**

'A' - Current Payment Methods

11 **Background Papers**

None

Current Payment Methods

The Council collects a vast amount of income each financial year spread over various services for example Council Tax, Business Rates, Rents. In order to maximise the income there are a number of ways that Customers can pay including:

- Visiting Cashiers at Landmark Place
- Paying in the Post Office
- Paying over the web
- Paying by telephone
- Paying at the kiosks
- Paying by Direct Debit
- Paying by Standing Order

Over the last few years the Council has implemented or improved a number of these payment methods. Customers have been encouraged to use these payment methods as there is no queueing, payment can be made outside standard “office hours” and Customers are now more used to paying any number of bills on the web or over the telephone.

Payment by Direct Debit for Council Tax and Business Rates is increasing due to the ability to set up Direct Debits over the telephone and via the web. Paperless Direct Debits for Rents (over the telephone) went live in the middle of July which should also see increases in these numbers.

Currently 79% of our Business Rate payers pay by Direct Debit or BACS, 58.2% of our Council Tax Payers and 32.2% of our Rent payers also pay by Direct Debit.

In reviewing the payments made in 2017-18 there was a total of 693,903 transactions made via the following methods

| | |
|------------------------------|--------|
| Direct Debit | 61.25% |
| Cashiers | 10.62% |
| Post Office | 10.25% |
| Web | 4.45% |
| Automatic Telephone line | 8.94% |
| Telephone via Contact Centre | 2.69% |
| Kiosks | 1.82% |

This means that just nearly 90% of all payments were not made via the Cashiers Service.

The Cashiers service processed 73,689 payment transactions in 2017-18

These payments were for a variety of services, allocated as follows:

| | |
|-------------------------------|--------|
| Council Tax | 53.96% |
| Housing Rents | 26.64% |
| Sundry Debts | 10.63% |
| Business Rates | 3.79% |
| Housing Benefits Overpayments | 3.5% |

The remaining 1.48% consists of payments for Community Halls, Mortgages Rechargeable Repairs, internal transactions etc.

In analysing the payments made via Cashiers the payments were made as follows:

| | |
|--------|-------|
| Cash | 59.9% |
| Cheque | 15.8% |
| Card | 23.4% |

The remaining 0.9% of transactions are internal transactions for example, reversing payments for “bounced cheques”, cashing cheques for various Council Service areas, paying vulnerable people, those where we manage their money.

A total of only 6.35% of all payment transaction made to the Council are currently being made in cash, 6.35% via the Cashiers and 0.005% via the kiosks.