

The following is a reproduction of an article which was printed in the IRRV Insight magazine October 2002

E-income is a better way

By the end of this month, all local authorities have to submit their second Implementing Electronic Government statement (IEG2), showing the progress they've made against their original IEG statement and the government's targets. They need to present an acceptable IEG2 to obtain their 2003-04 funding, expected to be £200,000.

The guidance on completing IEG2 statements reiterates the need to identify what percentage of the core e-payment transactions identified in BVPI 157 are e-enabled - that is, able to be carried out electronically. The expectation is that this percentage will show a rise to the government's target of 100% by 2005.

But is this what authorities should be focused on? Or should they be looking more widely at what are now being referred to as 'e-income' systems? Should they be looking at the actual number and value of e-payment transactions that they process electronically, rather than just tick-the-box e-enabling that meets the 2005 target but is not actually used extensively by citizens?

The London Borough of Hammersmith and Fulham took this into consideration in 2000 when deciding to implement a new income management solution, including multi-channel e-payments capability. The borough's objective was to implement, not only an e-payments solution that would be used by its citizens, but also one that in return would generate cost savings and improvements in efficiency throughout all stages of processing income. When the council wrote its first IEG statement in 2001 it was able to draw on the first few months of successful operation, quoting improvements such as a 13% year-on-year drop in calls to the local taxation call centre, a two minute time saving per customer, and a monthly saving of £1,500 on bank service charges.

Further improvements have since been noted as the volumes of e-payments transactions have increased and more extensive data is available. In the local taxation department, year-on-year reductions in call centre contacts for payment have been around 40% in both June and July - dropping from more than 2,000 to around 1,200 customers. On the council-wide use of the system, notional monthly savings in bank charges are currently running at £2,000 per month.

So the focus on a system that would actually be used by citizens has reaped benefits for the council. E-payments transaction levels for the range of Hammersmith and Fulham's services are now averaging 8,000 per month, with an average value of £900,000 per month and levels of over £1 million being achieved in peak months. As all payments, electronic or cash, are taken as part of an all-encompassing e-income management system with seamless links to all other back office systems, there is a considerable improvement in efficiency and an estimated reduction of 1,000 staff hours per annum in workload.

Julian Hubbersgilt, E-Payments Project Manager at Hammersmith and Fulham, says: "Once we had implemented the initial e-payment channels for the core funds, all departments saw the benefit of implementing an e-income solution. Over the past year we expect to have not only e-enabled all payment transactions, but also delivered them through a variety of delivery channels (not just the Internet, but also call centre and the very popular Interactive Voice Response (IVR) channel, which allows automated telephone payment 24 hours a day, seven days a week), in a way that will encourage their use by citizens, yielding efficiency and cost savings for the council." □

Phil Benton, Managing Director, Radius Computer Services
e-mail: bentonp@radiusplc.co.uk Tel 020 8844 3520