

AGENDA MANAGEMENT SHEET

Report Title: Customer Service Centre Direct Debit Digitisation Program

Name of Committee: Cabinet

Date of Meeting: 1 July 2024

Report Director: Chief Officer – Digital & Communications

Portfolio: Growth & Investment, Digital & Communications

Ward Relevance: None

Prior Consultation: None

Contact Officer: Dr. Thomas David Griffiths
Chief Officer – Digital & Communications
Thomas.Griffiths@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):
 Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)
 Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)
 Residents live healthy, independent lives, with the most vulnerable protected. (HC)
 Rugby Borough Council is a responsible, effective and efficient organisation. (O)
[Corporate Strategy 2021-2024](#)
 This report does not specifically relate to any Council priorities but

Summary: The purpose of this report is to provide a summary of the historic and current challenges facing the Customer Service Centre, specifically the manual handling of Direct Debits - presenting an assessment of options and a recommendation to mitigate a further decline in performance – whilst

safeguarding vulnerable residents who rely on the service.

Financial Implications:

The financial requirements of this project include a £97,500 capital investment, a one-off revenue contribution of £30,000 for the communications around the offer plus an ongoing annual maintenance cost of £17,000. The honorarium will be funded from existing budgets.

Full revenue implications are outlined in Section 4 of this report.

Risk Management/Health and Safety Implications:

There are no risk management implications arising directly from this report.

Environmental Implications:

There are no environmental implications arising directly from this report.

Legal Implications:

There are no legal implications arising directly from this report.

Equality and Diversity:

The equality and diversity implications have been assessed and no adverse impacts have arisen directly from this report. See Appendix A.

Options:

Option 1: Approval of a capital budget and increase of establishment headcount to recruit additional Customer Service Agents.

Option 2: Approval of the capital budget for the Customer Service Centre Direct Debit Digitisation.

Recommendation:

- 1) A supplementary revenue budget of £30,000 for the marketing campaign as set out in Section 3 of this report be approved;
- 2) A maintenance budget of £17,000 be established within the general fund from 2025/26 be approved;
- 3) An extension to the existing honorarium of £2,002 for the Interim Contact Centre Manager position, detailed in Section 7 be approved; and
- 4) Delegated authority be granted to the Chief Officer for Digital and Communications to implement the scheme as detailed within this report and authorise any necessary

expenditure as detailed in Section 3 of this report.

IT BE RECOMMENDED TO COUNCIL THAT –

- 5) The purchase of Direct Debit software be added to the capital programme and a supplementary budget of £97,500 be approved.

**Reasons for
Recommendation:**

Improve the efficiency of Rugby Borough Council and prioritisation of customer service centre resource for vulnerable residents.

Cabinet - 1 July 2024

Customer Service Centre Direct Debit Digitisation Program

Public Report of the Chief Officer – Digital and Communications

Recommendation

- (1) A supplementary revenue budget of £30,000 for the marketing campaign as set out in Section 3 of this report be approved;
- (2) A maintenance budget of £17,000 be established within the general fund from 2025/26 be approved;
- (3) An extension to the existing honorarium of £2,002 for the Interim Contact Centre Manager position, detailed in Section 7 be approved;
- (4) Delegated authority be granted to the Chief Officer for Digital and Communications to implement the scheme as detailed within this report and authorise any necessary expenditure as detailed in Section 3 of this report; and

IT BE RECOMMENDED TO COUNCIL THAT –

- (5) The purchase of Direct Debit software be added to the capital programme and a supplementary budget of £97,500 be approved.

1. INTRODUCTION

- 1.1 The customer service centre at Rugby Borough Council is responsible for receiving all the phone calls and the majority of direct digital communications between the Council and residents, businesses and community groups.
- 1.2 The primary challenge faced by the customer service centre is the variability in demand across quiet and peak periods. The daily call rate can vary from 40 calls on the quietest day to in excess of 800 calls a day in peak demand periods – A variability in excess of 1900%.
- 1.3 A significant majority of this peak demand, **circa 80% of calls**, are related to the setting up and management of Direct Debits relating to Council Tax between the months of March and June inclusive.
- 1.4 Customer Service agents have reported a high number of residents calling up to voice their frustration at being unable to set up and manage their direct debits

online. They feel that this is a standard service offered by organisations for all other financial transactions they carry out in their day-to-day lives.

