

Report of	Meeting	Date
Director (Customer and Digital) (Introduced by Executive Member (Resources))	Executive Cabinet	Thursday, 18 January 2024

Payment Strategy

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

- Executive Cabinet to review the proposed Payment Strategy in Appendix One.

Recommendations to Executive Cabinet

- Executive Cabinet to approve the Payment Strategy to be implemented at Chorley Council.

Reasons for recommendations

- To ensure that the payment methods used to transact with those using Council services are up to date and 'on demand' to meet the expectations of customers.

Other options considered and rejected

- The Council could continue to operate without a Payment Strategy, resulting in being unable to meet the needs and expectations of those customers who prefer to use 'on demand' payment methods.

Corporate priorities

- The report relates to the following corporate priorities:

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

- The financial industry sector is amid a significant transformation, with electronic payments being at the epicentre. Payments are becoming increasingly cashless and

the need for 'on demand' services has increased. Customers can now make payments in an instant, from their mobile devices using a variety of methods for example via PayPal, Apple Pay, Android Pay and Pingit.

7. In 2024 the councils will make enhancements to their online presence, which will include more automation, online contact channels, a new Customer Relationship Management system, a new online forms system and exploration of single sign on.
8. Crucial to these enhancements is ensuring that payment methods used to make payment for council services are up to date and 'on demand' to meet expectations of those accessing council services.
9. The councils recognise that there are customers who are either unable or unwilling to switch to other method and will still choose to pay for their bills and services by cash or cheque. Therefore, it is important that accessible options are still available for these customers.
10. The strategy provides an opportunity to review all payments to the councils, including those that are currently paid on receipt of invoice. Sundry debtors is a service that provides an opportunity to create further efficiencies, through considerable time wasted in chasing unpaid invoices.
11. There are three key principles behind this policy:
 - To make transacting with customers simple and more efficient
 - Deploy improved digital payment platforms that are convenient
 - A payment upfront policy with services delivered at the point the payment is received
12. The quantities of cash payments are low in comparison to digital methods. On average 10 transactions per week are paid in cash, with an average value of £121.19. Cash and cheque payments are inherently more expensive to process in comparison to digital channels as it requires more resources to manage.
13. This also creates an increased security risk and accrues an additional cost of secure collection, which in 2022-2033 cost Chorley Council £1,260.90.
14. Across Lancashire, five councils have already become cashless at their Council offices. The table below details which authorities in Lancashire will currently take cash payment at their council offices:

Authority	Cash payments taken
Blackburn	No
Blackpool	Yes
Burnley	No
Fylde	Yes, but not for large cash amounts or Council Tax payments
Hyndburn	Only as a last resort
Pendle	No
Preston	Depending on the service

Ribble Valley	Yes
Rossendale	No
South Ribble	Recommended to adopt Shared Service Payment Strategy
West Lancashire	No
Wyre	Yes

15. Adopting a phased approach to stopping cash payments has been considered, however, the strategy isn't to stop payments completely in relation to cash. The principle of the strategy is to encourage residents to use facilities available in the local economy to make their payments, which will allow the resources at Union Street to concentrate on services delivered by the Council.
16. There are 16 outlets within 0.5 miles of the Union Street, the closest are:
 - a. World Phone, 1 New Market Street, Chorley, PR7 1BY – 0.15 miles
 - b. Post Office, 56 Market Street, PR7 2SE – 0.2 miles
 - c. Stump Lane Store, 33 Stump Lane, Chorley, PR6 0DE – 0.21 miles
17. There are 69 AllPay outlets where payment for council services could be made within Chorley and a full list of outlets by each ward is available in Appendix Three.
18. The full strategy is available in Appendix One, with a summary of the actions required for delivery available in Appendix Two. The action plan is a working document containing non-exhaustive list of actions, that will be added to as the strategy develops.

Climate change and air quality

19. The work noted in this report does not have an impact on the Council's Carbon emissions and the wider Climate Emergency and sustainability targets of the Council.

Equality and diversity

20. Considerations should be made for those who are over 65 years of age and those who may not have English as their first language. An Equality Impact Assessment has been completed and is included in Appendix Four.

Risk

21. Reputational Risk - On the surface, stopping taking payments at the Council's office may be perceived to be a negative action, however, the principles of the Payment Strategy is to utilise existing services within the borough who offer a service to take payments. This will open more options for those wanting to pay via cash or cheque.

Comments of the Statutory Finance Officer

22. There are clearly efficiencies to be made by directing as many people as possible to the simplest payment channels. While there needs to be an understanding of the

implications of each action, particularly for payment in advance, this strategy should be of overall financial benefit to the Council. Quantifying this is difficult due to the various factors and teams it spans but it should have a positive impact upon performance indicators in these areas.

Comments of the Monitoring Officer

23. There are no in principle objections to what is proposed here from a legal perspective. Clearly this is the direction of travel for a number of local authorities. It would be wise to monitor how the strategy works in practice to ensure that no practical difficulties are caused.

Background documents

There are no background papers to this report

Appendices

Appendix One – The Payment Strategy

Appendix Two – Payment Strategy Action Plan

Appendix Three – A list of AllPay outlets in Chorley, split by ward.

Appendix Four – Equality Impact Assessment for the Payment Strategy

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This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.