

Bolsover District Council

Customer Service and Transformation Scrutiny Committee

19th September 2016

Update on Impact of the implementation of Automated Payment Kiosks on payment methods and volumes

Report of the Joint Assistant Director of Customer Service & Improvement

This report is public.

Purpose of the Report

- To provide an update to Scrutiny on the impact of implementation of Automated Payment Kiosks in Contact Centres.
- To provide statistical information on usage of the kiosks, volumes of payments, trend analysis, payment types and breakdown by Contact Centres.

1 Report Details

- 1.1 The four Contact Centres had full-time cash offices since they opened over 20 years ago up to the implementation of automated payment kiosks.

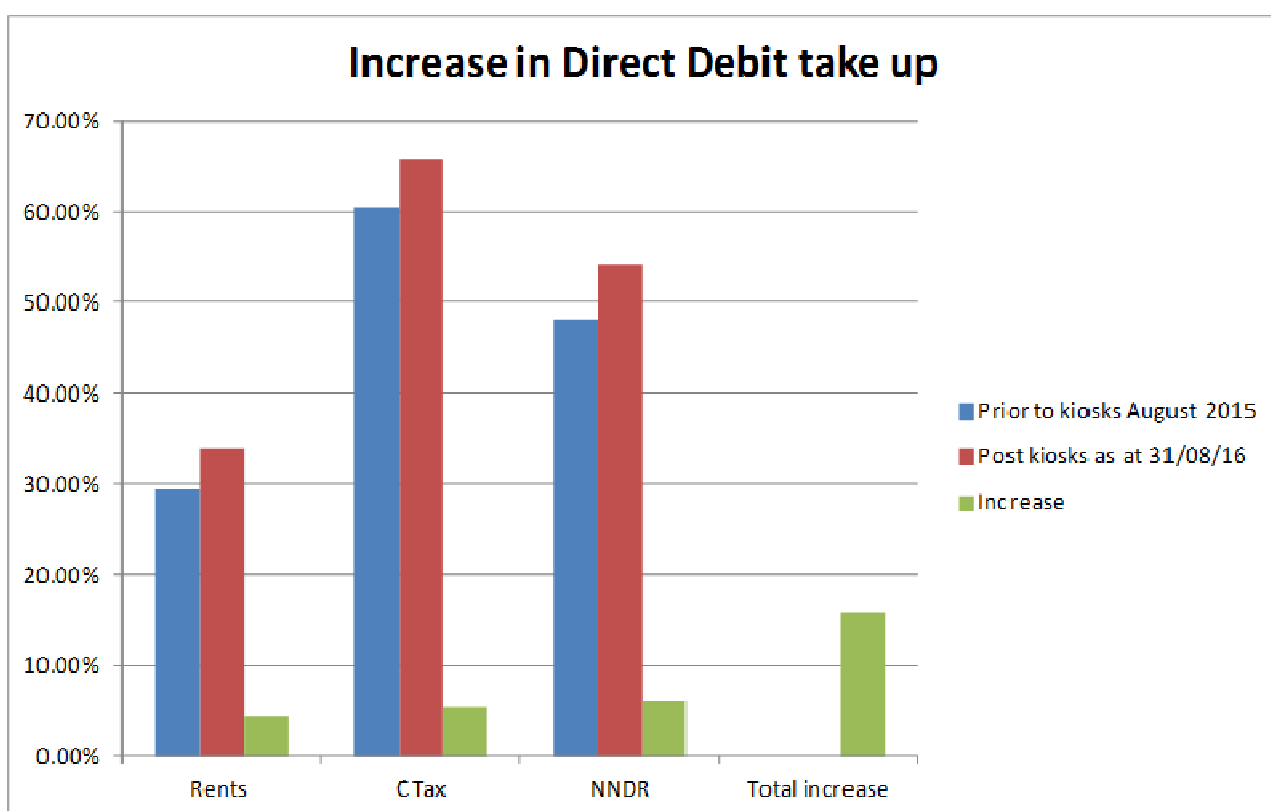
In 2006 RSE Consulting were asked to recommend a payments strategy for BDC. Their findings showed that BDC had a high proportion of payments passing through the most expensive and resource intensive channels of direct cash and cheque handling and advised ways of making efficiency savings by migrating customers to cheaper channels. It was established that face to face payments were 50 times more expensive than the cheapest method of direct debit. Various publicity programmes were put in place to steer customers to other cheaper channels but Members were firmly against any changes to service delivery.

