



## **ADVANCED PUBLICATION OF REPORTS**

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members  
and operational key decision makers.

Once signed all decisions will be published on the Council's  
Publication of Decisions List.

1. **TRANSFORMATION RESTRUCTURE** (Pages 1 - 12)
  
2. **PAYMENTS PROGRAMME - COUNTER SERVICE / FACE TO FACE  
PAYMENT OPTIONS AND DIRECT AWARD OF CONTRACT TO  
PAYPOINT** (Pages 13 - 40)

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**MUNICIPAL YEAR 2017/2018 REPORT NO. 2019/20**

**Action taken under delegated authority**

**REPORT OF:**

Kari Manovitch, Director of Customer Experience & Change (Acting)

<b>Agenda – Part:1</b>	<b>Item:</b>
<b>Subject: Transformation Restructure</b>	
<b>Wards: All Wards</b>	
<b>Key Decision No: KD3258</b>	
<b>Cabinet Member consulted:</b>	

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**1. EXECUTIVE SUMMARY**

- 1.1 The restructure of the Council's Transformation Service is part of a Council wide restructuring of Services, to reduce posts wherever possible in order to deliver savings, as part of the Council's Medium-Term Financial Plan.
- 1.2 This report outlines the new Transformation Service structure and associated staffing costs for this structure, as per the structure in Appendix A. There is also a summary of the benefits identified for each in-flight Programme, attached in Appendix B.
- 1.3 The new Service structure, provides the expertise and capacity to enable Transformation to complete its existing Programmes and Projects, and subsequently deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.
- 1.4 The structure which includes moving staff from Fixed Term to Permanent contracts, was approved by EMT on the 23/04/19.

**2. RECOMMENDATIONS**

- 2.1 To approve a total budget of £1.644m for Transformation staffing salary costs for the new structure, This consists of the following funding sources: £0.713m recharges to capital projects, £0.375m recharged to the HRA, £0.191m revenue budget and £0.368m Flexible Use of Capital Receipts. It should be noted however, that the HRA Transformation staffing salary costs presented within this DAR have already been approved as part of the Better Council Homes Workplan Cabinet Report, on the 13<sup>th</sup> February 2019.
- 2.2 To approve moving Transformation staff from Fixed Term to Permanent contracts. This budget will be required to increase annually as per annual staff salary uplift and staffing increment increases.

### **3. BACKGROUND**

- 3.1 For a number of years, the Council has invested in a centralised Business Transformation Service with a portfolio of Programmes which has supported change across the Council.
- 3.2 A department restructure at the end of 2016 saw the closure of Enfield 2017 and the creation of the Transformation Service. At this point, the majority of staff in the department were appointed to roles on a Fixed Term contracts basis, with the assumption that these posts would be funded through the ICT Capital Programmes budget, which Cabinet approved to fund IT Capital Programmes and Projects.
- 3.3 Whilst the assumption was that Transformation posts would be funded through the ICT Capital Programmes budget, it was not possible to fund all posts in this way, as some of the Programmes / Projects did not include the delivery of IT.
- 3.4 The Transformation Service manages a diverse Portfolio of Programmes, current and pipeline are outlined below, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and other resources, as required for each individual project:

#### **Programmes / Projects currently in-flight**

- Better Council Homes Programme
  - Service improvements (Includes Contact Centre improvements and Insourcing of Council Repairs Service)
  - Design / Delivery of new 'Target Operating Model'
  - Civica Housing System (Various aspects which includes Workflow 360 EDRMS, Hope Integration Project, Repairs Diagnostic Tool – (There are IT Project resources to deliver technological aspects)
- Build the Change Programme
  - Intranet Project
  - Collaboration (Sharepoint)
  - New Device roll out
  - Asset Management System replacement
  - Flexible Working Project
  - Operational Buildings Review
  - Property Strategy and Development Project
- Payments Programme
  - Payments Methods and Modes – Direct Debit Upfront, Paperless DD, E-billing, Messaging, Counter Service offering, VAT reconciliation
  - Capita Aim - Replacement of Autopay Kiosks and Replacement of Worldpay with Capita SCP

- Commercial Microsite
- Customer Experience Programme
  - Customer Journey Project – Recruitment and onboarding
  - Customer Journey Project – Planning Applications
  - Learning & Development, Workforce and Culture Change
  - Digital Access Centres
  - Customer Insight and Performance Monitoring
  - Digital offer:
    - Telephony contract re-procurement
    - Enterprise telephony project
    - Website and Enfield Connected software upgrades (Evolve)
    - Bartec Integration for the waste service and its customers
    - Digital customer platform & CRM
- Children's Services (including Schools) Transformation Programme
  - LiquidLogic – Children's Portal
  - LiquidLogic – Delegation Portal
  - LiquidLogic – Finance Integration Project (ContrOCC implementation)
  - SEN Finance Service Improvements – Synergy implementation
  - Educational and Health Care Plans Needs Assessment Process Improvements (Synergy implementation)
  - Educational Psychologists / Health and Emotional Well Being Team Service Improvements (Synergy implementation)
  - Children's Centre Improvements – Synergy implementation
- Health and Adult Social Care Transformation Programme
  - New Case Management System - Eclipse implementation
  - Customer Portal (My Life)
  - Safeguarding Eclipse Development
  - Adult Social Care Localities

### **3.6 Projects/ Programmes in the pipeline for 2019 and beyond**

Additionally, Transformation resources will be required to deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.

