

REPORT TO: FULL COUNCIL ON 30TH JANUARY 2008

SUBJECT: CASH COLLECTION REVIEW

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To provide members with details from the consultation process undertaken and to seek a decision on future service delivery for cash collection.
- 1.2 This report is submitted to Committee in terms of Section A (13) of the Council's Administrative Scheme relating to collection of Council tax.

2. RECOMMENDATION

- 2.1 It is recommended that members agree to extending collection services through making the post office and paypoint facilities available to all and also generate cost savings through the closure of Council cash collection facilities with effect from 5th May 2008.**

3. BACKGROUND

- 3.1 In a report to the Policy Committee on 24th October 2007, the basis for consulting on the proposed changes were explained and documentation relating to consultations provided.
- 3.2 The main reasons for pursuing a change to the way the service is delivered are:
- There will be more places where our customer can make a payment.
 - There will be outlets across Moray, making it more convenient to make a payment.
 - There will be longer opening hours. Some outlets are open on weekends and on bank holidays and some are open 24 hours a day and 7 days a week.
 - It will help support local business and post offices.
 - It will reduce costs.
- 3.3 The response from customers to the proposal is detailed in section 4 below.

4. Consultation Outcomes

- 4.1 An information leaflet and response form were issued to 6007 Council tenant households and made available at all existing Council cash collection facilities as well as on-line. The consultation period ran from 29th October 2007 to 30th November 2007, a five week period.
- 4.2 A total of 1,289 responses were received of which 1,203 were from the forms issued to Council tenants. Although only 86 responses were received by other means a significant number of information leaflets were picked up. It is also worth noting that Council tenants form a significant number of those who choose to pay by cash.
- 4.3 The Tenants core group have also been consulted on these proposals.
- 4.4 Just over 20% of council tenants have responded to the consultation. It is important at this point to put the response rate into context. A breakdown of how Council tenants pay their rent shows that:
- 13% pay by direct debit
 - 6% pay by standing order
 - 8% already pay at the post office

In addition, 35% of tenants are not required to pay rent as they are on full benefit entitlement. Therefore only around 2,300 tenants (38%) actually use the collection facilities to pay their rent.

- 4.5 The table below provides an overall picture as to how the 1,289 customers responded to the questions posed. The percentages exclude the 45 responses where no box was ticked.

The Question	Answered Yes	Answered No	Did not tick a box
Do you think that using shops instead of local offices will make paying your bills easier?	908(73%)	336(27%)	45
Do you think that the longer opening hours will help you?	849(68%)	395(32%)	45
Do you think that the change will make it difficult for you to pay us?	154(12%)	1090(88%)	45

- 4.6 The significant issues that can be drawn from the raw data in 4.4 above is that although 27% of respondents have indicated that they do not think that the new proposals will make it any easier to pay their Council bills, a lower figure of 12% think that it will cause them some difficulty.
- 4.7 Of the 336 negative responses to question 1, 80 were from customers who were either paying by direct debit or an alternative payment method and simply ticked no on the basis that the proposal was irrelevant to them. If this is taken into consideration it leaves only 21% believing that the proposed service will not make it any easier.
- 4.8 The important part of the consultation is to seek individuals views on the proposal. To this end both very positive and very negative comments have been received. The information below concentrates on the concerns raised and how we would propose to minimise any disruption or upset they may cause.

Comments from those who have responded negatively

A total of 178 customers provided comments on why they did not see reason for change or did not want change. The following table summarises these into general categories:

General reasons	Number and percentage of comments
Either satisfied with existing service or do not like change	40(22%)
Confidentiality	32(18%)
Enquiry service and support being detached	30(17%)
Convenience	27(15%)
Receipts instead of rent card	12(7%)
Closing an office	7(4%)
Disability may make it difficult to change	3(2%)

27 (15%) of the customers comments incorporate either a number of different points described above or less relevant issues.

It should be mentioned that the comments are mainly directed towards the collection of cash at shops. This is because the question asked (see 4.4 above) did not include the post office (which it should have). Therefore the responses received may be more negative than may have been the case if post offices had been referred to in the consultation document.

Clearly for the number involved, it is possible to make contact with those making comments to provide support and help find ways to minimise the disruption the change would cause. Although many of the issues raised have been covered in the leaflet, it is proposed that we contact each individual if it is decided to proceed with the proposal.