Due to the Council facing unprecedented economic times with tighter financial constraints, new proposals for payments were introduced as part of the Transformation Programme in 2014. Members agreed to cease taking payments in person and introduce automated payment machines in each of the four Contact Centres. Members agreed to this on the basis that staff would be released to spend more time assisting customers rather than counting cash which provides a better use of resources. This has also negated the need for an additional temporary staffing budget that was historically utilised to prop up the service and stabilise the service. The kiosks have now provided a more cost effective solution whilst still enabling us to continue offering this type of method of payment.

Customer expectation in relation to access continues to grow and the speed of change is accelerating as technology develops and internet usage increases. The service has been monitoring usage and trend analysis from implementation in August 2015.

- 1.2 The table below illustrates that there has been a 15.8% increase in take up of direct debits over the last 12 months since the implementation of the kiosks in August 2015. Contact Centres will continue to promote direct debit as an alternative payment method in order to achieve a more cost effective payment channel for the Authority.

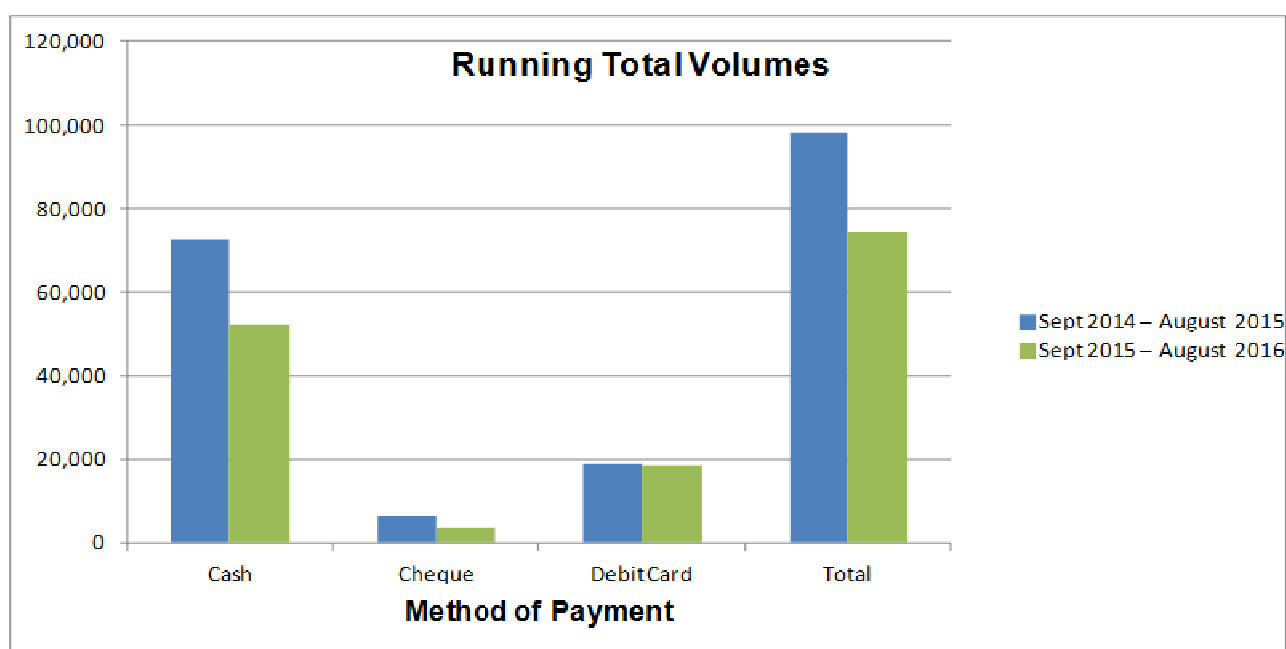
Direct Debit take up	Prior to kiosks August 2015	Post kiosks as at 31/08/16	Increase
Rents	1,600 tenants 29.5%	1,770 34%	170 tenants 4.50%
Council Tax	60.50%	65.80%	5.30%
NNDR	48.20%	54.20%	6.00%
			15.80%