### **3.7 Benefits of a centralised Transformation Service Team**

The benefits of a centralised Transformation Service are summarised below:

- Enables the delivery of major Transformation Programmes led by the vision and the strategy of the Directors leading them. This includes the delivery of new operating models, structures, processes, and culture, driven by user needs and enabled by technology

- Provides a hub which is a centre of excellence for innovation, which helps Directors develop new transformation strategies to meet the challenges of increased demand and reduced funding
- Staff are qualified experts in Programme and Project Management, and Practitioners' of change who successfully lead and manage change
- Provide a robust approach to benefits mapping, profiling, measurement and realisation
- Encourages the cross-fertilisation of ideas, knowledge and skills
- Offers good value to the organisation because of the economies of scale

### **3.8 Funding the Transformation Service**

There has been no increase to the Service's revenue budget in this restructure. Future transformation Programmes / Projects will seek full funding approval through business cases and DARs and include the full cost of the Programme / Project.

The total annual staffing cost of the new service structure is £1.644m. This will be funded from the following sources in the short term:

- £0.191m Revenue Budget
- £0.713m recharges to Capital Projects
- £0.375m recharges to the Housing Revenue Account (HRA)
- £0.368m Flexible Use of Capital Receipts

The amount of capital receipts required may fluctuate depending on the availability of other revenue sources e.g. specific grants, and the figure stated above is the maximum required to fund the new structure's staffing costs.

### **3.9 Summary of Transformation Service restructure timelines**

The service restructure proposal including indicative salary costs, and moving staff from Fixed Term to Permanent contracts, was approved by EMT on the 23/04/19. A staff consultation process ran from 23/05/19 – 22/06/19, preceded by consultation with the Trade Unions. The intention is to assimilate staff to roles and commence recruitment in August 2019.

Whilst posts are being deleted, due to a high number of vacancies there are still more posts than employees, so no redundancies are expected.

## **1. ALTERNATIVE OPTIONS CONSIDERED**

### **Do Nothing**

4.1 This is not a viable option, for the following reasons:

- The council needs to conclude its large portfolio of Transformation projects but staff contracts were too short to enable this
- Fixed term contracts have created a 50% staff turnover within the Service, which in turn has led to a high number of vacancies, challenges with recruitment, and reliance on costly interims, increasing the running costs of the service
- The council will not be able to redesign its services and introduce significant changes to meet new demands, achieve efficiencies and reduce costs, without dedicated capacity to do this.

## **5. REASONS FOR RECOMMENDATIONS**

5.1 The new Service structure outlined, provides the expertise and capacity to enable Transformation to complete its existing Programmes and Projects, and subsequently deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.

5.2 Moving staff from Fixed Term to Permanent Contracts will help attract and retain staff, reducing reliance on expensive interims.

5.3 The total annual staff cost for Transformation in 2018/19 was £1,736,000. The annual costs for the new staff structure for 2019 /20 are £1,644,400.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

The total cost and funding sources for this staffing structure are detailed in section 3.8 of the report. This represents a reduction in overall cost of the structure from 2018/19 however this will not result in budget savings.

It should be noted that £0.368m from the flexible use of capital receipts is required to fund the proposed staffing structure. This is in addition to the items that were agreed to be funded from capital receipts in the Council Budget Report 2019/20. Therefore, this decision will need to be agreed at Council, where the schedule of projects supported will be required to ensure full compliance with the government's requirements. It will also depend on the amount of capital receipts that can be generated in any financial year but this is currently forecast to be sufficient for 2019/20.

The Council's Strategy is to reduce the reliance on capital receipts to fund transformational activity and therefore this is only proposed to be a short-term solution and this approach is in line with the Council Strategic Asset Management Plan. The long-term funding will need to be addressed through the budget setting process for 2020/21 onwards as part of the Council's Medium-Term Financial Strategy.

However, the £0.368m is the maximum required because where services are delivering transformation and change that attracts specific government funding, this funding will be used.

The amount generated through capital recharges will be dependent on the requirements of each capital project and the availability of capital funding and therefore will need to be reviewed on an annual basis.

There are potentially redundancy implications related to the restructure, but opportunities created within the restructure will mitigate this risk and as stated in paragraph 3.9 no redundancies are currently expected.

## **6.2 Legal Implications**

The restructure has been carried out in accordance with employment law, steered by HR advisors.

## **6.3 Property Implications**

None

## **6.4 Procurement Implications**

None

## **6.5 ICT Implications**

None

## **7.0 KEY RISKS**

Recruitment – that we are unable to attract appropriate candidates to vacancies. We will seek to address this through working with HR to sell the benefits of working for Enfield Council in an exciting service area.

## **8 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **8.1 Good homes in well-connected neighbourhoods**

The Transformation service supports this objective through managing the Better Homes Programme on behalf of the Director of Housing.

