

Realising the Benefits of e-payments - update

The ePay National Project commissioned research into two emerging trends within local authorities: (i) taking less cash and, in some cases, going 'cashless', (ii) taking and managing payments through Contact Centres. These impacts of these trends were mapped against the local authorities' key payment strategies of:

- Reducing the costs of administering payments
- Maximising collection rates
- Providing a good service to citizens

Reducing Cash processing

Handling cash is costly, but there is still substantial demand for cash channels and local authorities need to keep these open in some form. A tactical approach to reducing the amount of cash being dealt with includes:

- Closing cash offices so citizens are forced to use alternatives
- Encouraging citizens to use electronic channels, such as internet payments
- Providing cash-paying citizens with intermediary networks options

Golden Rule	Impact of going cashless	Issues
Reduce the cost of administering payments	Channels that citizens migrate to are significantly cheaper than cash. Intermediaries are particularly suitable	<ul style="list-style-type: none"> • Account information should be available on self service channels if benefits are to be realised • Larger benefits are easier to realise if an authority has a discrete (and possibly outsourced) cash office function
Maximise collection rates		Alternative channels need to be marketed to the citizen groups currently using cash offices
Provide a good service to citizens	Intermediaries provide better access through a greater number of channels with longer opening hours	<ul style="list-style-type: none"> • Citizens may feel isolated from officers who were previously available in cash offices • The authority loses an opportunity to build a relationship with the citizen

Call Centres

The impact of Call Centres on payment strategies can be mapped as follows:

Golden Rule		Issues

Reduce the costs of administering payments	<p>Contact Centres can be used to market efficient channels, by:</p> <ul style="list-style-type: none"> • Supplying information that enables the authority to identify groups of citizens • Allowing the authority to use spare capacity for marketing call-outs 	<ul style="list-style-type: none"> • Contact Centres can increase take-up of credit card payments, which have high service charges
Maximise collection rates		<ul style="list-style-type: none"> • In many local authorities, debt collection is a back office function split by individual service area
Provide a good service to citizens	<ul style="list-style-type: none"> • Contact Centres mean that citizens receive consistent quality across all services. 	

For access to the full report log on to the e-Pay website: <http://www.e-payments.org.uk> or contact info@e-payments.org.uk