CABINET	AGENDA ITEM No. 6
10 JULY 2017	PUBLIC REPORT

Report of:		John Harrison, Corporate Director – Resources	
Cabinet Member(s) responsible:		Councillor David Seaton, Cabinet Member for Resources	
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PAYMENT STRATEGY 2017 - 2021

R E C O M M E N D A T I O N S	
FROM: John Harrison, Corporate Director – Resources	**Deadline date:** 30 June 2017

It is recommended that Cabinet approves three separate consultations for the next phase of our digital transformation programme on projects within the Front Door project impacted by the implementation of the Payments Strategy 2017 - 2021:

1. The Payment Strategy 2017 - 2021 sets out the vision for how customers will make payments to the council in future, with an emphasis on more digital channels. This could include the council not providing a cash office in the future;

2. A change to the Parking Permits administration and payment by making the process entirely available online; and

3. A change to the Taxi Licensing administration and payment by making the process entirely available online.

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral by the Corporate Management Team meeting of 21 June 2017 as part of the council's Front Door Project.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to commence consultation on the council's Payment Strategy 2017 - 2021 including the proposed closure of the cash office and making available online the administration and payments process for parking permits and taxi licensing.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, *'To promote the Council's corporate and key strategies and Peterborough's Community Strategy and approve strategies and cross-cutting programmes not included within the Council's major policy and budget framework.'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	**NO**	If yes, date for Cabinet meeting	**N/A**

4. BACKGROUND AND KEY ISSUES

4.1 As set out in the council's People and Communities Strategy, the council is delivering an ambitious transformation programme to ensure that customers have greater choice and control of how they interact with a range of different services. We are successfully delivering our vision of a needs led, easy to access customer services that puts customers at the heart of what we do. This strategy and transformation programme will help us to deliver our core values to all of our customers whether they are residents, businesses or visitors to our city. This report highlights the support that the council has provided to help people get online and sets out the next phase of our digital transformation programme.

4.2 We recognise that many of our customers want to interact with us using the same method as they do for other services in their lives such as banking, managing phone/utility bills or online shopping. In order to keep pace with the changing expectations of our customers, we have successfully moved a number of services online to make it easier and more convenient for customers to contact us. This includes:

- the successful rollout of a range of online benefit claim forms including council tax support and housing benefit applications and the introduction of self serve for customers to access their council tax, business rates and benefits online, allowing 24/7 access to detailed account information, payment history, award details and a range of other information from June 2013. These improvements resulted in a 60% reduction in processing times for new claims, 40% reduction in paper documents being provided to support claims and a significant reduction in overpayments caused by delays in processing
- implementation of making payments online via the council's website, i.e. the new e-payments system (paye.net) was introduced in 2010 and now customers can pay for more than ten different services online, e.g. council tax, planning, building control, parking PCNs, etc
- the MyPeterborough app which allows residents to report issues such as missed bin collection or fly tipping to the council was launched in July 2014. The council now receives over 1,200 reports on average per month through this app and is increasing steadily each month
- the introduction of applying for a selective licence only available as an online service accessed via the council's website. Residential landlords were required to obtain a licence in order to let property to tenants within a designated area online from winter 2016. To date this has resulted in excess of 6,000 applications for licences made online

4.3 Using digital services in our customer's everyday lives is becoming the default option for many companies and public service providers. For example, in November the Government will be rolling out the full service for Universal Credit in Peterborough. This means, that any new welfare benefit claim can only be applied for, and subsequently managed, online.