### **8.2 Sustain strong and healthy communities**

The Transformation service supports this objective through managing the Programmes on behalf of the Director of Housing, Director of Children & Families, the Director of Education and the Director of Adult Social Care and Health.

### **8.3 Build our local economy to create a thriving place**

The Transformation service supports this objective through managing the Build the Change Programme on behalf of the Director of Property & Economy.



## **9 EQUALITIES IMPACT IMPLICATIONS**

Whilst posts are being deleted, due to a high number of vacancies there are still more posts than employees, so no redundancies are expected.

## **10 PERFORMANCE AND DATA IMPLICATIONS**

N/A

## **11 HEALTH AND SAFETY IMPLICATIONS**

N/A

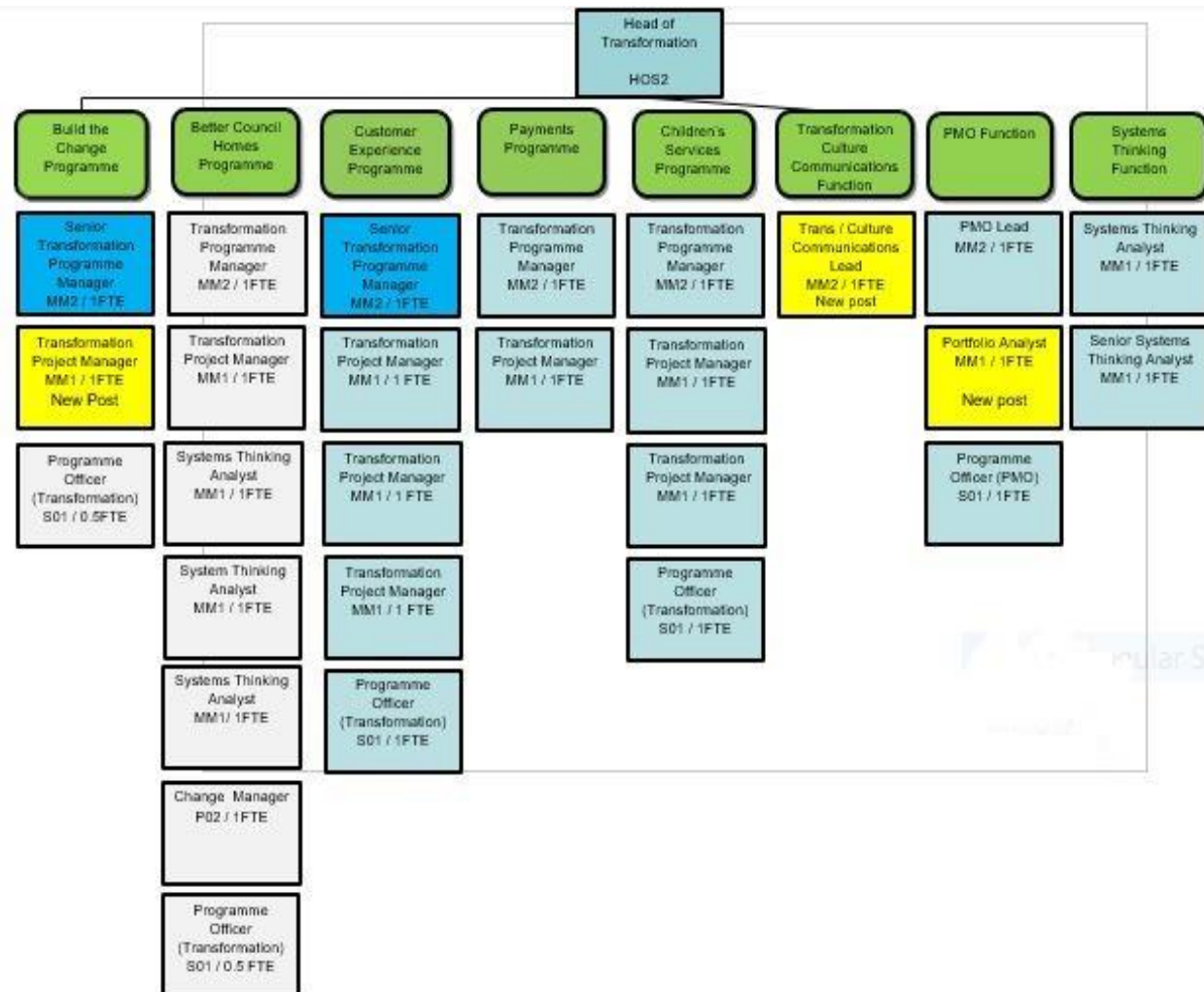
## **12 PUBLIC HEALTH IMPLICATIONS**

N/A

### **Background Papers**

Please refer to Appendices A and B

## Appendix A



## Appendix B

Programme	Financial Benefits	Non-Financial Benefits
<b>Payments Programme</b>	<ul style="list-style-type: none"> <li>Payment Methods &amp; Modes - £400k (£200k in 19/20 and 20/21 respectively).</li> <li>Please nb: a savings of £176k has already been delivered through the Capita AIM Project. These savings were enabled through a reduction of manual processing, and were delivered as part 2016 Exchequer Hub restructure.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce demand on Council through channel shift, which includes reducing FTE effort to take and process payments, and reduction of cash / cheque payments</li> <li>Increase in the number of payments being made by Direct Debit</li> <li>Improved customer experience</li> <li>Elimination of ICT resource to remediate Interface Post Office issues</li> <li>Payment Card Industry Compliance - ensuring regulatory /statutory compliance and avoiding the risks and costs of non – compliance</li> <li>Increase in Payments being made prior to service delivery: "Pay Up Front"</li> </ul>
<b>Health and Adult Social Care Transformation Programme (Eclipse, MyLife Portal, Adult Social Care Localities Project)</b>	<ul style="list-style-type: none"> <li>It is expected that the programme will contribute to the savings targets for Adults Social Care in the Medium-Term Financial Plan of £250k</li> </ul>	<ul style="list-style-type: none"> <li>More efficient and effective services by streamlining processes and making more effective use of supporting IT systems resulting in improved productivity.</li> <li>More empowered ASC staff and increased staff satisfaction</li> <li>Improved response to demand and demographic pressures</li> <li>Improved communication and information sharing across the care pathway</li> <li>More accurate performance reporting</li> <li>Improved customer and staff experience when interacting with Health and Adult Social Care and other council services</li> </ul>
