

Witness Session for Review into Payment Modernisation Across Key Resident Services: Future Technologies

Committee name	Residents, Education and Environmental Services Policy Overview Committee
Officer reporting	Perry Scott - Director of Infrastructure, Procurement, Business Improvement, Communications, Waste Services & ICT
Papers with report	None
Ward	All Wards

INTRODUCTION

This is the third witness session for the Residents, Education and Environmental Services Policy Overview Committee's review into Payment Modernisation Across Key Resident Services. The session will focus on future payment technologies, and will be supported by presentations from Jim Marsh - Transformation Manager, Rachel Mason - Capita Software Services Account Manager, and Andy Davies - Capita Software Services Product Director.

HEADLINES

The Council wishes to significantly improve how it works with residents and businesses to provide an easy to use, secure on-line payment process. This is the preferred method of payment of a significant and increasing number of residents and businesses. The Council is deploying its digital strategy in order to meet this demand.

The Council has developed a digital transformation programme that will increase the volume of 'on-line' financial and other transactions. To achieve this we are re-designing our website to ensure that it is easily used on a smart phone, will promote a single on-line payment process, and support residents to gain confidence in completing simple and secure payments.

RECOMMENDATIONS:

That the Committee:

1. Notes the information presented within the report and presentations.

SUPPORTING INFORMATION

Hillingdon has developed a three year digital strategy to deliver on-line/digital processes as the primary means through which it undertakes transactions with its residents and businesses. In parallel it will deliver an 'Uptake Plan' to drive up on-line activity and 'sign-ups' to our new customer account. It will improve operational performance through process re-design and digital delivery in Housing, Waste, and Adult's and Children's Social Care, the service areas with the highest

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volume of transactions and related costs.

Over a three year period this strategy will enable:

- 80% of services to be fully available on-line (ordering, booking, delivery, and payment are available);
- 70% of all services are delivered on-line (people choosing the on-line service);
- Meet channel shift targets (see Table A) in terms of how residents contact the Council;
- 50% of customer facing services will complete a process re-design and launch a new or improved digital service.

Whilst it is difficult to precisely predict the pattern and pace of change for digital services over the next three years, our prudent targets are based on the performance of comparable local government projects.

Table A - our targets

Channel (how residents contact the Council)	Current 2018 (%)	Target 2019 (%)	Target 2020 (%)	Target 2021 (%)
Phone	53	30	25	20
Website	16	55	65	70
Face to Face (incl. Waste bag collection)	21	15	10	10
e-mail	10	0	0	0

Call volumes suggest that our service focus should be in Housing, Waste, and Adult and Children's Social Care. They represent three quarters of all our telephone contact with residents.

In addition, the 'Home Page' and related service web pages will overtly promote on-line payments as the preferred option to ensure that residents can easily find and use this process. We urgently require a consistent process for on-line payments as currently only 6.4% of all transactions result in a payment. A more focussed local government website should see over 50% of its transactions leading to an on-line payment or a booking. This is caused by a lack of consistency in applying the current CapitaPay system, their visibility on the website, and where microsites or web pages have been designed without on-line payment functionality.

In driving up on-line payments we will try to increase the use of direct debits and automated payments through a webform. Whilst many payments are taken by credit card by telephone these still represent a costly manual process that should be minimised through the ability to easily 'click and pay'.

Table B - key statistics

Key Statistics	
Percentage of calls involving Housing, Waste, Adult Social Care	73%

Percentage of all transactions NOT available on-line	47%
Percentage of webforms that allow on-line payment	15%
Percentage of transactions resulting in a payment to the Council	6.4%
Percentage of webforms that integrate directly to back office systems (with no manual intervention)	2%
Percentage of webforms that do <u>NOT</u> provide confirmation of an order back to residents	74%

The web pages associated with Housing, Waste and Adult Social Care will be re-written in a consistent style, guiding residents through each transaction, facilitating payment and providing residents with an acknowledgement of their order or payment.

As can be seen from Table B, 74% of our webforms do not provide confirmation of the transaction. Acknowledgement of payment, or a booking, is basic website functionality that by itself will reduce calls from residents who are checking the status of their booking. It provides confidence to residents that their transaction has been acknowledged and that we have started the process of delivering the service.

Other on-line payments will be given prominence on the website. These will include such areas as Council Tax, Business Rates, Penalty Charge Notices, and Skip Licenses.

Given that we will be making significant changes to our website, and promoting and driving up on-line payments it is timely to consider which payment provider or intermediary will be our preferred supplier. CapitaPay are a market leader and our current provider. We will also be considering the newly available to GOV.UK Pay service, and other payment systems that provide associated booking functionality. Our options appraisal will consider vital features of each systems, such as:

- comparative operating cost
- cost of change
- functionality i.e. ability to pay refunds
- security
- branding
- IT technical compatibility
- ease of use for residents

The need to maintain our branding throughout the payment process is vital to the successful completion of an on-line transaction. This is often resisted by payment process suppliers who wish to promote their own brand. However, the largest proportion of abandoned payment transactions occur at the point of transfer from a council's website to a payment portal. It is at this point that the look, design, and branding change to that of the payment agent. This is often worrying to residents who are concerned that their transaction has been intercepted or hijacked. As a result, residents often abandon the process and make a phone call to the contact centre.

We will insist that our brand is consistently applied throughout the payment process, and that payments made are recorded in our new residents' account.

Financial Implications

The difference in costs for the various forms of access to the Council's services are profound; (see Table C). Web transactions are 9 times cheaper than phone calls, providing an obvious approach to generating savings.

Service delivery and payments on-line also avoids significant cost increases that may be driven by increased demand for a service. If, for example, a service uses phone contact, cheques or cash, the cost of processes increases directly with the volume of transactions. It is particularly important to avoid this when developing a new service where increased demand forms part of its justification, or where demand is uncertain.

Table C - Cost per Transaction by Channel

Channel	Estimated Cost per Interaction
Telephone	£3.07
Communication between front and back office (emails, calls for bookings, progress chasing etc.)	£5.39
Face to Face	£7.09
Online	£0.35

Implications on related Council policies

The programme directly supports the Council's digital strategy. It is also part of the 2019-21 MTFF savings and efficiency proposals.

The programme and its specific projects will complete both an Equalities Impact Assessment, and Data Protection Impact Assessment.

How this report benefits Hillingdon residents

An increasing number of our residents and families manage their lives, services and needs on-line. In developing our website for easy and secure on-line payments, we will be responding to this growing demand from residents and businesses in Hillingdon to provide a modern website, designed for use on a smart phone.

We will also respect the needs of those who wish to continue to talk to us by keeping open the phone channel, and provide support and guidance on how to use the on-line services at all opportunities. Our approach will be guided by our Equalities Impact Assessment.

Where residents start their service requests on-line we have the potential to transfer this request directly to the back offices with limited manual intervention. Currently the ability to manage such work through a clear and simple process varies across services. A highly functional website will lead the way to creating paperless, secure and consistent service and payment processes.

Legal Implications

The creation of a new personal account for Hillingdon residents will require a Data Protection Impact Assessment (DPIA). This will be completed by the Digital Transformation Programme Manager and signed off by the Head of Service and the Council's Statutory Data Protection Officer [DPO]. Any risks or issues contained in the assessment will be managed by the Programme Manager and will become requirements or constraints upon the new system.

Any on-line payment system will be compliant with the Payment Card Industry Data Security Standard.

BACKGROUND PAPERS

None.