- 1.5 The Borough is expected to grow at an estimated rate of 900 households per year, adding yet more demand for the Customer Service Centre and Council Tax payments.
- 1.6 If these calls were shifted to other channels, including the proposed self-service digital platform, this would allow for the current resources in the customer service centre to be prioritised to answering calls and queries from vulnerable residents.
- 1.7 This report recommends Option 2, a total of £97,500 of capital funding to purchase and implement an online self-service Direct Debit management platform.
- 1.8 Option 2 recommends an additional £30,000 of revenue funding to be used for communications and a campaign increasing awareness of the service across the Borough in order to encourage uptake, the campaign would include the following:
 - 1.8.1 Notifications and pop-up suggestions on the existing Council online self-service systems to encourage people to adopt direct debit self-service.
 - 1.8.2 Online advertising through social media, targeting demographics with higher existing levels of digital uptake of Council Services.
 - 1.8.3 Proactive communication with residents who are currently experiencing difficulties with their Council Tax payments to offer an avenue for them to manage their direct debit in a self-service manner.
 - 1.8.4 Proactive engagement with new housing developments and residents moving into the Borough for the first time.
- 1.9 The implementation of the software would also require an annual maintenance cost of £17,000 and the associated CPI increases.
- 1.10 This investment is integral to creating a Customer Service Centre which is fit for the future of the Council and the Borough and delivering the Corporate Strategy.

2. OPTION 1: CONTINUATION OF CURRENT POSITION

- 2.1 It would be possible to meet the increasing demand by continuing the current approach of hiring more Customer Service Agents within the Customer Service Centre. However, this is an expensive and ineffective long-term solution.
- 2.2 In 2025 and 2026 an additional x2 FTE agents would be required to make a meaningful contribution to the peak demand.
- 2.3 As predicted demand increases, this would rise to x3 FTE agents from 2027 onwards to provide the same level of service.

- 2.4 Option 1 would require a permanent revenue budget of £67,000, and an increase in establishment headcount to cover the x2 FTE customer service agents in 2025 and 2026.
- 2.5 From 2027 Option 1 would further require a further customer service agent that would bring the total to x3 FTE. At this stage it would constitute a total permanent revenue budget of £100,500.

3. OPTION 2: CUSTOMER SERVICE CENTER DIRECT DEBIT DIGITISATION

- 3.1 Option 2 is the purchasing of additional software modules, building upon the existing Civica software platform and ecosystem utilised by Rugby Borough Council.
- 3.2 The software modules will provide residents and businesses with an online self-service platform with an almost identical interface, but with reduced functionality, to that seen by Customer Service Agents. This would allow individuals within the Borough to carry out the following activities without needing to directly contact the Customer Service Centre:
 - 3.2.1 Set up a new Direct Debit
 - 3.2.2 Check the date of the Direct Debit payment
 - 3.2.3 Check the value of the Direct Debit payment
 - 3.2.4 Manage an existing Direct Debit
 - 3.2.5 Inform us of an address change
 - 3.2.6 Inform us of a change in circumstances
- 3.3 We anticipate uptake to be a gradual process, with an expectation to have onboarded 22% of residents by the end of 2026 and 30% of residents by the end of 2027.
- 3.4 It is expected that this will lead to a reduction of approximately 4,000 phone calls into the customer contact centre, with an estimated total duration of **1,800 hours**, by the end of 2026.
- 3.5 The reduction in phone call duration of 1,800 hours in 2025/2026 will represent a significant cost avoidance for the council of £67,000 per annum through mitigating the need to hire an x2 FTE CSA across 2025/2026 and 2026/2027 financial years.
- 3.6 As demand increases the expected cost avoidance will increase to £100,500 per annum through mitigating the need to hire x3 FTE CSA from 2027/2028 financial year onwards.
- 3.7 This report recommends that Option 2 would require a total of £127,500 of one-off funding, broken down into the following items:
 - 3.7.1 £97,500 to purchase and implement the required software packages and additions to the existing Civica system utilised by Rugby Borough Council, it is proposed that this will be funded by borrowing through the capital programme. This would increase the MRP by an average of £18,000 in each of the next five years with the cost of borrowing of around £5,100 pa.

3.7.2 £30,000 for a targeted marketing campaign across the borough promoting the program, informing residents and encouraging uptake. It is proposed that this is funded through the budget stability reserve which has a balance of £1.824m at 1 April 2024.

3.8 There would also be a recurring maintenance and licensing cost of £17,000 per annum which would need to be built into the base budget from 1 April 2025, this will lead to corporate efficiencies across the council which should match the increase in this revenue budget

3.9 The implementation and testing of the software modules will take four months to complete, with a recommended additional 40-day contingency period.

4. COST BENEFIT ANALYSIS

4.1 Figure 1. shows a 5-year outline cost benefit analysis, showing predicted cost avoidances, initial investment costs, and an estimated time efficiency savings.

