

REMOVAL OF PAYMENT KIOSKS

1 PURPOSE OF REPORT

- 1.1 To inform Members of the impact of the removal of the payment kiosk terminals from the Council's Rochford and Rayleigh receptions.

2 INTRODUCTION

- 2.1 In March 2011 automated payment kiosks were introduced in the Council's two reception areas. The kiosks provided the facility for residents to pay by cash, cheque or credit/debit card for services they used. Over time the kiosks started to become unreliable and by early 2018 were well past their normal end of life. After considering all available options an operational decision was made to remove the kiosks from the Council's premises at the end of May 2018.

3 WHAT WAS THE REASONING BEHIND THE DECISION MADE?

- 3.1 Before deciding to remove the kiosks, the following were all considered.
- General Data Protection Regulations compliance – the kiosks required customers to enter personal details, classed as identities under GDPR. The Council could not confirm that data would be compliant with GDPR stipulations; therefore, to keep them in place would have been a risk to the Council.
 - Payment Card Industry (PCI) compliance – the machines were no longer compliant with PCI standards, and the cost of upgrading the machines would have been circa £5,000.
 - The cost of administration required to deal with cash and cheques, including Customer Services resources in managing the operation of the machines, and the cost of collecting/counting and insuring cash.
 - Benefits to the Council in terms of ensuring full debt recovery and cash flow benefits of moving residents to electronic methods of payment.

4 DID THE COUNCIL CONSIDER THE ADDED RISK?

- 4.1 When making the decision, the following risks were considered:
- The security of residents' data
 - The short notification period provided to residents
 - The potential loss of income
 - The reputational/financial risks of non GDPR compliance.

5 HAS THE COUNCIL BEEN PROACTIVE IN OFFERING ALTERNATIVE PAYMENT OPTIONS?

- 5.1 A working group was convened to communicate the change both internally and externally. A flyer was made available to the public, and the change was promoted using various social media outlets at the Council's disposal. Revenue Collection officers, particularly those involved with Council Tax collection, were very proactive in communicating to those residents who were set up to pay by cash or cheque, including speaking to customers on the phone and at reception, as well as holding resident surgeries.

6 HOW MUCH MONEY HAS BEEN SAVED FROM THEIR REMOVAL?

- 6.1 The following table shows a breakdown of existing annual costs saved or avoided through removal of the kiosks. In addition, a further £5,000 cost was avoided that would have been required to upgrade the machines to ensure PCI compliance.

ATM Service Contract	£ 3,300
Loomis Cash Collection	£3,144
Cashiers Time	£ 7,680
Transportation Time	£1,536
Reception Support	£692
IT Support	£1,168
Insurance	£ 200
Pay360 - Capita	£1,200
	£18,920

7 WHAT HAS BEEN THE IMPACT ON CUSTOMERS SINCE THEIR REMOVAL?

- 7.1 Initially there were several enquiries to Customer Services from residents querying what their payment options were, including some who voiced their concerns at the removal of the kiosks. Of these, nine were logged as official complaints. The last of these complaints was received on 5 June 2018. Of those residents paying by cash, all but two have found alternative methods of paying, with the agreement of these continue to pay by cash due to mitigating circumstances.

8 WHAT HAS BEEN THE FINANCIAL IMPACT SINCE THEIR REMOVAL?

8.1 Most of the income collected via the kiosks related to Council Tax and the collection trend data since their removal is detailed below. Other payments could also be made via the kiosks, including car park payments, license fees and Business Rates, and there has been no adverse impact on collection of these income streams.

8.2 The following table shows the Council Tax recovery rates for this financial year. Despite a slight downturn of -0.1% in May, which was the month the kiosks were removed, collection rates as at the end of September are on a par with 2017, with no overall increase or decrease.

Month	Cumulative Amount Collected 2018/19	Cumulative Amount collected 2017/18	Increase /decrease	Collection Rate 2018/19	Collection rate 2017/18	Increase /decrease
April	£6,915,256	£6,488,316	+£426,940	12.7%	12.7%	0%
May	£11,618,664	£10,990,907	+£627,757	21.4%	21.5%	-0.1%
June	£16,333,466	£15,378,276	+£955,190	30.1%	30.1%	0%
July	£21,013,748	£19,774,562	+£1,236,186	38.6%	38.7%	-0.1%
August	£25,525,446	£24,196,721	+£1,328,725	46.9%	47.2%	-0.3%
September	£30,358,177	£28,581,841	+£1,776,336	55.7%	55.7%	0%

8.3 There has also been an increase in the take up of those paying their Council tax by direct debit. In April 2018, the figure was 83.15%; this increased to 84.04% by the end of September. This uptake in usage of direct debit is attributed to the effectiveness of the marketing and communications targeted at those residents who were previously paying by cash.

Month	% Direct Debit Payers
April	83.15%
May	83.51%
June	83.92%
July	84.15%
August	84.07%
September	84.04%

9 RISK IMPLICATIONS

9.1 Collection rates and recovery of Council Tax will continue to be closely monitored over the remainder of the year to ensure these remain on target.

9.2 Collection of fees and charges for other services, such as parking and licensing will continue to be closely monitored.

- 9.3 The increase in the proportion of residents paying their Council Tax by direct debit should reduce the financial risk to the Council of non-collection in future.

10 RESOURCE IMPLICATIONS

- 10.1 There are no other financial implications other than those already set out within the body of the report.

11 LEGAL IMPLICATIONS

- 11.1 None arising out of this report.

12 EQUALITY AND DIVERSITY IMPLICATIONS

- 12.1 An Equality Impact Assessment has been completed and found that the decision made could have affected the 'Age' protected characteristic group. However, the Council believes that this effect has been minimised through extensive communication and publicity, as well as offering alternative methods of payment.

13 RECOMMENDATION

- 13.1 It is proposed that the Committee **RESOLVES** to note the contents of the report.



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Background Papers:-

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.