- 1.3 The table below shows a comparison of total volumes of transactions for all four Contact Centres between 2014/15 (pre kiosks) and 2015/16 (post kiosks) for the same 12 month period September to August. The volumes of transactions in 2015/16 (post kiosks) have decreased by 23,727 transactions or by 24% when compared to the same period in 2014/15.

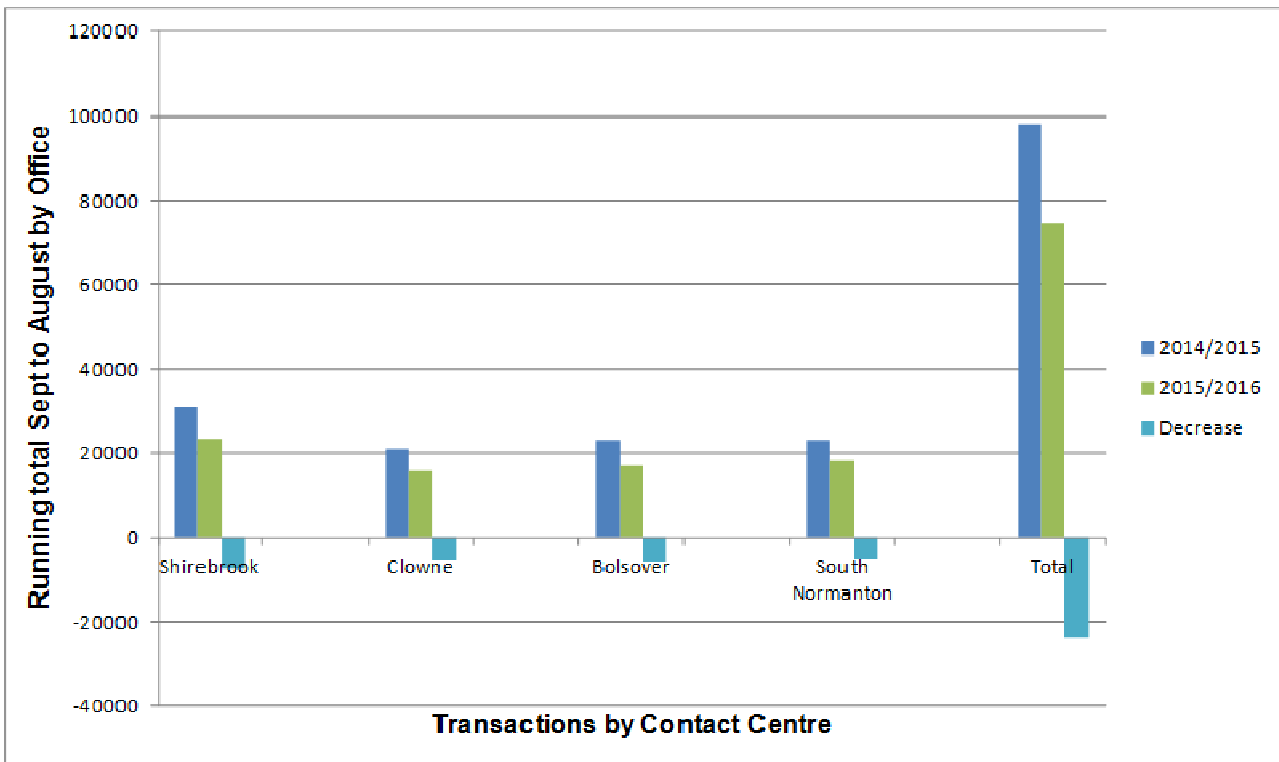
The trend analysis shows that cash payments through the kiosk have reduced by 28%, cheque payments by 44% and debit card by 2.5%.