4.4 We recognise that for some vulnerable customers, a digital service can present challenges. For some, there is a lack of skill or confidence in using IT or others may not be able to afford the appropriate equipment. In order to help people to manage, the council has developed a number of services and established support, for example:

- continue to provide, and extend free access, to computers at libraries;

- promote access to computers available in the Community Hubs;
- promote access to computers available in other community facilities;
- map and promote existing digital assistance provided by other organisations, e.g. Barclays Digital Eagles scheme;
- map and promote free wifi hotspots in the city;
- promote recycled computer schemes in the city;
- for key digital services, provide accompanying videos detailing step by step how to use these services;
- include in any digFital training, and promote staying safe using the internet;
- target family, friends and carers to support older people to use digital tools;
- continue targeting vulnerable people through digital inclusion, whilst also training someone in the community to also be able to deliver the training; and
- provision of digital "pop ups" at key locations in the community;

4.5 The council will also continue to work with partners and suppliers to ensure that traditional methods of payment, e.g. cash and cheque payments can still be made at a variety of convenient and easily accessible locations across the local authority area, e.g. banks, Payzones, Post Offices, etc.

4.6 The council is committed to ensuring residents have the right support to adapt to digital technologies and wants to help residents to access online services, such as, making a payment. As more services become digital and some only available online, it is important to ensure that local residents are aware of the benefits of using the internet and have the relevant skills and confidence to do so. Since 2015, the council has delivered community based training around digital inclusion and attended a number of roadshows with partners where the council has pushed digital take-up to use services via the internet, including job centre events, digital inclusion week, 'Q' busting at Bayard Place, Axiom Residents Forums and such work as the more recent Direct Debit Campaign, speaking with residents and supporting them with direct debit sign-ups in Bayard Place.

4.7 The digital inclusion training has engaged many people over the last two years. In the last six months, 194 attendees completed the new feedback form which when analysed, showed that 40% of attendees felt that their confidence in the use of IT equipment and devices and accessing online services had improved. The council will continue to hold training, workshops and drop in sessions to help people get the most out of their devices, whether it is a laptop, tablet or smart-phone, and develop their internet skills. These sessions will be run at a variety of locations across the city including, libraries, community centres, and other suitable facilities.

Council Payment Strategy

4.8 The next phase of the council's transformation plan relates to improving the way customers can pay for a variety of services. The council's Payment Strategy was last updated in 2008 describing how our customers could make payments to the council. Since then, there has been a number of changes to council services, continued dwelling and business growth resulting in more payments due to the council and technology advancements in how payments can be made. Coupled with the council's Technology Strategy 2014 - 2019 and the Front Door project which looks to make it easier for customers to interact with us online, the Payment Strategy has been refreshed to review payment methods and exploit technology now available. In 2016, the council issued bills and invoices to customers in excess of £230m, which contributed to nearly one million payments being made to the council. The number of payment transactions is set to increase as Peterborough grows so there is a need to allow people to self-serve.

4.9 The key changes between 2008 and 2017 are highlighted below:

- to develop and enhance digital transaction payment methods to increase the ways

customers can make payment to the council;

- encourage customers to self-serve to make payments such as using touch tone, internet payments and setting up direct debits;
- look to recover the costs of payment methods from customers, for example adding a surcharge for credit card transactions; and
- significantly reduce cash and cheque payments including the proposed closure of the cash office.

4.10   The revised strategy will set the framework and direction over the next five years for how customers will choose to make payments to the council through automated processes or digitalised services that are personalised, flexible, cost-efficient, save customers time and allow for the customer to transact how, when and where they like. The Payment Strategy can be seen in Appendix 1 and aligns with the council's priorities, Technology Strategy 2014 -2019 benefits and the Front Door project that simplifies the way our residents make bookings, payments and appointments.

4.11   The council, as part of its Payment Strategy, is proposing to close the cash office at Bayard Place. Since 2008, there has been a significant decline in the number of payment transactions made at the cash office (approximately 60%) and the decline is continuing in 2017. Furthermore, customers are using alternative payment methods, specifically digital methods, such as the internet and automated touch tone, and there are cheaper and more convenient alternative payment channels and methods for customers. The council knows that not all of its residents will be able to use these new methods as easily as others; details of how the council plans to support those groups is included later on in this report and related Equality Impact Assessments.

4.12   The consultation will look at the possibility of the closing the cash office at Bayard Place, if agreed this could be implemented before of the end of the current financial year. As set out earlier in this report, the council will continue to engage and support vulnerable customers to ensure that they can access services and are not disadvantaged by any changes proposed.