<b>Children's Services Transformation Programme</b>	<ul style="list-style-type: none"> <li>Early Years (3-4) Service Improvements - Synergy Implementation - Cost avoidance of £52k per annum, without these changes, in order to manage the increase in demand, staff headcount would have needed to increase by an additional 1.57 FTE. Additionally, reduction of 1FTE Brokerage Manager position</li> </ul>	<ul style="list-style-type: none"> <li>Streamlining, automating and improving business processes thereby improving staff efficiency and effectiveness</li> <li>Streamlining, automating and improving customer and supplier facing processes and experiences</li> <li>'Single view of the child' - improve quality and efficiency of information sharing, enabling collaborative working between partners, parents / carers and providers, leading to improved outcomes for children and</li> </ul>

	<ul style="list-style-type: none"> <li>• Children's and Delegation Portal – Reduction of 1FTE Admin position from Pathway – post removed / saving already made</li> <li>• Eliminate paper records and therefore reduction in cost of off-site storage in future</li> <li>• Implementation of Provider Portal – payments administration to be managed via a portal, therefore reduction of payments administration costs, which includes no longer scanning Children's Services Provider invoices by Restore Scan.</li> <li>• Reduction in printing, photocopying and postage costs as a result of new streamlined and automated processes EHCP process.</li> <li>• Decommission - MoMo IT system – Saving of £6.9K per annum from April 2020</li> <li>• LiquidLogic – Finance Integration – reduction of admin for Social Workers, which will increase each Social Worker's capacity by 10% (Equivalent of 5TEs across all Social Workers)</li> </ul>	<p>their families</p> <ul style="list-style-type: none"> <li>• Ensure that the right data / information is available to people at the right time</li> <li>• Easier and quicker to collate information and respond to statutory timeframes</li> <li>• Deliver accurate and timely data for financial reporting, which will enable effective budget scrutiny and management, and support the commissioning of services</li> <li>• Manage demand for services</li> <li>• Reduce service delivery costs</li> <li>• Systems being developed / implemented are fully compatible with the Council's digital platform and allows application and infrastructure integration, making it easier to share information between systems, providing a single view of the child</li> </ul>
<b>Better Council Homes Programme (Civica Housing System, Insourcing of Repairs, Development of New Target Operating Model)</b>	<ul style="list-style-type: none"> <li>• Decommission Northgate Housing System annual licences costs of circa 90k.</li> </ul>	<ul style="list-style-type: none"> <li>• Streamlining, automating and improving business processes thereby improving staff efficiency and effectiveness.</li> <li>• Enabled workforce – staff have the systems / tools / training to do their job effectively</li> <li>• Measured reduction in contact demand</li> <li>• Measured reduction in failure demand – right first time</li> <li>• A more positive customer experience. Fewer complaints from customers</li> <li>• Improved customer experience</li> <li>• Measured increase in customer satisfaction</li> <li>• Improved collaborative working with other teams and partners</li> </ul>