- 4.8 In order to address these concerns on a more general basis and to ensure smooth transition to a new way of working, it is proposed that staff be made available within the cash offices between February and May 2008 to facilitate the change. The objectives will be:
- To assist customers to find the most convenient method of paying their bills or the most convenient location to pay. A leaflet will be produced that will list all payment locations within Moray and staff will encourage customers to move to a new way of paying at the earliest opportunity.
 - To ensure that customers are fully aware that neither the Post office nor local shops have access to their account details – to explain that they only collect payments.
 - To assure customers that the local offices will still be open to handle all types of enquiries and to promote alternative means of accessing some of these details, for example by contacting the Council's contact centre.
 - To introduce an "extra care" service for those in need of additional support. Whilst this can be considered on a wider basis, initially it is intended to introduce a service that helps customers who are unable to remember what they are required to pay and when to pay it. Initially it is proposed that the contact centre staff telephone customers to remind them of the amounts they are due and where they can pay.
 - Council rent payers using the new service will be issued with a small card annually to inform them of the rent free weeks and to mark the payment made each week on the card. This is already in place with customers who currently pay at the post office.
- 4.9 A detailed implementation plan will be developed immediately after it is decided whether or not to proceed. A key factor in implementing the changes is year end billing and rent setting. It is planned to replace current receipt cards with plastic cards as part of the year end process so that it coincides with the beginning of a new financial year.
- 4.10 Arrangements are advancing well with the Co-operative bank towards making the facilities available.
- 4.11 The Revenues service provides a number of other services direct to customers in addition to providing a collection service. Information on the locations and services provided together with how they will be delivered in the future if members agree to this proposal are shown below.

Office	Service	Future Arrangements
Elgin	Council tax and Benefits advice	Service provision remains the same
Keith	Council tax and Benefits advice	Service provision remains the same
Buckie	Council tax and Benefits advice	Service provision remains the same
Forres	Council tax and Benefits advice	Service provision remains the same
Dufftown	General enquiries	Transfer to Library in adjacent office
Lossiemouth	General enquiries, burial and lair administration	General enquiries to transfer to Library in adjacent office, burial and lair work to central registrar services.

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Development Plan/Community Plan/Service Improvement Plan**

This project forms part of the Revenues service improvement plan.

(b) **Policy and Legal**

There are no policy or legal issues arising from this report.

(c) **Resources (Financial, Risks, Staffing and Property)**

Financial implications

A comparison between existing costs and the proposed way of working is given below. The costs are allocated to General services and the Housing Revenue Account.

	Housing Revenue Account	General Services
	Annual Cost	Annual Cost
No change	£136,000	£200,000
Proceed with Proposal	£99,000	£137,000
Estimated annual saving	£37,000	£63,000

Under the proposed way of working, gross efficiency savings to the value of £175,000 have been identified and are made up as follows:

- £158,000 in staffing costs
- £ 12,000 in cash to bank transfer arrangements
- £ 5,000 in misc costs, eg office equipment etc

It is estimated that the cost of this work being undertaken by the external supplier will amount to £75,000 per annum, giving an annual saving of £100,000. In addition accommodation costs of around £20,000 will be available for further review. Any Savings will depend on the alternative use that is made of the accommodation. The estimated annual saving for the Housing Revenue Account is net of the cost of office accommodation that would be made available to that service in the event of the proposals being approved.

Staffing Implications

There would be a reduction of eight full time equivalent posts to achieve the savings identified. Temporary staffing arrangements are in place with a view to this project proceeding and informal consultations have taken place with all staff involved.

Informal discussions have also taken place with two permanent staff members involved in Revenues work at Dufftown and Lossiemouth. These discussions incorporated changes to how remaining services may be delivered in future and potential implications for their present job. Clearly if it is agreed to proceed formal consultations will commence as soon as possible thereafter.

(d) Consultations

The content of this report has been discussed with the Chief Housing Officer. Unions have been consulted on the approach taken for the potential reduction in staff numbers.

6. **CONCLUSION**

6.1 There is no doubt that the proposals and recommendation contained within this report represent significant changes for the Council's cash paying customers. In summary:

- The system being proposed is tried and tested and is currently used by cash payers in Moray, particularly where no Council facility is available.
- The existing Council cash facilities are not convenient to all in Moray whereas this proposal provides a payment network that covers the whole of Moray far more effectively
- The percentage of customers responding to the consultation who said that it would cause them difficulty was 12%.
- The Council proposes to take action to support those with concerns about the changes being proposed.
- To recognise the fact that there will be some customers that will remain dissatisfied if it is decided to proceed with change.
- The changes will result in £100,000 of efficiency savings.

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Background Papers:

Ref: MP/EB/LMS/390281