Running total volumes	Cash	Cheque	Debit Card	Total
Sept 2014 – August 2015 (12 months)	72,771	6,615	18,890	98,276
Sept 2015 – August 2016 (12 months)	52,444	3,684	18,421	74,549
Increase/decrease	-20,327	-2,931	-469	-23,727
%	-28%	-44%	-2.5%	-24%



1.4 The table below shows the split of transaction volumes by Contact Centre. This demonstrates that Shirebrook still takes the highest volume of transactions, however, there has still been a substantial decrease of 7,646 transactions when comparing the same periods in 2014/15 (pre kiosks) and 2015/16 (post kiosks). When comparing the same periods it also shows that there has been a significant decrease in the volume of transactions at the Bolsover Contact Centre. The figures show that Clowne Contact Centre receives the least number of transactions through the kiosk and is significantly lower than the other 3 sites. This is surprising considering this office is the civic office location.

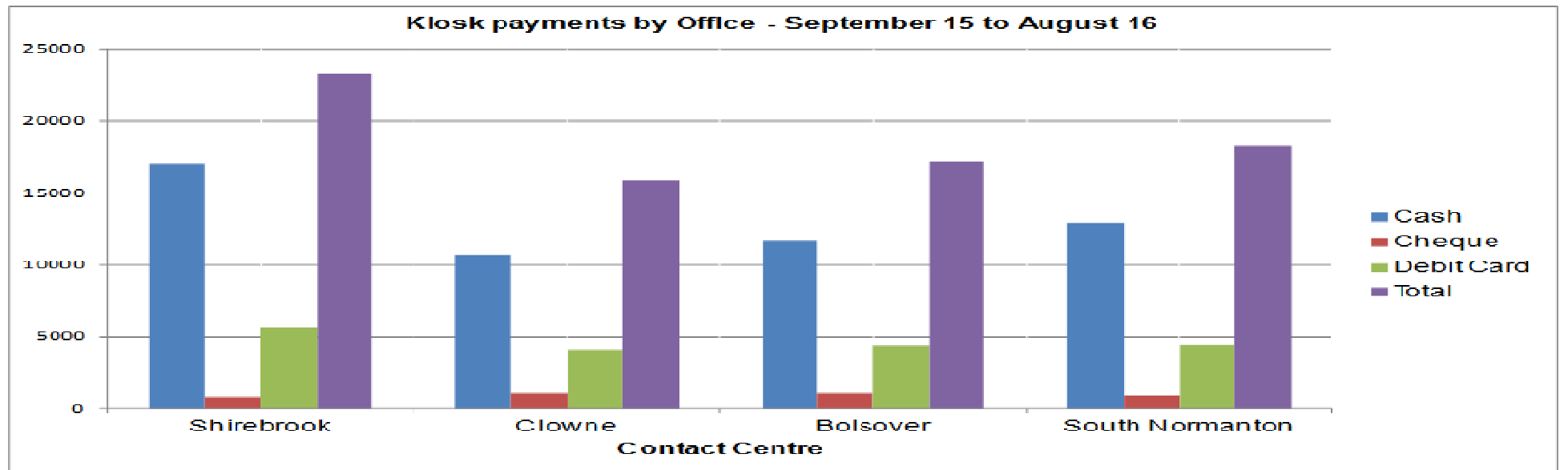
Running total Sept to Aug (12 months) By Office	2014/15		2015/16		Decrease in transactions by office Transactions
	Transactions	%	Transactions	%	
Shirebrook	30990	32%	23344	31%	-7646
Clowne	21140	22%	15827	21%	-5313
Bolsover	22916	23%	17128	23%	-5788
South Normanton	23230	24%	18250	24%	-4980
Total	98276	100%	74549	100%	-23727



1.5 The table below shows the breakdown of volumes by office, method of payment type and monetary value, it shows that the largest proportion of cash and debit card payments are taken at Shirebrook and the largest proportion of cheque payments are taken at Clowne. South Normanton takes a pretty even split of payment method types (cash, cheque, debit card). Bolsover and Clowne both have a higher proportion of cheque payments and even proportion of cash and debit card. Shirebrook has a higher proportion of cash payments followed by debit cards with cheque payments being considerably lower than cash and debit card.

