

## Agenda Item 23

**Cabinet**

**30 October 2013**

**SD**



### **Closure of Cash Office at Knowle**

#### **Exempt Information**

Para 1 Schedule 12A information relating to any individual.

#### **Summary**

Currently the Council provides a cash office at its main office, the Knowle, allowing customers to make payments over the counter to the Council.

Transactions through the cash office have significantly declined as customers use alternative methods for payments; Direct Debit, Standing Orders, Website, phone payments through customer service officers and Touchtone Facility (automated telephone payment system).

This report recommends that, as a result of changes in customer demand, the operational difficulties of maintaining this facility and the need to find financial savings it is recommended that the Council will no longer operate a cash office.

#### **Recommendation**

**That the Council no longer operates a cash office facility at the Knowle.**

#### **a) Reasons for Recommendation**

Customer payment preferences have changed to automated process and the need to maintain a cash office is considered unnecessary, particularly when other issues considered in this report are taken into account.

#### **b) Alternative Options**

To leave the cash office in place

#### **c) Risk Considerations**

It is considered that many alternative options exist for the customers to pay over the counter should they wish to do so. Alternatives will be explained to customers who make regular make payments face to face at the Knowle.

**d) Policy and Budgetary Considerations**

Customers will continue to be encouraged to make payments through more cost effective and convenient methods. This proposal will generate an annual saving to the Council of between £9,000 and £13,000.

**e) Date for Review of Decision**

This report will be considered by the Budget Working Group, Cabinet and then Council for consideration.

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**1 Background**

- 1.1 The Council has a cash office at its main office allowing customers to make payments over the counter to the Council. The Council has had this facility since being established in 1974 when there were a number of cash offices throughout the District; this has dwindled to the one remaining at the Knowle.
- 1.2 The Council employs 3 individuals as Income & Payments Assistants – Cashiers equivalent to 2FTE (1 FTE + 0.6 FTE + 0.4 FTE).
- 1.3 The cashiers function consists of running the counter in the main reception to take and process payments from customers, deal with some general enquiries regarding payments mainly on car park penalty tickets, but the majority of the time is spent processing back office cashier transactions (electronic banking download and receipt processes, exceptions reports, suspense items, internal remittances and payments). The individuals involved also carry out duties in relation to the wider income and payments team (creditor payments and debtor processes) when possible, although this is difficult as they work in front desk environment away from the team.

**2. Customers payments to the Council**

- 2.1 Transactions through the cash office have significantly declined as customers use alternative methods for payments rather than cash and cheques; Direct Debit, Website, phone payments through customer service officers and Touchtone Facility (automated telephone payment system).
- 2.2 Currently we are seeing on average 9 cash payments per day at the cash office and an average of 104 cheque payments being processed, this will be a combination of payments sent in the post and those handed over at the cash office.
- 2.3 Below is comparison of payment transactions numbers comparing 2008/09 to 2012/13.

Number of transactions	Cash	Cheque (postal remittances and at the cash desk)	Direct Debit	Touch Tone	Web Payments	Debit Cards – mainly staff over phone	Credit Cards – mainly staff over phone
2008/09	2,904	42,365	379,542	5,124	3,287	16,555	2,489
2013/14	2,207	26,129	969,690	14,216	11,600	26,077	4,138
Variation	-24%	-38%	+155%	+177%	+252%	+58%	+66%

### 3. Reasons for closing the Cash Office

- 3.1 The work of the cashiers in relation to taking payments is decreasing year on year and has been replaced with other administration duties. The degree that this can be further utilised to the benefit of the Income and Payments Team is hindered by the need to maintain a service in the main reception between 8:30am to 5pm daily.
- 3.2 When the cashiers have leave or sickness the function is covered by senior members of the Income and Payments Team and/or other officers from within finance who have cashing experience, although the number of individuals available with this experience is declining. It does take officers away from their normal duties as it is felt the desk should be covered to maintain customer service.
- 3.3 The work demands of the Income and Payments have increased through the introduction of E-Procurement and Procurement Cards and the team does struggle with the workload.
- 3.4 It is recommended that the Council closes the cash office, ensuring that appropriate notice and help is given to customers in order for them to make payments either through more convenient and cost effective methods or if they still wish to make over the counter payments then to provide them with details of the 7 alternative sites in Sidmouth available (post office, banks and building societies). No additional costs would fall to the customer by using these alternatives.
- 3.5 Closing the cash office would allow the staff to be absorbed back into the Income and Payments Office to continue with the back office cashiers processes and to give the Senior Income and Payments Officer the flexibility with the team to focus on the increased workload without having to cover a front desk. It is also considered that with the closure of the cash office the FTE numbers can be reduced in the region of 0.5 FTE, giving an annual saving in the order of £9,000 to £13,000. There would be a possible redundancy cost to be taken into account, but this would be no more than one years saving. Consultation on possible redundancy implications has started with the staff involved.

- 3.6 As a side issue the area currently used as the cash office is shared with Revenues and Benefits reception officers, with members of the public currently queuing to either make a payment or receive information and advice from a Revenues and Benefits Officer. To use this space entirely for customers with Revenues and Benefits enquiries will benefit this service. Any general payment enquiries will, if the cash office is closed, be dealt with by the main Customer Service reception staff.
- 3.7 For information a quick survey was undertaken with other like authorities across Devon and including South Somerset DC to determine whether they still retained a cash office service for customers. It was found out of the 8 Councils, that 4 had closed their cash office. Details are attached.

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### **Legal Implications**

The possibility of a redundancy situation arising is referred to in the report and the appropriate legal procedures will be followed

### **Financial Implications**

Details contained in the report

### **Consultation on Reports to the Executive**

Through the Budget Working Party

### **Background Papers**

Attachment below  
Equality Impact Assessment

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Cabinet  
30 October 2013

## Attachment to Report - Survey undertaken on Cash Offices

Council	Cash Office
Mid Devon District Council	Situated in their Head Office plus a satellite office
Exeter City Council	No cash office – automated payment machine
West Devon Borough Council (Tavistock)	No (in conjunction with South Hams
South Hams District Council (Totnes)	Yes (in conjunction with West Devon)
Teignbridge District Council	Yes
Torrige District Council	Cash office in Bideford office plus a subsidiary cash facility in Torrington and Holsworthy
North Devon Council	No
South Somerset District Council	No