

CABINET	AGENDA ITEM No. 5
25 SEPTEMBER 2017	PUBLIC REPORT

Report of:	Marion Kelly, Interim Corporate Director: Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Vicki Palazon, Head of Finance (Business Operations and Development)	Tel. 864104

PAYMENT STRATEGY 2017 - 2021

RECOMMENDATIONS	
FROM: Marion Kelly, Interim Corporate Director: Resources	Deadline date: N/A
<p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> 1. The Payment Strategy 2017 - 2021 that sets out the vision for how customers will make payments to the council in future, with an emphasis on more digital channels. This includes closure of the cash office at Bayard Place by March 2018; 2. Implementation of a change to the parking permits administration and payment by making the process entirely available online and in exceptional circumstances provision of a postal service; and 3. Implementation of 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 from CMT on 13 September 2017 that considered the outcomes of the consultations for the Payment Strategy 2017 - 2021 and the proposed changes to parking permits and taxi licensing.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is for Cabinet to consider the comments and responses received to date on the council's Payment Strategy 2017 - 2021 including the proposed closure of the cash office and making available online the administration and payment process for parking permits and taxi licensing.
- 2.2 The consultation remains open until 20 September at 5pm and therefore an addendum to this report will be published before the Cabinet meeting to allow members to consider any further comments and recommendations if applicable. This will include recommendations and comments from the Growth, Environment and Resources Scrutiny meeting of 20 September (deferred from 13 September).
- 2.3 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
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4. **BACKGROUND AND KEY ISSUES**

4.1 Cabinet considered a report 'Payment Strategy 2017 - 2021' at its meeting on 10 July 2017 and approved the launch of three consultations. These included the proposed closure of the cash office and making available online the administration and payment process for parking permits and taxi licensing.

4.2 The July Cabinet report provided detailed background information and summarised in this report.

Overview - Digital transformation programme

4.3 The council is delivering an ambitious transformation programme to ensure that customers have greater choice and control over how they interact with a range of different services. We are successfully delivering our vision of needs-led, easy to access customer services that put customers at the heart of what we do.

4.4 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 and are continuing to increase accessibility to using services online or via self serve.

4.5 Providing more digital services for customers is becoming the default option for many companies and public service providers.

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.

4.7 As a result 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.

5. **CONSULTATIONS**

5.1 Cabinet considered a report 'Payment Strategy 2017 - 2021' at its meeting on 10 July 2017 and approved the launch of three consultations. These included the proposed closure of the cash office and making available online the administration and payment process for parking permits and taxi licensing.

Consultation one - Payment Strategy 2017 - 2021

5.2 The Payment Strategy 2017 - 2021 included the proposal to close the cash office at Bayard Place.

The key changes between the 2008 and 2017 versions of 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; and
- significantly reduce cash and cheque payments, including the closure of the cash office.

- 5.3 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. It has processed 2,856 (10.1%) fewer transactions during the period April to July 2017 compared to the same period last year without implementing significant changes to how customers can pay for services to date. Transactions processed via the cash office are expected to decrease further as more services are made available to be paid for by alternative methods as outlined in the Payment Strategy 2017 - 2021.
- 5.4 The number of 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.
- 5.5 Although the strategy encourages making payments by automated or digital channels, in closing the cash office, there remains over 100 locations (the previous report to Cabinet identified in excess of 50) 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.

Consultation One - The Results

- 5.6 Details of the consultation undertaken and the responses included up until 1 September 2017 are included in appendix 2a.

An online survey asked people two questions:

- Q1 - Do you agree with the proposed objectives set out in this strategy?
- Q2 - Do you agree with the proposal to close the cash office?

To date, 27 responses have been received.

- 5.7 For Q1 nine respondents said yes and 18 said no. Of those 18 people who said no, 8 people made comments expressing a preference to pay by cash and face to face. Other comments included whether the council was able to apply a surcharge to card payments. An announcement made in July by Government confirmed that surcharges could no longer be added to card payments made by debit or credit cards from January 2018.
- 5.8 For Q2 seven respondents agreed, three did not answer and 17 said no. Those who answered no said they would prefer to maintain face to face contact, pay by cash and challenged whether everyone has access to a computer. These comments can be addressed by making the respondents aware of the 100 locations including banks, Post Offices and payzones where people can pay in person if they choose to.

Further details of all responses are included in appendix 2a.

- 5.9 The council has publicised the consultation extensively with relatively few responses received. The concerns raised were predominantly around people wanting to continue to pay in person, which they will be able to do at 100 locations across the city.
- 5.10 It is therefore proposed that Cabinet approves the Payment Strategy (appendix 1) subject to the amendment on surcharges, and closes the cash office by March 2018. In closing the cash office, the council will continue to raise awareness of alternative payment methods and the closure date and provide support to those who need it. The council will continue to support vulnerable, older and digitally excluded customers to manage their finances, make payments and use digital services through a range of services provided directly, or indirectly through local voluntary and community organisations.

