



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	27 SEPTEMBER 2012
REPORT OF THE:	HEAD OF CORPORATE SERVICES
TITLE OF REPORT:	FUTURE ARRANGEMENTS FOR PAYMENT OF BILLS ISSUED BY THE COUNCIL
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To present options for providing access to outlets through which customers can pay bills issued by the Council.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to approve:
- (i) officers to implement barcoding of all Council invoices to enable payments to be made at any Post Office or PayPoint outlet within the district;
 - (ii) following implementation of the above the area cash office service be removed; and
 - (iii) the savings achieved from the implementation of the above to be considered as part of the Council's 2013/2014 budget strategy process.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 To increase the number of outlets through which customers can pay bills issued by the Council whilst making savings from the Council's Revenue Budget for 2013/14 and helping to ensuring the maximum collection rates for localised council tax and business rates from April 2013.
- 3.2 In order to ensure implementation for 2013/2014 approval is required from members at this time rather than through the 2013/2014 budget process.

4.0 SIGNIFICANT RISKS

- 4.1 No risks identified are considered to be significant.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This report considers the options available to the Council to enable customers to pay bills issued by the Council in the most cost effective way available to the customer and the Council.
- 5.2 The review of Post Offices undertaken by the Council's Overview and Scrutiny Committee recommended that officers continue to work with the post office to explore options for extending the use of post office outlets for delivering front office services for the Council.
- 5.3 Consultation undertaken as part of the scrutiny review showed clearly that people are content to pay their Council bills and other transactions at the Post Office
- 5.4 The budget consultation undertaken in 2010 using the online budget simulator found that spending on providing 'customer services' was identified in the top 5 areas for making savings.
- 5.5 The Council will also need to consult with the County Council as area offices are in shared buildings.

REPORT

6.0 REPORT DETAILS

- 6.1 The current arrangements by which customers can pay bills are as follows:

Touch Tone Phone

Touch Tone phone payments were introduced in September 2011 and allow customers to make payments 24/7 – 365 days a year using their phone.

Customers can pay the following bills

- Council Tax
- NNDR (Business Rates)
- Sundry Invoices
- Housing Benefit Overpayments

Payments can be made by debit or credit card and there is a Freephone number available for making Touch Tone payments

Direct Debit

Direct Debit is the easiest, most convenient and cost effective way to make any regular payments to the Council. Many residents already make regular payments for Council Tax and Business Rates this way.

Online Payments

The Council offers a 24 hour secure Internet payments service. Payment is accepted for most major credit and debit cards using the secure site and for the following payment types.

- Council Tax
- NNDR (Business Rates)
- Invoices issued by the Council
- Housing Benefits Overpayments
- Other payments including parking fines

Cashiers Desks

All bills issued by the Council can be paid at the cashiers' desks. Those at Ryedale House are open on Monday to Friday from 9.00am to 4.00pm and payments can also be made at the area offices as follows:

- Helmsley Area Office is open on Fridays from 8.30am to 3.00pm
- Pickering Area Office is open on Mondays from 9.00am to 5.00pm
- Kirkbymoorside Area Office is open on Wednesdays from 8.30am to 5pm

Post Offices

Council Tax payments (only) can be made through all post office outlets using a Giro card provided on request by the Council. The total number of Post Office outlets in Ryedale is 28. The network in Ryedale comprises of 2 main sub-post offices, 12 sub-post offices, 6 outreach services, 2 home service and 6 villages receive a mobile service.

- 6.2 The table below identifies the volumes and values of transactions currently made through the various payment options:

Payment Method	2011/2012 Transaction Volume	2011/2012 Transaction Value (£000)
Direct Debit	169,867	31,220,998
Cashiers Service (R.House)	28,914	6,853,672
Post Offices (Girocard)	9,793	912,631
Area Cashiers Service	8,578	1,263,309
Online Payments	1,564	249,288
Touch Tone Phone*	1,584	27,989
Total	220,300	40,527,887

* Went Live September 2011

- 6.3 Looking towards the need to identify savings for the 2013/2014 budget to reduce cuts to services which may be required officers have reviewed the provision of area cash offices.
- 6.4 Following this review officers have identified 3 options for the service delivery. The options under are as follows:

Option 1: Status quo

This option would maintain all access as detailed above and would not impact on the costs of the service. This option supports access to outlets for payment of bills in person as follows:

- at Ryedale House
- at the 3 RDC area offices
- Payment of Council Tax by Giro card at 28 Post Office Outlets

Option 2: Bar code all bills and closure of the area offices

All Council bills would include a barcode with a service provided by All Pay Ltd. Customers could then make payments against the bill in any Post Office or at any Pay Point Outlet. This service would be procured through an existing framework agreement. The Council would join with Scarborough Borough Council (SBC) who have already have an agreement in place with All Pay for the bar coding of all of their bills. Joining with the existing agreement lead by SBC brings a preferential transaction cost to RDC.

This option supports access to outlets for payment of bills as detailed above but

would lead to the withdrawal of the services provided through the 3 area offices. This option supports access to outlets for payment of all Council bills in person as follows:

- at Ryedale House
- at 28 Post Office outlets
- at 13 Paypoint outlets

A map showing the location of all the post office outlets and the paypoint outlets is attached at annex A

The financial implications of implementing bar coding of all Council bills and withdrawing the area office services would be as follows:

	Year 1	Year 2 Onwards
Cost of All Pay implementation	13,000	6,400
Maximum saving through withdrawal of area office services	64,500	64,500
Net saving	51,500	58,100

The savings are a result of a reduction in staff hours through the withdrawal of the area office service, cash collection costs and accommodation costs. Any staffing issues would be managed through the Council's redeployment and redundancy policy with any associated costs met from the Council's restructure reserve.

Option 3: Bar code all bills and maintain the area offices

This option would involve a combination of options one and two and would incur additional cost to the Council of £13,000 in year one and £6,400 in year 2 for the implementation of the bar coding of all Council bills.

- 6.5 The 2013/2014 Budget Strategy report also being considered on this agenda identifies that the need to make service cuts to balance the budget is almost certain. The proposed service change within this report identifies a significant savings opportunity which increases the number of outlets at which payments can be made and has the additional benefit of providing footfall and support for the Post Office network in Ryedale.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:

a) Financial

Option 1 incurs no additional cost to the Council

Option 2 - The bar coding bills when combined with the closure of the 3 area offices would allow for a revenue saving to the Council in the sum of £51,500 in year one and £58,000 in subsequent years.

Option 3 – Would incur additional costs to the council of £13,000 in year one and £6,500 in subsequent years

b) Legal

The Council would enter into a legal agreement with Scarborough Council to deliver the bar coding solution using All Pay for options 2 and 3.

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime &

Disorder)

An equalities impact assessment has been drafted in relation to the various options.

Access to payment outlets would be improved through option two and three. There would be a reduction in staff hours as a result of the withdrawal of the area office service which would be managed through the Council's Redeployment and Redundancy Policy but could ultimately result in redundancies.

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Background Documents:

Post Offices Scrutiny Review Final Report –

<http://democracy.ryedale.gov.uk/mgConvert2PDF.aspx?ID=8292&ISATT=1#search=%22post%20offices%22>