



DERBY CITY COUNCIL

COUNCIL CABINET
16 March 2010

Report of the Corporate Director of Resources

ITEM 14

Modernisation of the Cashiers Service in The Council House

SUMMARY

- 1.1 Over recent years we have modernised payment receipt methods by encouraging our customers to adopt cost effective, safer and more efficient methods of payment. We have spent time with customers visiting the cash counter to talk through their individual circumstances and help them find the most appropriate alternative payment method that suits their needs.

Giving our customers a wider variety of payment options has had the effect of significantly reducing the number of customers using the cash counter in the Council House. In particular, the volume of people paying their Council bills in cash has significantly decreased.

Council Cabinet has approved the closure of the Council House cashiers' service from 31 March 2010.

- 1.2 The DECATS programme includes proposals to extend the range of enquiries handled by Derby Direct. This strategy has led us to revise our thinking on the future of the cash payment facility in the Council House.
- 1.3 This report provides an update on progress made in encouraging take up of alternative payment methods and makes recommendations about the future provision of a payment facility in the Council House and the arrangements to be in place when the Council House closes for refurbishment later this year.

RECOMMENDATIONS

- 2.1 To agree that the cash payment counter in the Council House remains open with the same opening times until the Council House closes to the public later this year.
- 2.2 To agree that the cash payments service be integrated into the Derby Direct service during the temporary relocation to the decant premises.
- 2.3 To agree that the option for a permanent cash payments service offer to the public be considered as part of the DECATS review of Customer Services and Derby Direct.

REASONS FOR RECOMMENDATION

- 3.1 Throughout the programme of modernisation we have had one to one discussions with all the customers who use the cash counter to make them aware of alternative payment methods and the rationale behind the decision to close it. Most customers have accepted this and have made alternative arrangements. However there are some customers who continue to choose the Council House as their preferred location for paying their Council bills.
- 3.2 The payment modernisation programme has enabled us to reach a point where we no longer require a role within the Council that is purely a cashiers function. As the number of customers using the cash counter has been steadily reducing we have reconfigured the cashier role alongside other transactional services in Derby Direct which has led to a more efficient use of our resources. Cashiers have been trained to answer switchboard calls and have a training development plan to support them in dealing with a more varied range of customer contacts.
- 3.3 The proposals under the DECATS programme include the vision of a corporate customer service centre. This will offer opportunities to consolidate the full range of different transaction types, which can include a cash payment service.

SUPPORTING INFORMATION

- 4.1 Over the past 18 months we have been modernising the way our customers pay their Council bills. In some cases we have introduced new payment methods. In other cases we have made existing payment methods more accessible. We have held discussions with our customers to explain the range of payment methods available and to help them chose the payment method that best suits them.
- 4.2 We encourage customers to pay their bills by Direct Debit as our preferred payment method. Direct Debit is a convenient, easy and safe way to pay and it helps people to manage their money better which in turn helps promote financial inclusion. In November 2008 we introduced additional payment dates for customers to pay their Council Tax by Direct Debit. Customers can now pay their Council Tax by Direct Debit on the 1st, 15th and 25th of the month.

Our proactive work with customers to promote Direct Debit has led to an increase in Council Tax payers who use this method of payment from 46,147 in April 2008 to 51,169 in January 2010. This is an increase of 11 %. Appendix 2 gives details.

We have recently introduced additional payment dates for Business Rates customers who can now pay by Direct Debit on 1st, 7th, 15th and 25th of the month. We have actively promoted these dates to our Business Rates customers who do not currently pay by Direct Debit.

- 4.3 We have developed other modern approaches to make it easier for people to pay their Council bills at home so they do not have to visit the Council House. These include the provision to pay:
- over the internet using the 'Council Tax Online' system
 - over the phone, either
 - during office hours by ringing Derby Direct
 - 24 hours a day seven days a week using our automated telephone service.
- 4.4 We recognise that there are still customers who prefer not to pay by Direct Debit, by telephone or over the internet. For these customers we have promoted the use of payment cards which they can use to pay bills in cash at Pay Point outlets and Post Offices across the City.

Pay Point offers a number of advantages:

- there are over 100 Pay Point and 30 Post Offices across the City which are evenly spread at convenient locations across the city
 - most of these outlets are open long hours and seven days a week
 - three of the Pay Point outlets and the Post Office in Victoria Street are city centre locations and close to the Council House
 - should they need to, customers can pay a range of different bills from other organisations as well as their Council bills through Pay Point
 - promoting payment by this method has encouraged increased use of local businesses, making them more financially viable and sustainable and helping us to build stronger communities, supporting the Council priority of 'Making us proud of our neighbourhoods'.
- 4.5 We have produced leaflets explaining how Pay Point works and where the local outlets are. We have sent Pay Point cards to every Council Tax payer who has traditionally used the cash counter to pay their Council Tax.

