

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	6 MARCH 2018	4
<b>GREEN WASTE SUBSCRIPTION SERVICE – PAYMENT PROCESS</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

The report outlines the payment process for the green waste subscription service and the approach taken to align the payments process with the objectives and aims of the Transformation Strategy approved in September 2017.

### RECOMMENDATIONS

1. That the committee endorse the payment process for the green waste subscription service and the approach taken to ensure the most efficient value for money methods whilst ensuring equality and the opportunity for engagement by every resident in the borough.

### SUMMARY OF PREVIOUS DECISIONS

March 31<sup>st</sup> 2016 – Operational Management: The Green Waste Subscription Service  
 May 31<sup>st</sup> 2016 – Operational Management: Green Waste Service Charges Across Lancashire  
 September 13<sup>th</sup> 2016 – Operational Management: Subscription Base Green Waste Collection Service  
 January 17<sup>th</sup> 2017 – Operational Management: Green Waste Subscription Service  
 December 5<sup>th</sup> 2016 – Full Council: Subscription Base Green Waste Collection Service  
 March 2<sup>nd</sup> 2017 – Budget Council: Budget  
 September 25<sup>th</sup> 2017 – Finance & Democracy Committee: Transformation Strategy

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

## REPORT

1. In June 2017 the council introduced the green waste subscription service which attracted 17,303 customers each making a separate payment for the service. In line with modern service delivery systems the most efficient means of setting up the new service is to apply digital technology, integrating different systems to reduce cost, resource time, human intervention and waste. As with any new service there were a number of logistical problems and lessons learnt in the planning, development and implementation stages.
2. In September 2017 the councils Transformation Strategy ([Fylde Council: Transformational Strategy 2016 - 2020 \(396KB\)](#)) was approved by the Finance & Democracy Committee which outlined the next phase of efficiency measures required at Fylde council in order to achieve a self-sufficient council by 2020, inevitably the strategy has a strong digital focus which reflects the predominant customer demand. The strategy complements the change in customer expectations in a society dominated by digital technology that has transformed engagement with service providers including the council, the customer today expects ease of access to a service at any time with the ability for self-service. When developing the payment process for any council service the current as well as future customer requirements are taken into account. Officers are aware that when the draft Transformational Strategy was discussed by members of the cross-party working group, members were particularly concerned that no residents should be left behind by digital transformation. Therefore the Strategy itself was tempered to reflect that digital transactions are the preference, with support and encouragement for the customer to be comfortable with this preference, it is in this spirit that transactions regarding the green waste subscription service are carried out.
3. In order to sign up for the green waste subscription service the customer registers online setting up an account and makes an electronic payment. This process is self-service and can be carried out at any time without the need for human intervention. The online procedure had some teething problems in year one which have been addressed resulting in the vast majority of subscriptions simply happening at all hours through mobile and fixed line technologies however, despite this 13565 customers paid by card. This represents the most efficient means of paying for the green waste service, it is in line with the majority of customer's expectation and the aims and objectives of the Transformation Strategy. This is the preferred method of registering and paying for the service and the method that is promoted by the team at every opportunity in accordance with the objective to *'support the migration of customers online to drive up self-service.'*
4. The team have then considered the various scenarios for those customers who cannot sign up for the service without additional support in order to cater for every possible option, the various scenarios are outlined below.
  - a. **The customer has no online access or does not want to engage online** – the customer service team will take the details of the customer over the phone or face to face and register them online, setting an account up for them using a dormant generic email address. Payment can be taken over the phone and a receipt is sent out by post to confirm the payment. Data from the major broadband providers indicates that 15% of Fylde households do not have online access at the property, however a number of these do have online access through a mobile contract. A significant number of subscriptions are made by family members on behalf of relatives at different addresses that do not have online access or are not confident using online platforms for payments. There are also free to use self-service computers in the Town Hall that many customers have used to register for the service both with and without support from the staff. Open sessions have been held at Kirkham CAB and the Town Hall to demonstrate and support use of the online platform, and customer service staff show customers that drop in and state they are not sure about the online option how to use the service, subsequently a number of signed up after the support registering themselves. Our partners at the Citizens Advice Bureau in Kirkham have also supported residents in registering and paying on-line.
  - b. **The customer sends a cheque in the post with a request for the service** – because of the requirement for the customer to register and the preferred approach to promote online payment the cheque is returned with a polite letter that outlines the online process and contact details for support and advice. In almost every case the customer then signs in online and pay by card, clearly indicating that some residents who are able and willing to engage online are unaware of the service.