		<ul style="list-style-type: none"> <li>Support the local community and local supply chain</li> <li>Improve the condition of Council properties</li> </ul>
<b>Build the Change (Device Roll Out, Sharepoint, Intranet, Asset Management Systems Replacement, New Ways of Working / Cultural Project, Capital Buildings Programme including Hubs implementation)</b>	<ul style="list-style-type: none"> <li>Reduce the number of buildings that Council operates from and thereby reduce cost.</li> <li>Opportunity to create income by selling and / or leasing LBE owned assets</li> <li>Decommission R Drive and associated data storage costs by implementing Sharepoint</li> <li>Decommission old intranet and support costs</li> <li>Reducing paper records, and any costs associated with storing of paper files / records</li> </ul>	<ul style="list-style-type: none"> <li>Staff productivity - employees are enabled to be more efficient and effective, because they have the appropriate equipment, and new ways of working best practice is imbedded.</li> <li>Quicker, more accurate Internet and Intranet content, increasing productivity and reducing query generation</li> <li>Quicker, more accurate search results on Intranet and file sites</li> <li>Saved user time in locating and working on single, up-to-date, cloud-hosted documents</li> <li>Better information management practices enabling faster retrieval of information by staff</li> <li>Enable collaborative working internally and with external partners</li> <li>Increased staff satisfaction due to a better working environment.</li> <li>Council is an attractive place to work recruiting high quality staff, with improved staff retention</li> <li>Creation of Community Hubs - deliver conveniently located multi-purpose hubs in town centres, offering single access points for service provision (including partners), delivery of community activities and events, creating community office space. These Hubs will grow and improve Enfield's Town Centres, making Enfield a great place to work and live.</li> </ul>
<b>Customer Experience Programme</b>	<p>Staff savings will be achievable from customers using self-service channels such as the website, automated telephone and kiosks</p> <p>Staff savings will be achievable from making processes more efficient, reducing customers having to chase or complain, getting things right first time</p>	<ul style="list-style-type: none"> <li>Fewer customers requesting staff support via all communication channels (face to face, phone, email support).</li> <li>Less failure demand</li> <li>A more positive customer experience. Fewer complaints from internal &amp; external customers</li> <li>Staff are more empowered when talking to Customers</li> <li>More efficient and effective Service processes</li> </ul>

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**MUNICIPAL YEAR 2019/2020 REPORT NO. 2019/20****MEETING TITLE AND DATE:****REPORT OF:**

Executive Director of Resources

**Agenda – Part: 1****Item:**

**Subject: Payments Programme – Counter Service / face to face payment options and Direct Award of Contract to PayPoint**  
**Wards: All wards**  
**Key Decision No: KD4956**

**Cabinet Member consulted: Cllr Maguire**

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**1. EXECUTIVE SUMMARY**

- 1.1 To provide customers with a cost effective, customer friendly, convenient and trusted 'face to face' payment facility.
- 1.2 Following the Councils Procurement Rules agree to the direct award of a contract to PayPoint under the terms of the PFH Framework

**2. RECOMMENDATIONS**

- 2.1 This report recommends the direct award of the, over the counter bill payment service and the cash out service to PayPoint, under the terms of the PFH Framework.
- 2.2 The closing of the Council's current cashiers counter and decommissioning of the 3 auto pay kiosks located at the Civic Centre and Edmonton Centre.
- 2.3 To agree all associated costs in relation to the implementation of the PayPoint counter service and cash out service as set out in this document and detailed in Part 2 report.
- 2.4 To agree ICT resource costs to complete Phase 1 Capita AIM infrastructure work as set out in Part 2 report.

### 3. BACKGROUND

3.1 The Payments Programme was set up to review the way customers pay the Council, uncover the associated costs of each payment option and consider the implementation of more cost effective and customer friendly payment alternatives.

3.2 The following payment principles were agreed in terms of future customer payment options:

- Positive customer experience
- Cost effectiveness
- Optimisation of income collection
- Compliance

The following design principles were also agreed:

- Payment up front
- Right first time
- Consistency and standardised payment methods
- Making it easier to pay in line with customer needs
- Streamlining payment processes
- Maximising automation
- Segmenting, targeting and understanding our customers and their payment preferences

3.3 In order to achieve the payment principles, Phase 1 of the Payments Programme focused not only on Payment Card Industry compliance but on the payment infrastructure which provides the platform to deliver tangible savings and service improvements in relation to the payments process and subsequent 'Phase 2' activity.

3.4 Phase 2 activity included the review of payment options offered to customers and identifying the cost in providing those options. Work also took place to identify services that were delivered to customers before payment was received as well as uncovering opportunities to utilise modern technology, replacing antiquated expensive paper-based processes.

#### 3.5 Current Payment Options

3.5.1 There are currently numerous different ways to make a payment to the Council. Payment options and the services that can be paid for using these options are documented in **Appendix 2(a)** attached to the Part 2 Report. The table shows inconsistency across services which leads to customer confusion.

3.5.2 **Appendix 2(a)** also shows that the Civic Centre cashiers counter Service is the only location where customers can make a 'face to face' payment using their preferred payment method as it accepts cash and cards.



3.5.3 The Cashiers 'face to face' payment option is the most expensive and is not convenient for customers as it is based at one single location in the borough and opening times are restricted to 10am to 2pm, working days only.

3.5.4 Refer to Part 2 Report for additional information under this section.

**Appendix 2(a)** also shows that customers can currently make payments at Post Offices and Pay Zones however these are restricted to only accepting housing rent payments. **Appendix 2(b)** attached to the Part 2 Report shows the location of Post Offices and Pay Zones across the Borough. Whilst consideration was given to closing these payment channels, customers will not be prevented from paying their bills using these sites in the short term. The Council will however monitor the use of this channel.

3.5.5 Customers can also make payments at auto pay kiosks however these are only located at two places in the Borough; Edmonton and the Civic Centre. The kiosks are only able to accept payment for certain services and the kiosk located at Edmonton Centre does not accept cash. The kiosks can be unreliable and require support should they breakdown. **Appendix 2(b)** shows the location of the kiosks in the Borough.