Consultation Two - Parking Permits

- 5.11 A second consultation was held in relation to transferring the administration and payment of parking permits to an entirely online process.
- 5.12 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 within the 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.
- 5.13 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.

Consultation two - the results

- 5.14 Details of the consultation undertaken and the responses included up until 1 September are included in appendix 2b. This included letters to all 4,500 residential parking permit holders and letters to all business permit holders and market traders.
- 5.15 To date, the online consultation has generated 263 online responses and a total of 27 letters, phone calls and emails from people or groups including Citizens' Advice Bureau, Hankey Street Resident Association and Manor House Street Residents and communication from residents via ward councillors.
- 5.16 People were asked two questions in the online survey:
- Q1 - Do you agree with the proposal to change the application, payment and activation of parking permits from a paper-based system to an online process?
- Q2 - Do you agree with scratch card proposed change?
- 5.17 For Q1, 40.3% of respondents said yes and 59.7% said no. Those that said no put forward arguments for the scheme to remain unchanged and commented on the existing permit policy and scheme operation which is not relevant to this consultation as we are not amending the existing policy and pricing as part of this proposal. Comments also focussed on respondents' desire and ability to use digital and asked for clarity on the proposed scheme.
- For Q2, of the 263 responses received, 148 people responded 'no', 58 responded 'not applicable' and 57 responded 'yes'.
- 5.18 A table included in appendix 2b summarises the 'no' comments and how many people made that particular comment.
- 5.19 Letters, phone calls and other communications received, aside from the online survey, resulted in similar comments made to those who completed the online survey. The majority were concerned about how the proposed virtual system would work, specifically for visitors, and how it would reduce the current abuse of the permit system. Many of those that contacted the council were concerned that the proposed system would have a negative impact on the parking situation in the restricted parking zones.
- 5.20 The Citizens' Advice Bureau (CAB) responded positively to the consultation, but noted that the majority of its client base still operates in cash, i.e. the elderly and minorities within the community such as the Roma, Gypsy & Traveller communities etc. CAB stressed that communication will be key to the smooth transition to any altered service.
- 5.21 Cabinet has responded to all online consultation responses and acknowledged and reviewed

the letters, phone calls and other emails received. Many of these responses have helped to clarify the proposed scheme for residents and explain how the different permits should be correctly used.

5.22 Some of the key themes included in the consultation responses are as follows:

1. **Clarity on the proposed scheme** - Cabinet notes that some respondents are not necessarily using the correct permit type, for example using a visitor permit as a second residential permit or a visitor permit/scratchcard to undertake their business. This caused a number of respondents to comment on an increased cost; particularly if the scratch cards were being used for small home businesses such as tutoring. Appendix 3 outlines how the key changes for introducing an e-permit would work for differing permit types.
2. **Visitor permits** - There were a number of comments on visitor permits requiring clarity. Although there is no proposed change to the six monthly and annual permits, Cabinet recognises that the alternative to scratchcards, a daily permit, would result in an increase in costs if the resident has multiple visits during the course of the day. Some of these issues could be addressed by:
 - a. the purchase of a six monthly or annual permit. The current cost of the annual permit is £25, compared to a daily permit of £1 per day. The daily permit can only have one car registration activated during the day, compared to the six monthly and annual permit where residents could amend the car registration during the day;
 - b. Health visitors, professional carers and other businesses required to visit residents should be purchasing an Any Street Permit parking permit;
 - c. Tradesmen will continue to use visitor or daily permits in line with the existing scheme; and
 - d. We are looking to introduce an additional permit to enable small, home run, businesses with multiple one to one visits during the day to apply for a new type of permit, subject to the business complying with planning consent.
3. **Digital** - The e-permits system will use secure payment methods that are already in place and used for other council services such as council tax payments. Cabinet notes the concerns of the older, vulnerable and digitally excluded customers as outlined earlier in this report and is committed to ensuring residents have the right support to adapt to digital technologies. The council has also developed a Customer Engagement Strategy to support customers. 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. **More expensive** - The council is not proposing to increase permit costs as part of this consultation. As outlined earlier in this report, scratch cards moving to a daily e-permit could see an increase in cost if this permit type is used for multiple visits at different times of the day. In these circumstances the six monthly or annual visitor permit is a cheaper alternative for residents to use;
5. **Preference for no change** - This report outlines the approach the council is taking to making services accessible online. The introduction of the e-permits system would comply with data protection and privacy requirements; and
6. **Visible permit / more abuse** - Cabinet believes that this will not lead to an increase in cars parking without a valid permit. Enforcement officers target areas where it is known parking enforcement is an issue and they will continue to do so.

5.22 In considering the responses received to date, Cabinet recommends proceeding with the proposal to introduce an online system for residents to apply for, purchase and activate parking permits.

5.23 There are numerous councils that have successfully introduced online parking permits including Ealing, Leicester, Camden, Bristol, Wigan, Merton and East Sussex councils. The council is speaking to some of these councils on their experiences of implementing an online parking permit system.