Alternative methods to make payments

4.13   Although the strategy encourages making payments by automated or digital channels, in closing the cash office, there remains over 50 locations throughout the city (i.e. banks, Payzones and Post Offices) which are more convenient and accessible (i.e. open longer hours than the Cash Office), and will accept payments for council services by cheque, cash and credit/debit cards. Customers are also able to pay by direct debit.

4.14   There are a range of automated and digital channels that are accessible now for some services and are being developed for other services as part of the Front Door project including:

- automated touch tone payments whereby the customer phones a dedicated free phone number to make payment.
- using the internet to make payment via a range of options such as logging onto the self serve 'My account', the council's website, PayPal and ApplePay using any device with an internet connection.

4.15   The council would work with vulnerable groups of customers and older people who may need support to help them manage their finances or become more able digitally to increase the number of options they have to make payments:

- customers that do not hold, or cannot open, a traditional high street bank account can do so through the Credit Union. This account would also provide savings options and access to loans and services such as pre-paid cards and jam jar accounts which give

customers the ability to make payments.

- customers that hold bank accounts that would like to try and use automated and digital channels by providing information, advice, guidance. This includes directing customers to IT equipment available to use free of charge in a range of libraries and community facilities.

4.16   Customers may choose to make payments due to the council using the same method that they choose to pay their mortgage, rent, utilities and online shopping. This enables customers to choose when to make a payment to the council at a time that is convenient and easily accessible or set up a direct debit.

Parking Permits and Taxi Licensing Administration and Payment

4.17   As part of the Front Door project, parking permits and taxi licensing administration and payment processes have been reviewed as both these services utilise the cash office. It is proposed to make both of these services entirely available online and the council believe that this will make these services more personalised, flexible, cost efficient and save customers time. The proposed changes are:

4.18   Parking Permits - Replace the current paper-based system with an online e-permit portal accessed through the council's website where customers will be able to apply, purchase and activate parking permits.   The permits in scope of this proposal are: residential, visitor (including scratch cards), business and any street permits for the Restricted Parking Zones (RPZ), market trader, seasonal and staff occasional permits.

4.19   The e-permit portal would enable customers to go online via various devices (e.g. Smartphones (Apple and android), PCs, tablets, laptops, etc) or at one of the developing community hubs across the city (e.g. Herlington Centre, Cross Keys in Westwood and Gladstone Park) to apply, activate and pay for their virtual permits.   There is the potential for customers to access support from a Community Connector at these hubs and/or sign up to one of the digital inclusion sessions which are delivered at these and other locations across the city. The council are also developing community hubs at its libraries where customers will be able to go online, scan and upload required documentation.

4.20   The council recognises that some residents will not be able to access the internet or pay online. In exceptional circumstances, the council will operate a postal permit service issuing physical permits. This system will be monitored and regularly reviewed to ensure that it is not otherwise used and that it meets the needs and requirements of the customer.

4.21   Taxi Licensing - Replace the current paper based taxi licensing system with an online licensing system. The online system will be accessed through the council's website and allow customers to apply and pay for their taxi licences, badges and vehicle plates.

Supporting Vulnerable People

4.22   As part of the council's service transformation plans, support for vulnerable customers is critical to the success of delivering services differently. The People and Communities strategy sets out the council's plans for working with communities and vulnerable groups. Much of the People and Community strategy is being delivered with Peterborough City College and the Community Serve programme. This has established community hubs that work with the local communities and vulnerable people to access services, provide information, guidance and support and reduce social isolation.

4.23   Vulnerable customers (including older people, people with physical disabilities, learning disabilities or mental health issues) may need additional help in accessing digital services. This

may be because they have little or no opportunity to access the internet or they may simply not want to. The council recognises that digital inclusion is about having the right access, skills, motivation and trust. As set out above, the council is helping people to get online and use services confidently and safely. In addition to the help already outlined, the council is also:

- investigating volunteer time banks for digital knowledge sharing;
- promoting the benefits of digital for other uses such as keeping in touch with family and friends via Skype, social networking, online banking and shopping, ancestry research, etc;
- Investigating the provision of a "helpline";
- ensuring any new digital services are tested with older people groups to ensure they are easy to use with a good customer experience; and
- aiming to test services across the digital inclusion scale, which was developed by the Government Digital Service to ensure that the needs of all types of users are considered when developing new digital solutions.

