

## **Report to the Cabinet**

**Report reference:** C-039-2015/16  
**Date of meeting:** 5 November 2015



**Portfolio:** Finance  
**Subject:** Review of Epping Cash Office  
**Responsible Officer:** Rob Pavey (01992 564211).  
**Democratic Services:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

- (1) That the manned front-line cash office at Epping Civic Offices be closed from 1 July 2016 and an alternative solution using payment kiosks be implemented;**
- (2) That the 'Invest to Save' Fund be utilised for the purchase of two payment kiosks in the sum of £20,000 and for an additional allocation in the sum of £10,000 to cover any necessary building works;**
- (3) That Contract Standing Order C4(2) be waived for the purchase of the payment kiosks due to the successful operation of the same kiosk at Waltham Abbey Library, which itself was subject to a tender process;**
- (4) That one FTE Grade 4 Cashier post be deleted from the establishment;**
- (5) That the post holders be treated within the provisions of the Council's Redundancy and Redeployment Procedure; and**
- (6) That revenue savings in the sum of £15,170 for 2016/17 (equivalent full-year savings £20,230) through the implementation of the payment kiosks be noted.**

### **Executive Summary:**

The focus of the Cashiers service has increasingly changed away from front-line cash-receipting to developing and supporting the varied payment channels now available for residents, businesses and services to use.

The proven concept of the payment kiosk has led officers to recommend that a similar provision can be applied to the Epping cash office. This will lead revenue savings of £20,000 per annum principally through the deletion of one full-time equivalent post from the establishment.

It is requested that Contract Standing Order C4(2) be waived and the Invest to Save fund be used for the purchase of two payment kiosks for £20,000. A further £10,000 is requested from the fund as some alterations to the building will be necessary to accommodate the kiosks.

### **Reasons for Proposed Decision:**

The work of the Epping cash desk has changed drastically over recent years with an increasing focus away from the face to face transactions and towards new emerging payment channels offering flexibility for users and services alike. The front-facing income collection can be delivered using payment kiosks, as seen at Waltham Abbey library, and achieve full year revenue savings of £20,000 without affecting service delivery.

### **Other Options for Action:**

To retain the current cash desk provision at the Epping Civic Centre.

Should Members decide to use the Payment Kiosk option then to undertake a full tendering exercise for the two new payment kiosks.

To not utilise the Invest to Save fund for the purchase of the kiosks.

### **Report:**

1. Over the last decade the ways that people pay their bills have changed significantly, particularly with the advent of new technology. Similarly, in meeting these new expectations, the Council's own payment channels for its residents have evolved. It is therefore right that the investment in these new channels and their rising popularity should mean that other existing methods of payment should be reviewed to ensure that the Council's income collection remains cost-effective. This report will look at the existing cash office provision at the Epping Civic Offices and how the work of the Cashiers Service has changed over recent years.

2. The Cashiers Service currently supports two front-line cash desks at the Epping Cash Office and Debden Broadway Housing Office. The service consists of 5.5 full-time equivalent staff with 4 based at Epping and 1.5 at Debden. It also provides a payment kiosk at Waltham Abbey library, supported in partnership with Essex County Council. The service has also introduced a number of other payment channels over the last decade, through the internet and telephone using speech recognition, and various payment portals which has enabled the taking of payments to be devolved to a number of services, such as bulky waste, improving the customer experience by ensuring their contact with the Council is resolved in a single contact. In the last year alone, card payments have been enabled at Norway House and the cash-receipting system at Hemnall Street has been incorporated into the corporate solution, thereby saving system costs. The support, training and maintenance involved with these payment channels is handled by the cashiers staff at the Epping cash office. Consequently, here has been a shift in the focus of their work from the front-line transaction to back-office duties and support. Whilst some of this back-office work has changed such as the reduction in the numbers of postal cheques to be processed, this has been supplemented by this support required for the new channels offered. An important aspect of the Cashiers Service is ensuring that all channels and staff comply with the Payment Card Industry Data Security Standards. The change in transactions within and supported by the Epping Cash Desk can be seen Appendix 1. Over the four years of data provided the percentage of transactions dealt with by the front office has reduced from 25.8% in 2011/12 to 20.7% in 2014/15.

