



CORPORATE AND TRANSACTIONAL

## Reach for Change in Cash Collection

### Summary

In March 2004 High Peak Borough Council stopped accepting cash or cheque payments at all of its offices. A number of issues within and outside of their control meant that High Peak had to radically look at how they collected monies owed, identify how best to process these payments, and convince their customers that it would also be easier for them too.

Reducing processing costs was one of their priorities but they also had to maintain existing collection rates, provide an improved service to their customers and ultimately offer better value for their council tax payers.

The following case study highlights why High Peak made this decision and perhaps more importantly whether this decision affected their collection rates.

### Quote

*“The question is did we do it? And the answer is, yes we did!”*

David Johnson,  
Assistant Chief Executive (Business Efficiency)

Improvement through efficiency



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## Project background

In 2002 a newly created Customer Services Team became responsible for cash collection facilities within the Council. Council personnel who were previously titled 'Cashiers' became 'Customer Advisors' and were absorbed into a larger group of officers whose roles were interchangeable. High Peak also ceased to run its mobile collection vehicle as it had become unroadworthy and therefore the service we offered to our more rural customers ceased.

As part of the ambitious 'Customer First' programme, face to face transactions were improved by removing bank style protective glass barriers. Such a move would have raised security concerns if cash collection were to remain a front office procedure. High Peak's cash receipting machines and its back office income collection system were also coming to the end of their useful life.

The final catalyst that created the need for change was the Council's successful bid to set up an Arms Length Management Organisation (ALMO) to manage its housing stock. As a new separate company they wanted and needed to demonstrate to the Housing Inspectorate new ways of working.

## Vision

High Peak's vision was to create user-friendly customer interfaces, to utilise the capabilities of its new customer advisor posts, use telephony, electronic and on-line payment opportunities, and to increase their collection rates by making better use of back office resources.



## Achievements

Overall, High Peak achieved their aim to create an improved customer interface, provided increased customer choice, saved money, and achieved improved cash collection rates.

However, all of this was achieved following some tough decisions and the customary teething problems with new IT systems. The hardest decisions concerned staff who found it difficult to adapt to the new ways of working and this resulted in a number of voluntary redundancies.

High Peak also experienced implementation problems with the income reconciliation system regards back office features. These problems are now resolved and they are now functioning far more efficiently than before.

High Peak has saved approximately £65,000 per annum in staffing costs which reduced service costs by 30%. By using payment cards customers still wanting to use cash rather than direct debits and other electronic methods can use in excess of 40 local shops and post offices to pay their rent and council tax. An added bonus is that the local shops and post offices are more convenient for the majority of customer and have longer opening hours than any of the Council facilities.

Customer Advisors now take payments by credit or debit cards with our call centre operating from 8 am until 8 pm Monday to Friday in conjunction with a 24 hour automated payment line.

High Peak's advisors can also set up direct debits over the telephone and the authority is close to achieving its target 70% of council tax payment through direct debit.

Prior to the start of this project there were concerns that there would be an adverse public reaction to the closure of the cash offices, to date High Peak have received only 11 complaints out of a customer base of over 40,000. Since this new process was implemented High Peak has generated over 1.1 million payment transactions.

Collection statistics have improved year on year since the changes with the biggest gains delivered in the reduction of arrears levels where in real terms our arrears of Council tax have reduced by £250,000.

The ALMO continue to share the benefits of payment cards and have expanded their use into other areas of their business.

## Success factors

Changes to such a basic service relied on complete support from the Chief Executive and Elected Members. Having clear goals and timescales focused all participants into making the project a success.

The level of customer opposition was the best indicator of success and such a small number of complaints illustrated that High Peak have obviously provided a better service, whilst the process has also had the added benefit of saving the Council money.

## Risks

The worst case scenario for High Peak was that delays and/or failures may have resulted in an inability to collect rent or taxes, potentially creating an arrears situation. This would have adversely affected the reputation of the Council, which at the time was endeavouring to achieve excellent status through Comprehensive Performance Assessment (CPA).

By tightly managing this project and ensuring that information was communicated to its customers in the right way and, importantly, at the right time collection problems were averted and a highly efficient customer interface was maintained, all of this contributed to the Council achieving its desired 'Excellent' CPA rating.

## Role of the EMCE

Although there was no direct involvement from the EMCE the Council has actively sought their advice and is happy to share our experiences.



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