



CABINET – 5TH OCTOBER 2022

SUBJECT: SHAPING THE POLICY ON CASH COLLECTION

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide an update on the payment methods currently utilised by our residents and to seek Cabinet approval of recommendations in respect of the future policy on cash payments.

2. SUMMARY

- 2.1 The Covid-19 pandemic had a significant impact on income levels for the Council for a range of reasons. These included the temporary closure of income generating services, the closure of Customer Services Offices, and the economic impact of the pandemic on our residents and businesses.
- 2.2 The Welsh Government (WG) funded much of the income lost as a consequence of the pandemic through the Covid-19 Hardship Fund, with funding totalling £6.087m being received for the 2020/21 financial year and £2.237m for 2021/22. The Hardship Fund ceased on 31 March 2022 with Local Authorities now having to manage any ongoing income losses through their own revenue budgets.
- 2.3 Another consequence of the pandemic was the impact on the various methods available to our residents to make payments to the Council. This “channel shift” resulted in a significant move away from cash payments with a range of alternative payment methods being utilised.
- 2.4 This report updates Cabinet on the current position regarding the range of payment methods utilised by our residents and makes recommendations in respect of the future policy on cash payments.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to: -
- 3.1.1 Agree that due to the move to alternative payment methods experienced during the Covid-19 pandemic, cash payments will not be re-introduced in Customer Services Offices.
- 3.1.2 Note that cash payments will continue to be accepted in Schools, Tourism Venues, Leisure Centres, Libraries and Social Services establishments, and that opportunities to move to alternative payment mechanisms will be fully explored wherever possible.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the significant changes in the payment methods being utilised by our residents are fully embedded in the longer-term.

5. THE REPORT

- 5.1 During the 2019/20 financial year (i.e. pre-pandemic) cash payments totalled circa £10.24m, with the most significant categories of cash payments being Council Tax (£2.41m), Housing Rents (£2.79m), Schools (£2.81m), and Leisure Centres and Tourism Venues (£0.962m).
- 5.2 The temporary closure of the Council's Customer Services Offices due to the pandemic removed the facilities for our residents to pay with cash. Data for the latest full financial year, i.e. 2021/22, shows that cash payments have now reduced to £1.93m, which is a reduction of 81.2% when compared to 2019/20. This demonstrates the significant "channel shift" that has arisen from residents utilising a range of alternative payment methods. The table below shows the most significant increases in payment method types when comparing 2021/22 transactions with 2019/20: -

Payment Method	Increase (%)
Bank Payments	22.32
CCBC Internet Payments	66.58
CCBC Automated Telephone Line	69.06
Telephone Payment via Advisor	24.74
Post Office Cards	44.27

- 5.3 It is proposed that this change to alternative payment methods should be maintained and encouraged in the longer-term as the receipting and processing of cash payments is resource intensive and expensive. However, we must not lose sight of the fact that cash is the preferred method of payment for a cohort of our residents. However, cash payments can be done in different ways at no cost to the payee, for example the use of Post Office payment cards, which also has the added benefit of increasing footfall in our town centres. There are currently 4,146 active Post Office payment card accounts compared to 2,652 in 2019/20.
- 5.4 From 04 October 2021, the Customer Services Office in Ty Penallta was reopened for 5 days a week on an appointment only basis. Under this arrangement payments would only be accepted as part of a service request, for example paying for a bulky collection or a van and trailer permit, and any such payments would be processed by card with no cash payments being taken.
- 5.5 During the period 04 October 2021 to 01 July 2022 there only five appointments made at Ty Penallta, so with effect from 04 July 2022 it was decided to reduce the service to one day per week but to also offer services at other sites as shown in the following table: -

Office	Day	Time
Bargoed	Monday	09:30 – 15:30
Caerphilly	Tuesday	09:30 – 16:00
Ty Penallta	Wednesday	09:30 – 16:30
Blackwood	Thursday	09:30 – 16:00
Risca	Friday	09:30 – 15:30

- 5.6 In terms of payments, these are still only accepted as part of a service request and will be processed by card with no cash payments being taken.
- 5.7 Since 04 July 2022 there have been a total of eleven appointments across all sites. There have been instances of members of the public presenting without appointments, but these have been limited in number and have not been specifically for Customer Services, with

customers being sign-posted to the other relevant service areas by Library and Customer Services staff. Furthermore, there have been no requests for payments as people are paying by the other methods highlighted earlier in this report.