- c. **The customer wants to pay by cheque** – the team will discuss with the customer the benefits of paying by card or other online method rather than by cheque which include; the fact that cheques will be phased out at some point; the customer is required to register and pay at the point of registration so has to come to the Town Hall if payment is by cheque (which is an inconvenience for many); processing a cheque adds cost; and the service is not guaranteed until the cheque clears. In many cases the customer will after discussion, and the opportunity for some rapport, pay by card or online. However, there are examples of where a customer is still keen to pay by cheque and in these instances the customer is accommodated to pay in this manner.
  - d. **The customer wants to pay by cash** - the team will discuss with the customer the benefits of paying by card or other online method rather than by cash which include; the customer is required to register and pay at the point of registration so has to come to the Town Hall if payment is by cash (which is an inconvenience for many as outlined above in the example of the cheque payment); processing a cash and cash handling adds cost and risk. As with cheque payments in many cases the customer will after discussion and the opportunity for some rapport pay by card or online. However, for those customers still keen to pay by cash, the customer is accommodated to pay in this way.
  - e. **The customer has no bank account** – whilst this leaves cash as the only option if the customer wanted the service and this would be facilitated the team would enquire if the customer wanted support and advice on personal financial management. No customer has requested the green waste service and indicated that they do not have a bank account.
  - f. **The customer has no online access, cannot get to the Town Hall & wants to pay by cash or cheque** – When a customer has contacted the team and enquired about the service but is not online, wants to pay cash or cheque and cannot get to the Town Hall an officer has arranged a visit and signed them up at their home. This has also been the case when a customer has been unable to get to the Town Hall and is not comfortable or accustomed to sharing card payment details over the phone. This demonstrates the commitment the council has to all its customers, and that although the preference is for digital transactions, that no customer will ever be left behind, as was the spirit of the intention of members in this regard.
5. One of the methods of digital payment is direct debit, an electronic recurring payment that is the preferred method of the council with 3504 customers signing up to the green waste service for the 2017/18 part year by direct debit. One of the logistical problems in the launch of the service was integration between the financial system and the waste management system with respect to direct debit payments, the systems did not link and agency staff were required to manually transfer the data. The introduction of processes that require human interaction on this scale increases cost, the risk of error and time.
  6. The solution is to commission a bespoke digital integrator between the two systems, essentially allowing the sharing of data between the systems in a format that each system can understand. The integrator could not be developed in time for the payment process for year two so the option of an electronic recurring payment had to be withdrawn for 2018/19. The 3504 customers that opted for direct debit last year have been written to individually and the situation explained to them with the reassurance that a form of electronic recurring payment will be re-introduced from 2019/20, the majority of the customers written to have subscribed used alternative online payments and no one has responded to the notification to complain about the loss of direct debit for 2018/19. From 2019/20 electronic recurring payment options will be available and it will be widely promoted as the preferred payment method.
  7. In the first part year of the green waste service 17,069 of the 17,303 or 98.6% of subscriptions paid by electronic means demonstrating that the primary demand and expectation from the vast majority of customers is for an online service similar to the experience offered by other service providers. The customer service team will monitor how many requests are received for cash or cheque payments and how many customers are unable to engage online continuing to offer support so that any resident can access the service.
  8. The council has adopted a culture of continuous change to deliver improvement, efficiency and value for money since 2004 with the objective of delivering 'more from less' in every service area. This approach has reduced the revenue budget requirement at Fylde council from £11,449,000 in 2010 to £8,881,000 as at January 2018 (MTFS update to Finance & Democracy Committee), taking £2,568,000 out of the operating cost

of the council whilst at the same time experiencing [levels of customer](#) and employee satisfaction that are amongst the highest in the councils history. The approach taken to the payment process for green waste is part of this culture and consistent with the objectives of the Transformation Strategy that states the council will design and deliver services quicker at much lower cost by:

- a. Identifying high volume front-line services not currently available online, and provide them online ensuring service is as transactional as possible, the target is to require no officer input (end to end digital services)*
  - b. Reviewing services and payment facilities Fylde currently provide online to ensure they are as transactional as possible and easy for customers to use*
  - c. Supporting the migration of customers online to drive up self-service*
  - d. Reducing the need for contact in person and over the phone creating capacity whilst increasing productivity*
9. The Transformation Strategy states that; *‘Priority will be given to services with the highest volume of front-line interaction with customers which offer the greatest opportunity for savings in corporate cross cutting transactions i.e. payments and invoicing.’* With 17,000 plus customers the green waste subscription service is one of the highest volume transaction front line services. However, it is also recognised in the strategy that the required transformation based on technology will *‘take time before demand for face to face or phone service diminishes, during which it is essential that customers who need to interact using those formats continue to do so.’* In developing the payment process for the green waste service these requirements have been considered.
10. Cheque payments have been phased out by most retailers and banks are planning to remove cheque books, the council will be required to stop taking cheques at some point in the future. The switch to online payments is an integral part of the Transformation Strategy preparing the council to meet customer expectations and continuously seek efficiencies, customers have been advised that cheque payments will be phased out for all payments with almost all customers then switching to card payment. A significant amount of customers have complimented the council for making registration and payment for a range of services available online at any time, comments along the lines that it is about time the council got into the 21<sup>st</sup> Century are common, and in fact the greatest number of complaints received last year was when the online system had problems because so many people choose and were encouraged to use it.
11. It is important to note that no one has been refused access to the Green Waste Service even if they do not have a computer, they cannot get to the Town Hall, do not have a bank account and can only pay by cash. Last year staff visited a number of residents to sign them up and collect payment. The customer service team are the first point of contact for all service and they fully appreciate that society is changing with cheque payments already being phased out by retailers and banks and hard currency probably ending in the longer term but in the midst of that change they will still accommodate anyone that simply cannot or does not want to engage in modern service systems.
12. The ability to ‘opt in’ and make payment for a service as part of the CTAX bill is not permitted under the current legislation that governs the billing process.

IMPLICATIONS	
Finance	There are no direct financial implications
Legal	There are no legal implications
Community Safety	There are no direct community safety implications
Human Rights and Equalities	There are no direct human rights or equalities implications
Sustainability and Environmental Impact	There are no direct sustainability or environmental impact implications
Health & Safety and Risk Management	There are no direct health & safety or risk management implications

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Operational Management Committee Meetings	March 2016 to January 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Finance & Democracy Meeting	September 25 <sup>th</sup> 2017 (Item 8) Transformation Strategy	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>