Looking at it by monetary value, even though Clowne takes fewer cash transactions through the kiosk than Bolsover the monetary value is higher.

Kiosk payments split by office (post kiosk)												
Running total Sept 15 to Aug 16 (12 months)	Cash			Cheque			Debit Card			Total		
	Transactions	£	%	Transactions	£	%	Transactions	£	%	Transactions	£	%
Shirebrook	17029	1290612	32%	716	155567	19%	5599	631591	30%	23344	2077773	31%
Clowne	10724	832940	20%	1072	334111	29%	4031	459039	22%	15827	1020120	21%
Bolsover	11733	795387	22%	1054	163583	29%	4341	465019	24%	17128	1423969	23%
South Normanton	12958	1028957	25%	842	137554	23%	4450	531436	24%	18250	1698007	24%
Total	52444	3947902	100%	3684	790815	100%	18421	2087778	100%	74549	6825835	100%



- 1.6 There has been no real impact on the volumes of cheques received through the post, comparing the same 12 month period they have remained fairly static with a reduction of 130. This will be reviewed later this year to see if further efficiencies can be made.

Cheque payments received by post at Clowne Contact Centre		
Sept 14 to Aug 15 (12 months)	Sept 15 to Aug 2016 (12 months)	Decrease
4762	4632	130

2 Conclusions and Reasons for Recommendation

- 2.1 On the whole the majority of our customers have adapted well to the kiosks which is evidenced by the fact the service received minimal complaints. In the 12 month period from September 2015 to August 2016 the service only received 2 formal complaints and a small number of informal complaints relating to the kiosks.
- 2.2 This has been a massive change for our customers. Considering the volumes of transactions taken through the kiosks the comments and complaints are minimal. Monitoring of the comments, complaints and volumes of transactions will continue to be monitored on a quarterly basis.
- 2.3 In relation to the rest of the service the release of staff from cash offices has meant better utilisation of staff resources. The telephone performance shows that from April 2016 to August 2016 the average calls answered within 20 seconds = 76% which compared to April to August 2015 average of 46% is an improvement of 30%. In August 2016 the calls answered within 20 seconds KPI was 81% and for the first time ever above the target of 80%.
- 2.4 There has been a 15.8% increase in take up of direct debits over the last 12 months since the implementation of the kiosks in August 2015. Direct debit is the most cost effective method of payment; it prevents arrears and allows a consistent cash flow into the council.

3 Consultation and Equality Impact

- 3.1 This is a report on progress to date so consultation is not required however Contact Centres have recently carried out their biennial Satisfaction Survey and achieved an overall satisfaction with the service of 89% against a target of 85%. The service received 465 responses of which only 17 (4%) comments were regarding the payment kiosks. Although some of the comments were largely against the payment machines the number of comments (17) received is very small in relation to the sample size (465). In introducing the payment machines there was an understanding that some customers would not welcome them. However the introduction of the payment machines was part of the overall strategy agreed with

Executive to reduce one off payments and move customers to cheaper channels through direct debit and the website.

3.2 An Equality Impact Assessment was carried out as part of the procurement process. Improvements have continued to be made, for example the kiosks have grey scale and hi-contrast features now and step by step guides are displayed in other languages.

4 **Alternative Options and Reasons for Rejection**

N/A

5 **Implications**

5.1 **Finance and Risk Implications**

There are no financial implications or risks arising from this report.

5.2 **Legal Implications including Data Protection**

There are no legal implications or data protection issues arising from this report.

5.3 **Human Resources Implications**

There are no human resource implications arising from this report.

6 **Recommendations**

- That Scrutiny note the report which is presented for information only.

7 **Decision Information**

Is the decision a Key Decision? (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	N/a
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	Providing Our Customers with Excellent Service. Transforming Our Organisation transforming services through the use of technology.

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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Report Reference – JEF1