- 5.8 The footfall at the Customer Services Offices is being kept under review and if there is an increase in demand then the opening hours will be subject to further review. Currently, staff are travelling to the Offices to call handle or deal with online requests as it is these channels where demand is being experienced.
- 5.9 As mentioned in paragraph 5.2 cash payments during the 2021/22 financial year totalled £1.93m, which is a reduction of 81.2% when compared to 2019/20. The majority of these cash payments related to Schools (£1.521m), Tourism Venues (£0.276m) and Leisure Centres (£0.071m), with the residual small sums relating to Libraries and Social Services establishments.
- 5.10 A large proportion of the cash income for schools relates to charges for the provision of school meals. However, with the rollout of cashless catering having now been completed across all schools, and the advent of Universal Free School Meals there will be a further and more significant reduction in cash payments in this area. Furthermore, there are plans to extend the cashless system to other areas such as payments for school trips, uniforms etc.
- 5.11 Cash payments continue to be accepted in Tourism Venues, Leisure Centres, Libraries and Social Services establishments but this will be subject to review and where opportunities arise to move to cashless approaches they will be fully considered.

Conclusion

- 5.12 Covid-19 impacted on income levels for the Council and there has been a significant “channel shift” in the types of payment methods being utilised by our residents. This has resulted in a large reduction in the level of cash payments.
- 5.13 Customer Services Offices have reopened on a limited appointment only basis with payments only being accepted by card for service requests. The footfall has been very low since the reopening.
- 5.14 It is recommended to Cabinet that due to the move to alternative payment methods experienced during the pandemic that cash payments will not be re-introduced in Customer Services Offices.
- 5.15 Cash payments are still accepted in Schools, Tourism Venues, Leisure Centres, Libraries and Social Services establishments but opportunities to move to alternative payment mechanisms will be fully explored wherever possible.

6. ASSUMPTIONS

- 6.1 There are no assumptions within this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 There has been a significant reduction in cash payments arising from the Covid-19 pandemic, largely due to the temporary closure of Customer Services Offices. This has resulted in large increases in other payment methods being used by our residents which are now fully embedded.
- 7.2 No negative impacts have been identified from the Integrated Impact Assessment (IIA) on the proposal to continue to not accept cash payments in Customer Services Offices. The IIA is available through the following link: -

[Link to Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 As set out throughout the report the Council offers a range of alternative types of payment methods to our residents, all of which are funded through the core revenue budget.
- 8.2 During the 2019/20 financial year costs of £31k were incurred for the cash collection service provided by G4S. In 2021/22 this reduced to £6k.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

- 10.1 The proposals in this report were considered by the Policy & Resources Scrutiny Committee at its meeting on 27 September 2022.
- 10.2 Some concerns were raised during the meeting regarding those on lower incomes and their preference to pay using cash. The Head of Financial Services & S151 Officer explained to Members that cash payments can still be made at no cost to the payee through the use of Post Office payment cards. He also explained that there has been an increase of 44.27% in Post Office payment card transactions compared to pre-pandemic levels and that there are now 4,146 active accounts compared to 2,652 in 2019/20.
- 10.3 A Member queried how cash payments could be made in in Schools, Tourism Venues, Leisure Centres, Libraries and Social Services establishments; and yet not in Customer Services Offices as it should be a personal choice for individuals. The Corporate Director for Education and Corporate Services reiterated that cash payments could still be made at post offices and also highlighted the additional costs involved with accepting such payments in Customer Services Offices. It was also explained that the level of cash payments in schools will now reduce significantly due to the rollout of cashless catering and the introduction of Universal Free School Meals.
- 10.4 Having noted the content of the report, it was moved and seconded that the recommendations to Cabinet be approved. By way of Microsoft Forms (and in noting there were 8 for, 0 against and 2 abstentions) this was agreed by the majority present.
- 10.5 All other consultation responses are reflected within the report.

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.

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Cllr Nigel George, Cabinet Member for Corporate Services and Property
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