<i>Description</i>	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	£	£	£	£	£
Option 1					
Continuation of Current Position	67,000	67,000	100,500	100,500	100,500
Option 2					
Annual Revenue Costs					
Communications and Engagement	30,000	-	-	-	-
Licences and Maintenance	-	17,000	17,000	17,000	17,000
Minimum Revenue Provision	-	16,908	17,669	18,464	19,295
Interest on Borrowing	5,092	5,092	5,092	5,092	5,092
Annual Revenue Costs	35,092	39,000	39,761	40,556	41,387
Annual Cost Avoidance	(31,908)	(28,000)	(60,739)	(59,944)	(59,113)
Option 2 Initial 5-year cost avoidance	(239,704)				

Figure 1.

5. SUPPORTING VULNERABLE RESIDENTS

5.1 Option 2, would have the added benefit of reducing the demand on the existing Customer Service Centre staff, allowing for the resource to be reprioritised to answer calls and queries from vulnerable residents.

5.2 There will always be residents who prefer and feel more comfortable talking to Customer Service Agents over the phone – we will keep this service as an available option but encourage other residents, where possible, to embrace the digital channels we have available.

5.3 Residents will be able to contact the council in a manner that best suits their needs and circumstances. However, at extremely busy peak periods it may take longer than anticipated to get through to the Customer Service Centre via phone.

6. CONCLUSION

- 6.1 Rugby Borough Council is aiming to be a more effective and efficient Council, finding technological and innovative solutions to existing challenges, whilst being responsible and respectful of our financial and resource constraints. This report recommends the approval of Option 2, the capital funding for the Customer Service Centre Direct Debit Digitisation Program.
- 6.2 This will provide a digital self-service option for residents to utilise to set-up and manage their direct debits. This is commonly used across all other business sectors and elsewhere in local authority and central government.
- 6.3 The recommendation contained within the report illustrate an opportunity to 'invest to save' where an initial investment in technological solutions will increase the efficiency and effectiveness of the customer service centre, avoiding the future costs of additional FTE.
- 6.4 The recommended self-service digital platform will provide a foundation for other transformation initiatives within the Customer Service Centre, ensuring we can meet the needs of a changing resident population currently and into the future – including the adoption of Artificial Intelligence based customer engagement tools and productivity enhancements.
- 6.5 Upon the successful adoption of the recommended platform, the software could readily, with minimal disruption, be utilised across other service areas within Rugby Borough Council where Direct Debit payments are processed. The future extensibility of the recommended platform will aid future transformation efforts.

7. HONORARIUM EXTENSION

- 7.1 A continuation of the previously approved honorarium for the Interim Customer Services Manager position shall be approved to cover the additional duties carried out for the period covering 1st April 2024 to 19th May 2024.
- 7.2 The existing honorarium cannot be extended as it would breach the £3,000 budget limit for delegated powers under the granting of honoraria in Part 2(b) of the Council Constitution.
- 7.3 The cost of the Honorarium extension, inclusive of oncosts, is £2,002 and be funded from salary savings from vacancies within the service.

Name of Meeting: Cabinet

Date of Meeting: 1 July 2024

Subject Matter: Customer Service Centre Direct Debit Digitisation Program

Originating Department: Digital and Communications

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:


Doc No	Relevant Paragraph of Schedule 12A

EQUALITY IMPACT ASSESSMENT (EqIA)

Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sex/gender
 - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:
Minakshee Patel
Corporate Equality & Diversity Advisor
minakshee.patel@rugby.gov.uk
Tel: 01788 533509

Equality Impact Assessment

Service Area	Digital and communications
Policy/Service being assessed	Customer Service Centre Direct Debit Digitisation Program
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	New Service
EqlA Review team – List of members	Dr. Thomas David Griffiths
Date of this assessment	12/06/2024
Signature of responsible officer (to be signed after the EqlA has been completed)	

A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Corporate Equality & Diversity Advisor.

If you require help, advice and support to complete the forms, please contact Minakshee Patel, Corporate Equality & Diversity Advisor via email: minakshee.patel@rugby.gov.uk or 01788 533509