4.24   The council commissions a number of voluntary sector providers to help meet the needs of vulnerable people. This includes, DIAL Peterborough (for physical disabilities), Enabling Independence Service (for Learning Disabilities and Autism), MIND (for mental health), Age UK (for older people) and Citizens Advice Peterborough for all other advice and support needs. Many of these organisations (and others) provide help to thousands of clients a year by providing targeted support and advice to ensure that customers can access the services they want and need. Citizen Advice for example have IT equipment free for public use and will help clients to get online where needed.

Further Help for Vulnerable and Low Income Customers

4.25   In addition to the support that we are providing to help customers use digital services, the council also helps to meet other needs for vulnerable people (for instance, learning disabilities, debt, low income or limited English language skills) who may require additional help to manage their finances and make payments.

4.26   The council supports and will continue to support these customers through a range of services provided directly, or indirectly through local voluntary and community organisations, some examples of which are set out below:-

- **Peterborough Community Assistance Scheme (PCAS)** is delivered through a network of local charities. PCAS supports people to manage a short term financial crisis and through information and advice, clients are provided with the skills they need to help reduce the likelihood of a crisis reoccuring. Help available includes access to food banks, furniture/clothing (via CareZone), recycled White Goods and essential electrical items. Charities will also work with clients to help manage debt issues, provide money management skills and support to ensure that clients are claiming all welfare benefits that they are entitled to. During May 2017, Citizens' Advice Peterborough helped 86 clients to claim a total of £183,387 in previously unclaimed benefits.

- **Rainbow Savers Credit Union** is also part of the scheme and provides invaluable support to customers who, for a variety of reasons, are unable to open even a basic bank account at a High Street branch. Without the support of the Credit Union, customers would be financially excluded and face barriers to employment, housing or financial products. The Credit Union also works with its customers to provide better money management skills, by promoting budgeting and saving rather than relying on expensive high cost credit and loan companies or Loan Sharks.

- **Help to Reduce Energy Costs.** The council also helps its customers reduce their energy costs through a range of programmes including **Peterborough Energy** and the **Local Energy Advice Programme** which helps people to both keep warm in winter and save them money.

- **Helping with other costs.** Depending on individual circumstances, the council can also provide help with housing costs, through Discretionary Housing Payments, or rent deposit schemes. Help with Council Tax costs is also provided through the Council Tax Support Scheme.

- **Help to learn English** working with the City College and other local providers, the council will expand the ESOL (English for Speakers of Other Languages) offer in the city. This will enable more people to improve their skills, find or improve their employment and access services.

5. CONSULTATION

5.1 This report outlines, as part of the Front Door project, plans to refresh the Payment Strategy. The implementation of the Payment Strategy 2017 - 2021 requires consultation on three separate areas, the Payment Strategy which includes the proposal to close the cash office and making available entirely online the administration and payments process for parking permits and taxi licensing. Each area impacts on differing types of customers and it is therefore proposed to run three separate consultations concurrently. Cabinet will launch the consultations after 11 July with a closure date of 20 September at 5pm. The results of the consultations will be reported back to Cabinet on 25 September for formal agreement on the strategy, including the future of the cash office, and a decision on the online taxi licensing and parking permit systems.

5.2 All three will be promoted by a communications campaign through the media, using social media and through our partners. Consultation will take place online via the council's website and the council's Growth, Environment and Resources Scrutiny Committee will also be consulted. Voluntary sector organisations which represent vulnerable groups will also be specifically consulted on the changes proposed. Additional consultation will be undertaken to ensure that those customers impacted are made aware of the proposed changes includes:

5.2.1 <u>Payment Strategy</u>, including the proposal to close the cash office:

- an awareness campaign in the cash office. The campaign will also focus on how customers could make alternative arrangements to make payments, for example if they do not hold a bank account how they could make payments.
- For customers that do not have access to the internet or need support to complete an online consultation, support will be available to use the computers at Bayard Place customer contact centre
- Consulting with Peterborough Community Assistant Scheme and Rainbow Savers Credit Union
- Communication to ward councillors.

