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<b>REPORT TO:</b>	<b>FINANCE and MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 5</b>
<b>DATE OF MEETING:</b>	<b>15th JANUARY 2015</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>OVERVIEW and SCRUTINY COMMITTEE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:Kevin.stackhouse@south-derbys.gov.uk">Kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/live files/customer access/CS review 2014/CS review report Jan 15
<b>SUBJECT:</b>	<b>CUSTOMER SERVICES and PAYMENT FACILITIES</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 10</b>

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## **1.0 Recommendations**

- 1.1 That the Committee considers implementing two payment machines at the Civic Offices to enable all cash income payments to be processed.

## **2.0 Purpose of the Report**

- 2.1 To report back to the Committee following a review of payment facilities in the Civic Offices, together with a review of the Customer Services operation. This is in accordance with the Committee's request following its meeting in October 2014.

## **3.0 Detail**

- 3.1 The Finance and Management Committee considered a report in October 2014, regarding the introduction of cash machines into the Civic Offices to enable people to pay bills and money owing to the Council. That report also considered the need to provide a better experience for people contacting the Council and visiting the offices with queries and looking for information.
- 3.2 Following consideration, the Committee agreed that the matter of payment facilities should be reviewed by the Overview and Scrutiny Committee and that this should also examine Customer Services given the increasing demand for people contacting the Council.
- 3.3 Subsequently, the Overview and Scrutiny Committee considered the review at its meeting on 22<sup>nd</sup> October 2014 and agreed the scope of a project. The approved scoping document is attached in **Appendix 1**.
- 3.4 During November and December, as part of the review, Members of the Overview and Scrutiny Committee spent two separate mornings with

Customer Services staff both in reception and in the Contact Centre, together with speaking to visitors who were waiting in the reception area.

- 3.5 Members also visited Derby City Council who had previously introduced payment machines; this was to see similar machines in operation and to discuss their experience following implementation.
- 3.6 Following these site visits, the Members provided a feedback report to the Overview and Scrutiny Committee on 10<sup>th</sup> December 2014. The main points are summarised below.

### **Payment Machines**

- The machines viewed were very versatile and were similar to an ATM. They were touch screen, recognised payment cards and barcodes and could also take cash and cheques, together with providing change and receipts.
- Two machines were implemented on separate power supplies as a contingency against breakdown.
- However, the machines seemed very durable and had only failed to operate on 3 separate occasions since being implemented in February 2012. They are expected to last between 5 and 10 years.
- The average number of transactions is 3,000 per month (across both machines) – well in excess of South Derbyshire's number of 2,000.
- Very few complaints had been received, although coincidentally, there has been an increased take up in Direct Debit and Internet payments at the Council since their implementation.
- All payments can be accommodated, not just for Council Tax; this can include licensing and planning fees, etc.
- There is no alternative facility to handle payments manually by staff; all payments go through the machines.
- Reconciliations and interface with accounting systems to record transactions was easily achieved.

### **Observations in Reception and the Contact Centre**

- Noted that the layout of the waiting area and general reception was a limiting factor and could be improved.
- Six options on the telephone system to help the efficiency of the service; staff considered this to be an effective number as any more could prove frustrating. An upgrade to the system to include Intelligent Voice Recognition is being reviewed.

- Current volumes, especially telephone calls, seemed to be an increasing problem. However, all staff dealt with queries in a professional manner.

***(An analysis and trend of call volumes, visitors and payment transactions is detailed in Appendix 2).***

- Peaks and troughs were observed. The waiting area was no more than a third full at any one time, although these may not have been the busiest days. On average, queries were dealt with in about 10 minutes.
- When visitors were asked about payment machines, opinion was equally divided. Some seemed content to wait to make a payment, whilst others considered that a machine would speed things up.

- 3.7 During both visits, Members were able to see at first hand the processes that had been put in place to reduce waiting and call times to a minimum. Members were generally satisfied that these processes are as efficient as possible for most parts, but it is at peak times, where the sheer volume of enquiries seems to be causing pressure.
- 3.8 Members also noted the difficulties presented by the physical layout of the reception area and discussed with staff whether remodelling could be feasible given the structure of the Civic Offices.
- 3.9 These matters, together with the implementation of payment machines, were considered at the Overview and Scrutiny meeting on 10<sup>th</sup> December. It was agreed that the introduction of payment machines would be beneficial, although their implementation would need to be carefully planned and people supported to transfer. Some staff training would also be required.
- 3.10 It was noted that the cost of capital works in the Customer Services area could be prohibitive due to the structure of the building. It was also noted that some further developments, such as the introduction of “self-service” for form filling and to amend details, were due to be implemented later in the year.
- 3.11 The Overview and Scrutiny Committee consider that other than recommending the implementation of cash machines, there was nothing further to add given the current situation and on-going developments.
- 3.12 In addition, the Committee noted the current negotiations between the Council and the Service Provider regarding resources and considered that this was outside the Committee’s scope to comment on or review any further.

#### **4.0 Financial and Operational Implications – Comments by the Director of Finance and Corporate Services**

- 4.1 The cost of implementing two payment machines is approximately £16,000, with on-going maintenance of approximately £1,000 per year. The capital cost includes set-up, support for implementation and training. These would be based on the specification and type of machine used by Derby City Council.
- 4.2 Some minor works may be required in the reception area depending on the style of machine and their location. It is anticipated that total capital costs would not exceed £20,000 and this could be funded from the IT Reserve, which is set aside for investment in technology.
- 4.3 A total redesign of the Customer Services area is estimated to cost approximately £60,000 due to the scale of the building works required.
- 4.4 No major budget savings are currently identified from the introduction of payment machines, although transaction charges could be lower in the long-term.
- 4.5 As reported to the Finance and Management Committee in October 2014, the principle of implementing payment machines is to redeploy resources to deal with other queries and to reduce waiting times by transferring cash payments to an alternative method.
- 4.6 During busy periods, waiting times for residents can be lengthy. If the number of people making payments could be reduced or alternative facilities provided, this would free up resources to be redeployed to deal with general enquiries more speedily.
- 4.7 People making payments are encouraged to change to Direct Debit or are informed of alternative pay points such as post offices, local shops, etc. This strategy will continue.
- 4.8 It is anticipated that payment machines would reduce demand on resources by eliminating the need to manually handle cash and card payments. Clearly, people could still find themselves queuing but they would not be tying up resources to deal with general enquiries. Having two machines would also help to mitigate this situation.
- 4.9 However, no cash would then be accepted on any of the customer services desks if the full benefit is to be achieved. As is the case at Derby City Council, it is recommended that it would be payment machines only.
- 4.10 If approved, an implementation date of 1<sup>st</sup> April 2015 is recommended to allow sufficient communications to be made, transition and training, etc. This would also co-incide with the start of a new financial year.
- 4.11 Location and sign posting would need to be planned carefully given the limited space in the customer services area. Communication and support for people to start using the machines would also need to be provided. It is expected that any costs associated with this would be contained within existing resources.

## **5.0 Corporate Implications**

5.1 None

## **6.0 Community Implications**

6.1 The review undertaken was aiming to improve the experience for people contacting and dealing with the Council.

## **7.0 Background Papers**

7.1 Report to Finance and Management Committee (16<sup>th</sup> October 2014); ICT and Customer Services Update:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1724/Committee/367/Default.aspx>

7.2 Report to Overview and Scrutiny Committee, 10<sup>th</sup> December 2014

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1747/Committee/372/Default.aspx>