Details of Strategy/ Service/ Policy to be analysed

<u>Stage 1 – Scoping and Defining</u>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	It is recommended to Council to invest in a Direct Debit Digitalisation Program to enable residents to self-serve online when interacting with the Council regarding Direct Debit payments and/or queries.
(2) How does it fit with Rugby Borough Council's Corporate priorities and your service area priorities?	<p>Outcome 3 – Health and Communities The program will enable residents to access services in a variety of locations and timings of their choosing, in addition to the existing phone options. This will reduce demand on the Customer Service Centre, allowing for the current resource to be reallocated to better serve vulnerable and high-need residents.</p> <p>Outcome 4 – Organisation The program will lead to significant efficiency improvements and lead to an increase in both staff and resident satisfaction by removing barriers to success. The program will realise significant revenue budget savings.</p>
(3) What are the expected outcomes you are hoping to achieve?	<ul style="list-style-type: none"> • Promote an increased range of options for residents to manage their direct debit payments and schedules in a time and place and using a medium that suits them. • Reduce critical peak demand on the customer service centre. • Reduce the need for future staffing increases and reduce current resource pressures across the Customer Service Centre.
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> • Customers • Employees • Wider community or groups 	<ul style="list-style-type: none"> • Customers <ul style="list-style-type: none"> ○ Breaking down barriers to accessing services • Employees <ul style="list-style-type: none"> ○ Reduce stress and overall demand by removing technological and process related barriers to success and increasing the level of automation present in the end to end process. • Wider community or groups <ul style="list-style-type: none"> ○ Accessible services

<u>Stage 2 - Information Gathering</u>	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).		
(1) What does the information tell you about those groups identified?	The borough is expected to an increase of approximately 900 households a year, increasing the existing pressure on the Customer Service Centre to handle and respond to Council Tax Direct Debit related queries and complaints.		
(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?	We have received extensive feedback and complaints from residents and elected members who have been dissatisfied with the recent drop in performance. We have taken action on this feedback and sought a cost-positive technological solution which will increase performance and deliver significant revenue cost savings over the 5 year project lifespan.		
(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.	N/A		
<u>Stage 3 – Analysis of impact</u>			
(1) <u>Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination? If yes, identify the groups and how they are affected.	RACE No.	DISABILITY Positive. Adding an additional avenue for residents to access services at a location and time of their choosing.	GENDER No
	MARRIAGE/CIVIL PARTNERSHIP No	AGE No	GENDER REASSIGNMENT No

	RELIGION/BELIEF No	PREGNANCY MATERNITY No	SEXUAL ORIENTATION No
<p><u>(2) Cross cutting themes</u></p> <p>(a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?</p> <p>(b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	N/A		
(3) If there is an adverse impact, can this be justified?	N/A		
(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	N/A		
(5) How does the strategy/service/policy contribute to the promotion of equality? If not what can be done?	Equality of service provision will be increased. Focus on mitigating inequalities and corporate awareness of the presence of inequalities.		
(6) How does the strategy/service/policy promote good relations between groups? If not what can be done?	Increasing accessibility of services should encourage community inclusion		
(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	N/A		

<u>Stage 4 – Action Planning, Review & Monitoring</u>																														
<p>If No Further Action is required then go to – Review & Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqlA Action Plan</p> <table border="1" data-bbox="891 536 2132 764"> <thead> <tr> <th data-bbox="891 536 1133 612">Action</th> <th data-bbox="1137 536 1379 612">Lead Officer</th> <th data-bbox="1384 536 1626 612">Date for completion</th> <th data-bbox="1630 536 1872 612">Resource requirements</th> <th data-bbox="1877 536 2132 612">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="891 616 1133 651"></td> <td data-bbox="1137 616 1379 651"></td> <td data-bbox="1384 616 1626 651"></td> <td data-bbox="1630 616 1872 651"></td> <td data-bbox="1877 616 2132 651"></td> </tr> <tr> <td data-bbox="891 654 1133 689"></td> <td data-bbox="1137 654 1379 689"></td> <td data-bbox="1384 654 1626 689"></td> <td data-bbox="1630 654 1872 689"></td> <td data-bbox="1877 654 2132 689"></td> </tr> <tr> <td data-bbox="891 692 1133 727"></td> <td data-bbox="1137 692 1379 727"></td> <td data-bbox="1384 692 1626 727"></td> <td data-bbox="1630 692 1872 727"></td> <td data-bbox="1877 692 2132 727"></td> </tr> <tr> <td data-bbox="891 730 1133 766"></td> <td data-bbox="1137 730 1379 766"></td> <td data-bbox="1384 730 1626 766"></td> <td data-bbox="1630 730 1872 766"></td> <td data-bbox="1877 730 2132 766"></td> </tr> </tbody> </table>					Action	Lead Officer	Date for completion	Resource requirements	Comments																				
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<p>(2) Review and Monitoring State how and when you will monitor policy and Action Plan</p>	<p>Process review is part of the strategy to provide outstanding customer experience and will be built into corporate action plans.</p>																													

Please annotate your policy with the following statement:

‘An Equality Impact Assessment on this policy was undertaken on 12/6/24 and will be reviewed on 31/6/26.’