5.2.2 <u>Parking Permits</u>:

- communication to affected customers and ward councillors:
  - all those that reside in the Restricted Parking Zone (RPZ), including both residents and business owners;
  - all market traders;
  - to all relevant ward councillors. It is planned to consult the councillors who represent the following wards: East; Central; Park; North; Stanground South;

Fletton & Woodston; and Fletton & Stanground;
- ○ All staff and partners via the council's intranet
- ● an awareness campaign in the cash office.
- ● It is also planned to update the on-street and off-street Traffic Regulation Orders (TROs) to reflect the proposed use of virtual parking permits. The TRO legal process takes approximately six to eight weeks, including a 21 day statutory consultation period, where the revisions to the TRO would need to be advertised in a local newspaper.

5.2.3   Taxi Licensing

- ● communication to affected customers:
    - ○ taxi operators and drivers;
    - ○ Attendance at the Peterborough Taxi Association.
- ● an awareness campaign in the cash office.

6.   ANTICIPATED OUTCOMES OR IMPACT

6.1   This report outlines the justification for the launch of consultations for the three areas that will be impacted by the implementation of the Payment Strategy 2017 - 2021. The key anticipated outcome of implementing the strategy is for customers to be more able to make payments to the council through automated processes or digitalised services that are personalised, flexible, cost-efficient, quicker and allow for the customer to transact how, when and where they like. This strategy is aligned with the council's Technology Strategy 2014 - 2019 and the Front Door programme.

6.2   Additionally the payments strategy will provide the council with a cost efficient solution and deliver savings.

7.   REASON FOR THE RECOMMENDATION

The reasons for the recommendations are as follows:

7.1   The Payment Strategy was last updated in 2008 and since then there has been a number of changes to council services, continued dwelling and business growth resulting in more payments due to the council and technology advancements in how payments can be made.

7.2   The updated strategy needs to align with the council's current and future initiatives, e.g. the implementation of the Front Door Project which aims to investigate all customer contact channels and touchpoints across the council between 2016 and 2018 in order to drive channel shift and manage contact demand. This will be delivered by transforming the way customers access council services through new and improved digital channels which will enable self-serve and increase self-management by customers, and also divert demand away from council services.

7.3   The permit parking and taxi licensing processes were paper based and not aligned to the council digital strategies, and to how customers want to transact with the council in the future.

7.4   To provide the customer with a convenient, safe, accessible and more cost effective way to apply for and pay for council services.

7.5   To deliver the council with efficiency savings.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1   Do nothing and continue with the existing Payment Strategy 2008 - This is not an option, as outlined earlier in this report, the council and the way customers choose to interact with the council is changing, particularly now with more public services being available through digital channels. The council has a duty to ensure that it is providing best value in its delivery of services.

8.2   Do nothing and continue to provide parking permits and taxi licensing as a face to face service from either the cash office or as part of another service. This was rejected as provision of face to face services is considerably more expensive than provision of services online. Additionally, customers have reduced choice in accessing these services during normal office opening hours rather than at a time that suits them and from any device. This option is also not in alignment with the council's Technology Strategy 2014 - 2019 or the Front Door programme.

8.3   The continued delivery of a Cash Office was considered, but as Bayard Place is set to close, the council would need to finance the refurbishment of a new office and pay commercial rents for a presence in the city centre, when there are alternative, more cost effective, convenient and accessible channels available to the customer, e,g, bank, Payzone/Post Office, internet, etc. Therefore, the recommendation is not to have a Cash Office. It is important to note that there are over 50 locations throughout the city (i.e. banks, Payzones and Post Offices) which are more convenient and accessible (i.e. open longer hours than the Cash Office), and will accept payments for council services by cheque, cash and credit/debit cards.

