GROWTH, ENVIRONMENT AND RESOURCES SCRUTINY COMMITTEE	AGENDA ITEM No. 5
20 SEPTEMBER 2017	PUBLIC REPORT

Report of:		Marion Kelly, Interim 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: Marion Kelly, Interim Corporate Director: Resources	**Deadline date:** 8 September 2017

It is recommended that the Growth, Environment and Resources Scrutiny Committee review and comment on the 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. This consultation does not cover parking permit policy issues; 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 has been submitted to the Growth, Environment and Resources Scrutiny Committee to consult with this Committee following a report discussed at Cabinet on 10 July 2017 relating to the Payment Strategy 2017 - 2021.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for the Growth, Environment and Resources Scrutiny Committee to consider the 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 the Growth, Environment and Resources Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council - Digital Services and Information Management.

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 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.

4.2 **Payments Strategy 2017 - 2021**

As part of its Payment Strategy, the Council 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.

The cash office has processed 2,856 (10.1%) fewer transactions during the period April - July 2017 compared to the same period last year without implementing significant changes to how customers can pay for services to date. The overall reduction in transactions for the financial year 2016/17 compared to 2015/16 was 7.3%. Transactions processed via the cash office are expected to decrease further as more services will be made available to be paid for by alternative methods as outlined in the draft Payment Strategy 2017 - 2021.

Footfall, customers that come into the cash office to make a payment, has also been in decline. During April 2017 - July 2017, there has been 2,478 fewer customers (11.7%) compared to the same period last year.

The key changes between 2008 and 2017 Payment Strategy 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.

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. Customers are also able to pay by direct debit. Since the report to July Cabinet, in excess of 100 locations have now been identified.

4.3 **Older, Vulnerable and Digitally Excluded Customers**

The council will continue to engage and support older, vulnerable and digitally excluded customers to ensure that they can access services and are not disadvantaged by any changes proposed, however the council recognises that not all of its residents will be able to use these new methods as easily as others and details of how the council plans to support those groups is referenced in the Equality Impact Assessments.

It is recognised that there are a number of reasons why vulnerable people may be digitally excluded, the key barriers (not an exhaustive list) are detailed below:

1. Digital Excluded - those who have little or no opportunity of accessing the internet.

2. Digital Dismissive - those who have (or potentially have) a means of accessing the internet but choose not to use it.

Our strategy is:

- to help to tackle the issues outlined above in relation to digital exclusion and those who are dismissive of digital.

- to recognise that digital inclusion is about having the right access, skills, motivation and trust, and to engender this for Peterborough citizens.

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. 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.

The council will 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 payment.

The Council recognises that digital inclusion is about having the right access, skills, motivation and trust and the Council is helping people to get online and use services confidently and safely, for example, community hubs have been established that work with the local communities and vulnerable people to access services, provide information, guidance and support and reduce social isolation.

The Council is engaging with a number of voluntary sector providers in order to help meet the needs of vulnerable people (including learning disabilities).

4.4 **Parking Permits**

A second consultation is in relation to making Parking Permits administration and payment by making the process entirely available online.

It is proposed to 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.

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.

4.5 **Taxi Licensing**

The third and final consultation is in relation to making Taxi Licensing administration and payment by making the process entirely available online.
It is proposed to 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.

4.6 Further background on these consultations and the Payment Strategy can be seen in appendix 1 and 2 of this report respectively.

5.   CONSULTATION

5.1   As detailed in the Cabinet report (appendix 1), Cabinet is consulting with a range of audiences based upon the type of customers that could be impacted by each of the three consultations. Feedback is sought from Scrutiny on each of the three consultations outlined in this report.

6.   ANTICIPATED OUTCOMES OR IMPACT

6.1   This report outlines the 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

7.1   Any recommendations and comments made by Scrutiny will be referred to the Cabinet for consideration at their meeting on 25 September 2017.

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 100 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 Payment Services Regulations 2009 and 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   Rural Implications

9.4.1   Of the 100 alternative payment methods available to customers to pay for services, 84% of all properties (residential and commercial) in Peterborough will be covered within a 1km radius by one of the alternative payment options should the customer not wish to move to automated or

digital payment methods. Of the 86,000 council tax properties in Peterborough 72% will be covered within a 1km radius. 94% of those properties where residents used the cash office to pay their council tax in the financial year 2016/17 live within 1km of an alternative payment location. Appendix 6a and 6b provides a heat map presentation of properties that lie within a 1km radius of an alternative payment method should the cash office close.

Peterborough generally has good or superfast broadband connectivity, 97% of the Peterborough area has access to connect to superfast broadband and the Connecting Cambridgeshire programme is continuing to reach more rural locations to cover 99% of the Peterborough area over the next few years. The heat map shown in appendix 6c identifies the current and proposed future superfast broadband connectivity in the Peterborough area.

Many Parish Councils across the country are taking up the challenge of digital transformation and are therefore able to improve their offer to local people. Working with the parish councils, our strategy is to:

- develop digital "pop ups" to assist citizens in rural communities;

- target citizens, and work with Parish Council's, in rural communities through digital inclusion, whilst also training the trainer in the community to also be able to deliver the training by transferring skills.

9.5   Human Resource Implications

9.5.1   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 - 10 July 2017 Cabinet report - Payment Strategy 2017 - 2021
         Appendix 2 - Draft Payment Strategy 2017 - 2021
         Appendix 3 - Draft Equality Impact Assessment - Payment Strategy
         Appendix 4 - Draft Equality Impact Assessment - Parking Permits
         Appendix 5 - Draft Equality Impact Assessment - Taxi Licensing
         Appendix 6a - Heat map all properties within 1km of an alternative payment method
         Appendix 6b - Heat map of all council tax payments by property within 1km of an alternative payment method (2016/17)
         Appendix 6c - Heat map of current and proposed superfast broadband in the Peterborough area