

REPORT TO POLICY & RESOURCES COMMITTEE – 11 JUNE 2015

ABERDEENSHIRE ONLINE SCHOOL PAYMENTS

1 Recommendations

The Committee is recommended to:-

- 1.1 Approve the award of contract to Cash Registers Buccleuch (CRB) Limited in line with national Scotland Excel framework;
- 1.2 Approve the cost benefit figures in sections 3.3 to 3.6.

2 Background

- 2.1 In 2012 Management Team commissioned a Customer Services Strategy to identify the top interactions for online, Contact Centre and Service Point delivery. On 10th January 2013 committee approved the business case and since then the programme has operated as Improving the Customer Experience (iCE).
- 2.2 Under the programme a school meals and payments project was established to investigate implementation of an online solution enabling parents to top up their children's school meals accounts across the 154 primary schools, similar to that available in Academies for some time.
- 2.3 Two further iCE projects (school enquiries and activities/payments) were complementary, and as the business requirements were established, they were merged to include all school payments, such as school trips, charity donations and where possible school fund income.
- 2.4 In order to gauge customer receptiveness an online survey was developed and promoted via local radio and social media. The survey went on to become the biggest council social media topic to date reaching an audience of over 10,000, eliciting over 1,300 survey responses. Parental support was overwhelming with 81.9% supportive of online payment and 94.7% supportive of an online account to retain customer details and check balances and purchases. Respondents also indicated 86.7% support for the ability to book and pay for school activities online (a facility not currently available within the council).
- 2.5 Potential organisational benefits associated with an online school payments function include, (but are not limited to):
 - Reduction in un-presented cheques and associated recovery costs
 - Increased customer satisfaction by parents/guardians
 - Improved payment and transaction history customer functionality
 - Reduced cash handling, and associated risks

- Increased accessibility via 24/7 online access
 - Revenue generation potential via online school shops
 - Reduction in food waste, as food cooked to order on the day
- 2.6 School catering income accounts for £7.7 million per annum within Aberdeenshire (with over £120 million collected across Scotland). In recognition of the scale of school payments, a Scotland Excel national framework was developed in 2013 in consultation with 28 of the 32 local authorities. The tender process concluded in November 2014, with the appointment of 3 suppliers following an evaluation process.
- 2.7 During this time, iCE and ICT had been working with the service to map their existing processes, and from this identify improvements and online business requirements. These were, in turn, compared to the national framework offering and found to be complementary.
- 2.8 Partnership working with Aberdeen City Council was investigated, however they have elected to opt out of the national solution having developed an Accord card based approach, limited to meal payments.
- 2.9 In consultation with Procurement and ICT, it was determined that the most economically advantageous solution supporting integration to the existing payments system, was Cash Registers Buccleuch (CRB).
- 2.10 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments have been incorporated.

3 Equalities, Staffing and Financial Implications

- 3.1 The full equality impact assessment was reviewed in November to support the budget setting process. A further equality impact assessment is not required as there will be no differential impact, as a result of this particular report, on people with protected characteristics.
- 3.2 There are no staffing implications directly arising from this report.
- 3.3 Costs for this solution, including discount, are as follows:
- Implementation, set up & training £28,475
 - Licences - year 1 £46,750
 - Licences - years 2 & 3 (per year) £43,350
- 3.4 There are transactional costs associated with increased online payments as the current Civica contract includes a threshold of 175,000 transactions at a cost of £39,000 per annum. This may need to be reviewed to ensure that the Council is achieving best value as transactions increase. Debit card payments cost 12-16p per transaction whilst credit card payments are charged at 1.8 – 2.4% per transaction, (however the Council charges customers 2% of the transaction amount to cover these costs).

- 3.5 The potential savings/benefits that can be realised from implementation over the initial 3 year life assuming achievement of 80% channel shift to online payments include:
- Estimated £42,000 cashable reduction in secure transport costs (via migration to monthly cash collections for all schools).
 - Estimated £42,000 cashable saving in 3 year spend on meal tickets.
 - Increased staff capacity to focus on core school activities rather than administrative / cash handling (estimated at 15.6 FTE, £480,000 over 3 years if full functionality is introduced).
 - A reduction in bank charges. (Based on an estimated 3,500 schools bank lodgements per annum totalling over £6.86m of income).
- 3.6 Budget for the first 2 years of implementation is to be met from existing provision within iCE, as approved by Policy & Resources on 10 January 2013. Provision for year 3 onwards will be met from Education & Children's Services' budget.

Alan Wood
Director of Business Services

Report prepared by Colin McFadyen, Project Coordinator (iCE) 20th April 2015