8.4   It was considered to continue to take payments over the phone, but this is a very expensive payment method and as there are alternative automated touch tone telephone and digital methods, it is recommended that the council actively encourages and shifts customers to these cheaper alternatives.

9. IMPLICATIONS

9.1   **Financial Implications**

9.1.1   The investment cost of technology and project resource to implement the Payment Strategy 2017 - 2021 and the online processes for parking permits and taxi licensing was included in the council's approved budget 2017/18. The savings associated with the parking permits and taxi licensing are also included in the Front Door project savings for 2017/18. The Payments Strategy is a component part of the Front Door project.

9.1.2   The Payment Strategy includes closure of the cash office and a channel shift strategy to move customers to more effective and efficient channels, therefore reducing payment transaction costs. It is estimated that successful delivery of the Payment Strategy could achieve net savings of £0.1m per annum.

9.2   **Legal Implications**

9.2.1   Payment Regulations: Under the Payment Strategy all payment methods will need to be compliant with payment regulations such as the Direct Debit Guarantee and The Payment Card Industry Data Security Standard.

9.2.2   Data Protection: The council has a statutory duty under the Data Protection Act 1998 to ensure that the systems and processes it adopts conform to the requirements and safeguards which must be applied to personal data to ensure the rights and freedoms of living individuals are not compromised. The Act stipulates that those who record and use personal information must

first obtain consent as to how the information is used and must follow safe information handling practices, with appropriate security levels. It applies to the collection, use, disclosure, retention and destruction of data.

9.2.3   Parking permits: The council has a statutory duty under Parts I, II and IV of the Road Traffic Regulation Act 1984 to place temporary, experimental or permanent restrictions on traffic within their areas by way of a Traffic Regulation Order (TRO). Examples of a TRO include: double or single yellow, one-way streets, residents' parking, etc. TROs are required by law to enable the police or, in the case of parking issues, the council, to enforce these restrictions. The council should ensure that adequate publicity is provided to those likely to be affected. This may include display of notices in the relevant area, notices in a local paper, etc.

9.2.4   Taxi licensing: The council has a statutory obligation to ensure that applicants have the legal right to work in the UK prior to issuing a licence. The issuing or refusing of licenses will be undertaken in accordance with the requirements of the Immigration Act 2016 with due regard to Home Office guidance. The council takes this responsibility seriously and will ensure that any system and processes adopted will include checks to ensure compliance with the Act, and will liaise where required with relevant Home Office departments.

9.3   **Equalities Implications**

9.3.1   The Payment Strategy Equalities Impact Assessment (EIA) demonstrates that there will be little impact with its implementation and has been made available on the council's website. The adding of a surcharge on credit card payments will have a negative impact on those customers who are on low incomes or in debt. However, there are alternative payment methods which these customers can use, e.g. debit cards, bank transfers, etc.

9.3.2   With regards to the proposed online parking system and taxi licensing, its EIA is available on the council's website identifies that it will have a negative impact on those customers who do not have access to the internet as both parking permits and taxi licensing will only be available as online services. It is anticipated that these customers will have to rely on family and/or friends, or visit one of the community hubs being developed through the council's CommunityServe Programme where customers will be able to access online services and support. The council are also developing digital access hubs at its libraries and online access and digital assistance, i.e. floor walkers, will be available at the Customer Service Centre (CSC). It is important to note that customers will still be able telephone the council via its CSC for advice and support.

9.4   **Human Resource Implications**

9.4.1   The cash office has four part time employees working within the Peterborough Serco Strategic Partnership that may be affected by the proposal to close the cash office. The council would work with our partner in order to minimise the impact on these individuals.

10.   **BACKGROUND DOCUMENTS**
Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1   ● Hackney Carriage and Private Hire Policy, 2017
          ● Technology Strategy 2014 - 2019
          ● Government Digital Strategy, 2016
          ● Government Digital Strategy, Government Digital Service, 2013
          ● Government Transformation Strategy, Government Digital Services, 2017

11. APPENDICES

11.1 **Appendix 1** - Payment Strategy 2017 - 2021

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