3.5.6 Refer to Part 2 report for additional information under this section.

The cost of each payment option per transaction is shown in **Appendix 2(c)** attached to the Part 2 report.

3.5.7 **Appendix 2(d)** attached to the Part 2 report shows that the customers preferred payment option is DD with 54.67% of all payment transactions being received via this payment method between the period April 2018 – March 2019. **Appendix 2(d)** also clearly shows during this period that customers prefer to use electronic payment methods, as 84.6% of all payment transactions were received via web based or electronic payment methods.

3.5.8 Refer to Part 2 report for additional information under this section.

**Appendix 2(d)** does however show that some of our customers prefer to use 'face to face' payment options. 8.88% of all payment transactions are taken at the Civic Centre cashiers counter, Post Offices or via Pay Zones across the borough.

3.5.9 In order to understand how and why our customers choose their preferred payment method, the Council conducted a 6-week customer consultation. The consultation of 317 random customers uncovered that:

- 1 in 5 like to use cash

- 36% would not consider paying their bills on line
- 25% would not be willing to set up a DD to pay the Council
- 65% would not like to pay their bills in a Post Office

Various reasons, for the responses above where given: 'don't trust computers', 'not confident online', 'long queues at the Post Office', 'Do not trust the Council to take the right amount', 'don't always have enough money in the bank'.

3.5.10 Whilst it is an achievement that 84.6% of the Council's payments are received via cost effective electronic payment methods, it cannot be overlooked that 4% (over 58,000 per annum) of payments received are via significantly more expensive and customer restrictive methods such as the cashiers counter (card & cash) & auto pay kiosk (cash payments)

3.5.11 Refer to Part 2 report for additional information under this section.

There thus remains a customer demand to provide a 'face to face' service where customers can pay either by cash or card. Cash handling, maintaining auto pay kiosks and staffing the cashiers counter is expensive, as shown in Appendix (c) and not without risk.

### **3.6 PayPoint**

3.6.1 PayPoint is a cost effective, customer friendly, convenient and trusted 'face to face' payment option. This report recommends that the Council closes the current cashiers counter and decommissions the 3 auto pay kiosks replacing these expensive and restrictive payment options with PayPoint.

3.6.2 PayPoint have over 29,000 outlets throughout the UK which is more branches than banks, supermarkets and post offices put together. In urban areas, 99.3% of the UK population live within one mile of a PayPoint retailer.

3.6.3 There are 115 PayPoint locations in the borough – **Appendix 2(e)** attached to the Part 2 report shows where these are located. PayPoint outlets range from small news agents and corner shops to Tesco and the Co-op.

3.6.4 Many of the boroughs residents already use PayPoint outlets to make regular bill payments; energy, water, phones, TV licence etc and to collect and send parcels. Over £2m per month is already collected by PayPoint from Enfield residents.

3.6.5 For payment via PayPoint, a customer presents their barcoded bill or payment card to the retailer whom scans the barcode in a similar way to our customers paying their Housing Rents using the Post Office and

Pay Zone. The customer is issued with a receipt. The maximum that can be paid for in one transaction is £300 (cash or card). It is to the discretion of the retailer if multiple transactions can be taken to pay for a bill larger than this amount. 92% of transactions made by our customers at the cashier's counter or at a kiosk was for less than £300.

PayPoint polls the terminals overnight and will issue the Council with a transaction file the following day, listing the transactions made. PayPoint then debits the retailer and settles the money to the Council's bank account either 4 or 7 days after the transaction, depending on the Council's preferred settlement period.

- 3.6.6 Some preparation work is underway to analyse the types of payments taken at the cashier counter. This is so we capture all letters and documentation that is sent to customers and ensure there is consistency around what payments options are provided to them, including a small percentage of services where payment at a PayPoint will not be possible.
- 3.6.7 The Cashiers team will continue to accept and process cheques via the post and cheques received from internal departments.
- 3.6.8 PayPoint also provides facilities to pay cash out to our service users via a paper voucher, email or SMS to a client's mobile (cash out service) This is currently done in the Council via a pre-paid card which is much more expensive. Using PayPoint will also benefit those in a crisis or in an emergency, as cash can be provided instantly and cheaply.
- 3.6.9 The Council does not wish to move customers from the cheapest electronic payment methods like DD and bank to bank payments to more expensive 'face to face' options. Communication of the new PayPoint service will be targeted to those customers who current pay their bills at the Civic Centre or via an auto pay kiosk. A detailed communications plan will be created and will include informing those residents of their nearest PayPoint location.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Continue to offer a cashier's counter service and autopay kiosks located at the Civic Centre and an autopay kiosk at Edmonton Green Library. These payment options are extremely expensive compared to PayPoint. PayPoint provides our customers with flexibility, convenience and choice. Residents can pay their bills up to 24 hours a day, in many cases using their preferred payment method (cash or card) at 115 locations in the Borough and 29,000 locations across the UK. If the Council continues to offer the current services, savings will not be achieved, and residents will not be provided with a better service.

- 4.2 The CCS GCloud10 framework and PFH framework has uncovered 2 other companies who provide a payment service: Capita and Allpay. Both companies allow customers to make payments via PayPoint outlets however costs per transaction are higher than those charged directly by PayPoint.

