

Report of the Deputy Chief Executive

CASH PAYMENT FACILITIES1. Purpose of report

To seek approval for the introduction of an additional cash payment facility for council house tenants and council tax payers.

2. Background

Following the outbreak of the coronavirus pandemic in March 2020 and the resulting closure of the Council Offices to members of the public, council house tenants and council tax payers wishing to pay their rent and council tax by cash have been unable to use the kiosk based in Main Reception for this purpose. With the likelihood of restrictions continuing, steps have been taken to seek other options to allow them to continue to make cash payments.

A team consisting of the Head of Revenues, Benefits and Customer Services, the Head of Housing and the Procurement and Contracts Officer have evaluated the costs (derived from the PfH framework agreement) and other factors associated with the service offered by the two main providers (Allpay and Paypoint) of cash payment facilities. Further details are set out in the appendix including costs and other related factors.

The evaluation concluded that Allpay offered the most appropriate solution for the Council's requirements. They are able to provide more payment outlets than Paypoint and offer a payment card option. The Allpay service allows users to make cash payments at the Post Office or at any vendor that takes PayPoint payments. This would support local businesses and post offices that provide this service. It is also anticipated that, if implemented successfully, consideration can then be given to the use made of the kiosk. Any decisions on the future of the kiosk will be made by this Committee.

3. Financial Implications

The initial set up costs of the Allpay service are £5,140 as set out in the appendix. The proposed capital programme 2021/22 as set in the Budget Proposals report on this agenda includes a General Fund capital contingency of £55,000 that can be used to meet this cost.

Any additional ongoing costs will be met from the Housing Revenue Account (rent payments) and General Fund (council tax payments) accordingly.

Recommendation

The Committee is asked to RESOLVE that a supplementary capital estimate of £5,140, be included in the capital programme 2021/22 for the purchase of the Allpay cash payment facility and funded from capital contingencies.

Background papers; Nil

APPENDIX

The team engaged with both Allpay and Paypoint in the evaluation process and used the PfH framework agreement to obtain the costs of their respective services to allow a meaningful comparison.

It was concluded that, that unless significantly more expensive, the preferred option would be one (like Allpay) that allows users to have their own payment cards rather than seek to use barcodes on payment documentation such as bills or statements. Each card would be linked to the individual and the service they are paying for which would assist with reconciling and accounting for income received. In addition, the Allpay option allows payments to be made at Posts Offices.

It is presently anticipated that these facilities will be made available only to those with no other payment options for housing rents and council tax. A major advantage is that this will assist with the early identification of those users that might be requiring additional support before they get in to financial difficulty.

The initial set up and ongoing costs of the Allpay and Paypoint options are set out in the table below.

| Set Up Costs (£) | Allpay | Paypoint |
|-------------------------|---------------|-----------------|
| Client Owned IIN | 1,300 | 1,300 |
| WebConnect Fee | 586 | 586 |
| Scheme Code Fee | 254 | 254 |
| Civica Software | 3,000 | 3,000 |
| Total | 5,140 | 5,140 |

| Ongoing Costs (£) pa | Allpay | Paypoint |
|--|---------------|-----------------|
| New/Replacement Cards (based on 200 cards)* | 366 | 0 |
| Post Office Payments made. 47.9p per transaction | 2,552 | 0 |
| Paypoint Payments made. 46.5p per transaction | 2,478 | 4955 |
| Total | 5396 | 4955 |

*Each card costs £1.83 and is created and distributed by Allpay.

The set up costs under both options are identical at £5,140. As part of the setup, the cash payment facility will need to interface with the Council's financial management system (provided by Civica) and Civica's support will be required to ensure that this is operating as intended. This is expected to cost a maximum of £3,000.

The ongoing costs per annum are based on estimates and the actual costs will depend upon the number of users making payments using these facilities. The above table assumes 10,656 payments per annum based upon the number of transactions at the kiosk in Main Reception in 2019 and assumes that these are split evenly between the Post Office and Paypoint vendors going forwards.

It is important to note that as a result of the Covid-19 pandemic, many of those users who would have used the kiosk have now found alternative methods to make these

payments to the Council. It is therefore anticipated that the amount paid in transaction fees will be significantly lower than those stated above.

Although the above table shows that the Allpay option is more expensive than Paypoint, the difference is not considered to be material and the wider number of payment outlets available under the Allpay option is considered to be justification for adopting this option. This is further evidenced by the table below which sets out the number of Allpay cash payment locations within a two mile radius of each town across Broxtowe.

| Town | Allpay Cash Payment Locations |
|-------------|--------------------------------------|
| Beeston | 46 |
| Stapleford | 30 |
| Eastwood | 34 |
| Kimberley | 33 |

In addition, many of the Allpay cash payment locations provided extended opening hours.