- 5.24 It is proposed that introducing an online system will require an update to the existing parking policy including the penalty charge notice cancellation guidelines to recognise the introduction of an online system. The council will implement the online scheme as residents need to renew or apply for new permits so there will be a transition period. Full details of the implementation date and policy will be communicated to residents before March 2018.

Consultation Three - Taxi Licensing

- 5.25 The third and final consultation is in relation to making the administration and payment of taxi licensing available entirely online.
- 5.26 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 will allow customers to apply and pay for taxi licences, badges and vehicle plates.

Consultation Three - The Results

- 5.27 Details of the consultation undertaken and the responses included up until 1 September are included in appendix 2c. This included an email sent to around 300 drivers and operators.
- 5.28 To date the consultation has generated 15 online responses, eight of which agreed with the proposal to change the application process from a paper based system to an online system. Only three of the seven respondents that did not agree with the move to an online system provided a comment, one of which commented on potential abuse of the system and people's safety.
- 5.29 There will still remain a verification process that will be required in applying for licenses. The online process would only be required for applying and payment of the licence fee. Cabinet therefore recommends the proposal to move taxi licensing administration and payment by making the process wholly online.

Supporting older, vulnerable and digitally excluded people with the changes

- 5.30 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 Communities 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.
- 5.31 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. Therefore the council has developed a Customer Engagement Strategy working with a range of organisations to ensure that vulnerable customers are not disadvantaged when implementing digital services. This strategy is being considered by Cabinet on 25 September 2017.
- 5.32 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.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 This report summarises the outcome of 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 Payment Strategy will provide the council with a cost efficient solution and deliver savings.

7. REASONS FOR THE RECOMMENDATIONS

- 7.1 The reasons for the recommendations are as follows:
- 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.
 - The updated strategy needs to align with the council's current and future initiatives, e.g. the implementation of the Front Door Programme which aims to transform 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.
 - The permit parking and taxi licensing processes were paper based and not aligned to the council's digital strategies and how customers want to transact with the council in the future.
 - To provide the customer with a convenient, safe, accessible and more cost effective way to apply for and pay for council services.
 - 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 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 Continuing to take payments over the phone was considered, 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

Financial Implications

- 9.1 The investment cost in 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 Payment Strategy is a component part of the Front Door project.
- 9.2 The Payment Strategy includes the 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 £100,000 per annum.

Legal Implications

- 9.3 Payment Regulations: Under the Payment Strategy all payment methods will need to be compliant with the Payment Services Regulations 2009 and payment regulations such as the Direct Debit Guarantee and The Payment Card Industry Data Security Standard.
- 9.4 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. Under the forthcoming General Data Protection Regulations consent will need to be explicit (not implied) and may be withdrawn at any time. It applies to the collection, use, disclosure, retention and destruction of data.
- 9.5 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.
- 9.6 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.

Equalities Implications

- 9.7 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 Customer Engagement Strategy has been developed with discussions with a range of organisations to help support older, vulnerable, digitally excluded customers including rural communities.

- 9.8 With regards to the Parking Permits EIA, there are no changes to the draft EIA available on the council's website based on the consultation responses received to date.
- 9.9 With regards to the Taxi Licensing EIA, there are no changes to the draft EIA available on the council's website based on the consultation responses received to date.

Rural Implications

- 9.10 Consideration has been given to the impact of the proposed changes on those who live in Peterborough's rural communities.
- 9.11 Under the Office of National Statistics definition which defines areas as rural if they are outside of settlements with more than 10,000 resident population, Ginton and Castor, Wittering, Barnack and Eye, Thorney and Newborough wards are considered rural areas.
- 9.12 According to the 2014-Based Population and Dwelling Stock Forecasts report for Peterborough published in April 2016, approximately 11% of the population lives in rural wards or approaching 12% of households. Where our customers are older and vulnerable the Customer Engagement Strategy outlines the council's approach to support these customers in accessing digital services. This may however still leave some customers experiencing digital exclusion and has therefore been considered in the Customer Engagement Strategy.
- 9.13 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 4a identifies the current and proposed future superfast broadband connectivity in the Peterborough area.
- 9.14 In addition, 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 residents in rural communities;
 - target residents, 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.

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

9.16 Of the 86,000 council tax properties in Peterborough, 72% are 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. Appendices 4b and 4c provides a heat map presentation of properties that lie within a 1km radius of an alternative payment method should the cash office close

Human Resource Implications

9.17 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
- Appendix 2a - Consultation Responses - Payment Strategy 2017 - 2021
- Appendix 2b - Consultation Responses - Parking Permits
- Appendix 2c - Consultation Responses - Taxi Licensing
- Appendix 3 - Proposed E-permit scheme
- Appendix 4a - Heat map of current and proposed superfast broadband in the Peterborough area
- Appendix 4b - Heat map all properties within 1km of an alternative payment method
- Appendix 4c - Heat map of all council tax payments by property within 1km of an alternative payment method (2016/17)