## 5. REASONS FOR RECOMMENDATIONS

### 5.1 Supporting small businesses in Enfield

The use of PayPoint will increase footfall in town centres and in small & local retailers as customers will use these outlets across the borough to pay their bills. This also supports one of the main Council priorities - Build our local economy to create a thriving place.

### 5.2 Convenient for our customers

There are 115 PayPoint outlets located across the entire borough. Many are open 7 days a week 6am – 11pm and some for 24 hours. Residents can make payments at their convenience without being restricted to business hours. Many of our residents already use PayPoint to pay their TV licence and energy bills. They know and trust the retailer. Extending the use of PayPoint to pay for council related bills like Council Tax will be even more convenient for our residents.

### 5.3 Various payment options.

Customers can pay by cash at all 115 PayPoint outlets. Currently cash is only accepted at the Civic Centre. It is at the discretion of the PayPoint retailer whether they can also accept card. A sample of 50 of these retailers showed that 52% of these currently also accept payment by card.

### 5.4 Efficient payment processing.

PayPoint accept barcoded bills and payment cards, so payments made will be accurately recorded and posted to accounts.

### 5.5 Supporting our residents.

**Appendix 2(e)** shows the location of PayPoint outlets in the borough. **Appendix 2(f)** attached to the Part 2 report shows areas of deprivation. These maps show that there is a greater number of PayPoint locations in the most deprived parts of Enfield. Having greater payment locations within this eastern corridor of the borough supports further those residents that do not have a regular income to pay via a local outlet instead of having to travel into the Civic Centre to pay if they cannot use electronic payment channels.

- 5.5.1 Analysis carried out by the Local Government Association indicates that Edmonton Green is the most deprived of the 21 wards in Enfield. In addition, it is within the 10% most deprived wards in both London and

England. Upper Edmonton is the 2<sup>nd</sup> most deprived. Edmonton has the lowest average (median) household income in Enfield. The proportion of households with an income of less than £15,000 was put at 36.3% (Edmonton Green) 28.5% (Upper Edmonton) compared to a Borough average of 19.5%. In August 2016 the number of people living in Edmonton Green claiming the key out of work benefits was 21.5% of the estimated working age population. This compared to a Borough average of 12.8%.

- 5.5.2 It could be argued that without convenient payment locations and methods of payment, income is more challenging to collect from these residents and service users.
- 5.5.3 The Council must ensure that it maximises income and thus must provide cost effective payment options that reflect the demand of its customers. It must however ensure that support is provided to customers living in areas of deprivation.
- 5.6 Refer to Part 2 report for additional information under this section.

#### **Payments Out.**

PayPoint provides the facility to make payments to clients (cash out). The Council can access an on-line externally hosted portal and generate vouchers which can be issued or sent via an email or text messages to customers which they can redeem for cash in any PayPoint outlet in the UK. Benefit, crisis and emergency welfare payments can be issued to customers instantly using this method.

- 5.7 **Compliance and free from risk.**  
PayPoints are fully PCI complaint and insured.
- 5.8 Refer to Part 2 report for additional information under this section.

#### **Savings to customers and the Council.**

**Appendix 2(g)** attached to the Part 2 report compares the current transaction fees payable by the Council with those payable when customers make a cash or card payment at a PayPoint outlet.

- 5.9 **Further savings.**  
Further saving as identified in the Financial implications will also be achieved as a direct result of the Council closing the cashiers counter service. 2 posts will be deleted however there will be no redundancy risks to staff as these posts are currently vacant and filled by agency staff.
- 5.10 As the Council will no longer be responsible for cash handling at the Civic Centre, the cash handling fees will be reduced as well as a maintenance fee to support the auto pay kiosks.

- 5.11 By using PayPoints Cash Out service, this will reduce the cost of providing this facility to our customers as identified under the Financial Implications section in Part 2 report.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

See Part 2 report

### **6.2 Legal Implications**

- 6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The matters outlined in this report are incidental to the functions of the Council's departments and are intended to help ensure an effective service.
- 6.2.2 The Council also has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.
- 6.2.3 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to procure services from an existing legally compliant framework as long as the framework terms permit such and the framework is accessible by the Council.
- 6.2.4 The Council's Corporate Procurement Service should conduct due diligence on the use of the Framework and must be satisfied the Council may procure these services in accordance with the Framework Agreement. The Call Off is to be by Direct Award and must be undertaken strictly in accordance with the terms of the Framework
- 6.2.5 The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

Legal Implications provided by Lynn Shepherd on 9<sup>th</sup> July 2019 based on a Report circulated on 5<sup>th</sup> July 2019

### 6.3 Procurement Implications

- 6.3.1 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.3.2 The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
- 6.3.3 All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements. Or where procurement did not take place in the LTP, all documentation provided to the P&C Hub to create a contract register.
- 6.3.4 Two frameworks; PFH and G-Cloud have been identified as frameworks that deliver the business requirements. Three contractors are on G-Cloud; which includes PayPoint. The remaining suppliers are service providers of IT systems and do not meet requirements.
- 6.3.5 PayPoint costs were evaluated against the other suppliers and other framework to demonstrate VFM, and provide the largest coverage for ease of use for customers.
- 6.3.6 The P&C Hub will support the service to select the relevant framework, and carryout the procurement in line with the framework rules. Either will be a direct award as both frameworks allow for this.
- 6.3.7 The project and contract register reference is: **DN411723**. As this is a call off from a framework it is vital that the service provide all contracts and final copies of DAR's to the P&C hub to complete the contract registration.