3. In 2013 the Council closed its cash desk at Waltham Abbey Town Hall and an alternative provision was provided with a payment kiosk at Waltham Abbey library, taking cash and card payments. The Council has a Service Level Agreement in place with Essex County Council staff to provide users with support in using the machine. The maintenance and control of the machine remains with the Cashiers service. This arrangement provides good value costing the Council £1,850 per annum and Essex County Council has the benefit

of increased footfall in the library.

4. The kiosk is well used and took over 14,000 transactions in 2014/15. Cash and card transactions in Quarter 1 in 2015 are 90% of the level compared with the former cash desk. The reduction can be explained by a general migration to other payment methods, particularly Direct Debit and internet payments. Given the success of the payment kiosk at Waltham Abbey library it can be considered that this alternative provision to a front-line manned cash desk can be proved as a concept and officers recommend a similar set-up at the Epping cash desk.

5. Front-line transaction numbers are higher at the Civic Offices than at Waltham Abbey and in order to ensure a successful set-up at Epping, particularly at peak times, it is recommended that two kiosks be purchased. This would also provide added resilience. To purchase the kiosks as provided at Waltham Abbey it is recommended that these be made from the original supplier, Banking Automation, and this would cost around £20,000 for the two units. The kiosks would then seamlessly integrate into the existing income management system. It is requested that these units be purchased from the Invest to Save fund and that an additional amount of £10,000 be allocated to pay for any necessary building works. It is also requested that Contract Standing Order C4(2) is waived in this instance which requires three quotes. The original purchase of the kiosk had been subject to a tender process involving three suppliers.

6. The installation of the kiosks at the Civic Offices would generate full-year revenue savings of £20,230 by the removal of the manned front-line provision equivalent to one full-time equivalent post. This is calculated by salary savings of £22,830 less maintenance costs of £2,600 for the two kiosks. The potential maximum redundancy costs are £16,132, although attempts will be made to redeploy staff in accordance with the Redundancy and Redeployment Procedure.

7. It is recommended that the go-live date for the payment kiosks is 1 July 2016. This would allow for the peak transaction volumes which occur in quarter one of any year to be overcome and the introduction of the kiosks can occur at a quieter time and will minimise the impact of any teething problems. Officers would provide floor walking support for users of the kiosks for the initial period after go-live, as was provided at Waltham Abbey library.

8. The Council retains one other cash desk at the Housing office at Debden Broadway. The number of transactions at this office remains higher at this location particularly in terms of cash transactions. It is proposed at this stage not to change the provision at Debden in order that the limited resources available can be focussed on a successful transition at the Civic Offices. It is noted that there is a review of customer contact currently on-going which may inform any recommendations relating to overall service provision at Debden and other locations. Likewise the kiosks at the Civic Offices could be physically transferred should an alternative corporate reception solution be developed as a result of the Customer Contact project.

#### **Resource Implications:**

A bid for £20,000 for the purchase of two payment kiosks and £10,000 for building works from the Invest to Save fund. Revenue savings of £15,170 for 2016/17 and £20,230 per annum thereafter. Potential redundancy costs of £16,132.

#### **Legal and Governance Implications:**

Waiver of Contract Standing Order C4(2).

**Safer, Cleaner and Greener Implications:**

None.

**Consultation Undertaken:**

Initial consultation has taken place with relevant staff and Unison.

**Background Papers:**

None.

**Risk Management:**

The go-live date is recommended for 1 July 2016. This would allow sufficient time for the acquisition and implementation of the kiosks and would enable the peak income collection period in the first quarter of 2016/17 to pass thereby minimising any potential issues.

# Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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The replacement of the cash desk with the kiosk option is principally a like for like replacement. Staff will be on-hand to assist any users who have difficulty in using the machines. One of the kiosks will be positioned at a lower level to assist wheelchair users.