We have extended the use of Pay Point as a payment option for Sundry Debts, Business Rates and Housing Benefit Overpayments by including barcodes on invoices.

All this has led to a slight increase in payments of Council bills at Post Offices in the City and a large increase in payments made at local retail outlets across the City. Appendix 2 gives details.

- 4.6 Approximately 1,500 Derby Homes' tenants pay their rent and Council Tax at the cash counter each month. All of these customers have been issued with a payment card to enable them to pay at a Pay Point outlet or a Post Office. We are working with Derby Homes to find ways to encourage customers to choose Direct Debit as their preferred payment method or alternatively to use their payment card at local Pay Point outlets or Post Offices.
- 4.7 We have been working with other Council departments who produce bills for customers to support them in setting up alternative arrangements for collecting payments. As a result we now have alternative payment methods for most Council bills. However there are a limited number of circumstances where customers without bank cards who require a service have no viable alternative payment method other than cash e.g. removal of bulky waste items.

- 4.8 As a result of this work the number of customers using the cash counter in the Council House has reduced significantly. In April 2008 there were 20,702 transactions at the cash counter compared to 7,798 in December 2009. Appendix 2 gives details.
- 4.9 Of the 20,702 transactions at the cash counter in April 2008, only 6,744 of those were cash transactions. The remainder were cheque or debit card payments. The cash transactions have continued to reduce and in December 2009 there were just 2,559 cash transactions. A breakdown of these transactions is shown in Appendix 2.
- 4.10 With the number of customers using the cash counter in the Council House reducing Cabinet approved the closure of the cashiers' service from 31 March 2010. However as the vision for the corporate customer service centre is being developed over the coming months it seems sensible to include the possibility for a payment facility being offered to customers so they can carry out a range of transactions when they visit the Council. The cash payment function could be incorporated within the customer service function provided by Derby Direct when the service moves into temporary accommodation later this year and be moved back when the Council House is refurbished.

Throughout our promotion of alternative payment methods we have had one to one discussions with all the customers who use the cash counter. Customer feedback has been that whilst they accept the rationale for more secure and efficient payment methods they visit the Council to pay their bills out of habit. Including a payment facility will not prevent our continued campaign to convert all cash payers to more modern approaches.

OTHER OPTIONS CONSIDERED

- 5.1 Continue with the closure of the cash counter as approved by Cabinet on 2nd March 2009. For the reasons outlined in this report this option is no longer considered to be the best option for our customers.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 - Transactions in the Council House – April 2008 to December 2009

IMPLICATIONS

Financial

- 1.1 The report to Cabinet in November 2008 concerning the modernisation of the cashiers service in the Council House included a business case which identified potential savings of £17,648 per year if the cash payment facility was withdrawn completely. These savings will not be delivered if the cash counter remains open.

These savings were not built into base budgets.

Legal

- 2.1 None.

Personnel

- 3.1 All staff affected will be redeployed to fill existing vacancies within Customer Services.

Equalities Impact

- 4.1 An Equalities Impact Assessment will be carried out when Derby Direct decants and as part of the refurbishment process of Council House

Corporate objectives

- 5.1 There are links to the following Council's Priorities:
- Making us proud of our neighbourhoods
 - Leading Derby towards a better environment, and
 - Giving you excellent services and value for money.

Appendix 2

Total transactions in the Council House – April 2008 to December* 2009

	All transactions - April 2008	All transactions - December* 2009	% Decrease since April 2008
Council tax	12,475	3,978	-68.11%
Rent	2,510	1,210	-51.79%
Debtors	3,455	1,690	-51.09%
Business rates	1,263	628	-50.28%
Penalty Charge Notices (Parking fines)	93	22	-76.34%
Derby Homes Debtors	11	10	-9.09%
Miscellaneous	895	260	-70.95%
Total	20,702	7,798	-62.33%

Cash Payments made at the Cash Counter – April 2008 to December* 2009

	Cash payments April 2008	December* 2009	% Decrease since April 2008
Council tax	4,222	1,299	60%
Rent	1,757	919	21%
Debtors	348	126	54%
Business rates	121	78	33%
Penalty Charge Notices (Parking fines)	66	18	82%
Derby Homes Debtors	2	1	50%
Miscellaneous	228	118	11%
Total	6,744	2,559	49%

Council Tax payments by Direct Debit

	April 2008	January 2010	% Increase since April 2008
Number of Council Tax payers paying by Direct Debit	46,147	51,169	11%

Pay Point and Post Office transactions - April 2008 to December* 2009

	April 2008	December* 2009	% Increase since April 2008
Payments made at Post Offices	6,550	6,686	2%
Payments made at Pay Point Outlets	3,749	5,697	52%

* December 2009 has been chosen for comparison purposes rather than January 2010 as fewer Council Tax payments are taken in January as instalments are only due over 10 rather than 12 months