*Implications provided by C E Reilly 02/07/19*

### 6.4 ICT IMPLICATIONS

- 6.4.1 Review of all systems that will receive income from PayPoints instead of Cashiers for the following:
  - a. Existing Configuration for Cashiers will work without change for PayPoint
  - b. Amendment of any output to public including data files to reflect PayPoints

- c. Amendment of any print templates to reflect PayPoints and remove cashiers
- 6.4.2 Review of existing interfaces into Cash Receipting and process to receive external files
  - a. Creation of new interface to receive PayPoint files
  - b. Testing that existing interfaces from cash receipting into receiving systems still function after pay points
- 6.4.3 Requirement to output PayPoint compatible 'bar codes' from each system paying at PayPoints
  - a. To check with each supplier if there is a compatible configuration
  - b. If not, to identify product or tool to convert data
  - c. Amend output files to include requirement
  - d. Amend Printing to include
- 6.4.4 Review of IPO to ensure still functions for PayPoints
- 6.4.5 Update of all documentation and service catalogue to incorporate new pay types
- 6.4.6 Decommission Kiosks and Support Contract (Currently Banking Automation but soon to be Cammax).

## 7. KEY RISKS

- 7.1 **Letters still signposting customers to pay via Cashier Counter/Kiosk on closure:** There is a risk that on closure of the cashier counter and auto pay kiosks, a payment letter/ notice is issued to a customer that still show these channels as available payment options and will lead to a bad customer experience and potentially a complaint. **Mitigation:** There is some analysis underway for miscellaneous payments taken at the cashier's counter to identify those letters that signpost customers to pay at the cashier counter and auto pay kiosk so that the appropriate changes are made prior to their closure.
- 7.2 **Communication:** We fail to inform our customers and all relevant stakeholders of the changes and we do not have the support and signposting required to assist our customers with queries which could lead to complaints and ability to accept payments. **Mitigation:** A communication plan is being created and will be signed off. It will set out the objectives and identify all stakeholders that require communication, along with stakeholder interest in the project and key messages being delivered. Councillor endorsement has already been received for this proposal.



7.3 **Timescales:** We fail to incorporate changes to billing information in time for when they are prepared and issued in December'19 to our customers (i.e. main Council Tax bills etc) using the Cashiers office and Autopay kiosks informing them of the changes to how payment can be made and detailing their nearest PayPoint location. **Mitigation:** PayPoint have advised they can help support wording on these letters by identifying customers nearest locations to include this information in their billing letter. There is enough time to complete this work and communication is going out early to these services and printing suppliers to ensure they are aware of these changes.

7.4 **Project delays:** An element of delivery of this project is dependent on ICT resource. If appropriate ICT resource is not assigned to this project, this may delay delivery and fail to meet predicted time scales. **Mitigation:** All ICT elements will be factored into a resource plan, so they are resourced appropriately at the outset. These costs are included in the funding being sought.

## 8. **IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### 8.1 **Good homes in well-connected neighbourhoods**

N/A

### 8.2 **Sustain strong and healthy communities**

N/A

### 8.3 **Build our local economy to create a thriving place**

The introduction of PayPoint outlets across the Borough will support small businesses in Enfield, increasing footfall in town centres and in small & local retailers.

## 9. **EQUALITIES IMPACT IMPLICATIONS**

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.

The Council aims to serve the whole borough fairly, tackle inequality and protect vulnerable people. The Council will promote equality of access and opportunity for those in our communities from the protected characteristic groups or those disadvantage through socio-economic

conditions.

A Predictive EQIA has been undertaken on the proposals and it has highlighted no negative impact on residents from the protected characteristic groups. The Payments Programme will run Parallel with existing channels and ensure a phased closure of cashier's counter and kiosks to ensure maximum signposting, communication and support is offered to residents and customers.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

The impact of this change will continue to be assessed by monitoring the transactions and volumes of payments that go through the PayPoints. We will be in a position to assess how this impacts different demographics and the take up between different wards within the borough.

## **11. HEALTH AND SAFETY IMPLICATIONS**

N/A

## **12. HR IMPLICATIONS**

The implication of closing the face to face counter payment service is the deletion of two currently posts within the Payment & Revenue service.

There are no employees at risk and, therefore, no associated redundancy costs as both these posts are currently filled by agency workers.

Existing job descriptions should be reviewed to ensure that they reflect that we will no longer be offering a face to face service and incorporate any changes to the task and accountabilities of the team as result of this.

I would advise consultation with the unions as this is a change to the service offered by the LBE Exchequer service.

## **13. PUBLIC HEALTH IMPLICATIONS**

N/A

## **14. Background Papers**

N/A

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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