ANGUS COUNCIL

CIVIC LICENSING COMMITTEE - 31 OCTOBER 2019

CONSULTATION ON LICENSING NO LONGER ACCEPTING CASH AS A METHOD OF PAYMENT

REPORT BY DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES

ABSTRACT

The purpose of this Report is for Committee to consider commencing a public consultation on phasing out cash as a means of paying for all licensing fees.

1. RECOMMENDATION

It is recommended that the Committee:-

- (i) agree to commence a public consultation on phasing out cash as a means of paying for all licensing fees.
- (ii) note that a further Report will be submitted to the Committee advising of the outcome of the consultation.

2. BACKGROUND

Digital technology has revolutionised the way people pay for their licensing fees and people are increasingly moving away from using cash.

As an alternative to cash, digital payments offer applicants tailored and flexible ways of making payments in respect of their licensing fees. They enable transactions to be made online or over the phone both quickly and securely. Further; alternative methods of payment reduce the opportunities for the minority who use the anonymity of cash to evade tax and launder money, and reduces the possibility of fraudulent activity.

USE OF CASH IN LICENSING - DIRECT RESULT

If cash is received through the post and the application is incorrect, not required or cannot be processed, licensing staff cannot post cash back so require to request a refund cheque or telephone the applicant to attend the office and collect. There is also scope for human error when counting the cash. Removing that scope would mean applicants cannot accuse staff of miscounting cash after application lodged (i.e. applicants cannot claim they paid more money actually received). No cash would be kept in the office overnight and it would eliminate the requirement for staff to write out a receipt.

Additional time is spent with this type of payment compared to other methods. This includes checking payment in front of customer, checking payment when adding the details to lodging book, checking cash again by person reconciling the daily banking and also again by the person preparing the banking for collection. This is a great deal more time consuming than other methods of payment. Other activities that directly result from the use of cash are:

• If the applicant does not have the correct amount of cash, staff are required to come back from reception and access change from the locked cash tin. Staff are then required to go back to reception for a second time.

Requirement to hold a cash float would be removed and therefore the requirement for a
daily check and declaration to this effect would not be undertaken either. The annual
Finance Cash Float verification would also not be required.

If we are to go Digital, there is no requirement for an option for payment by cash.

We have introduced the option for taking telephone payments so if cash payments were to be removed, there are still several payment options remaining – Paye.Net card payments, BACS, GOV.UK online payments, Angus Council online payments, postal order and cheques. Arrangements are also being made for Chip and Pin devices to be available on the reception at Angus House taking payment by Debit/Credit Card.

If the Committee is minded to agree to commence a public consultation on phasing out cash as a means of paying for all licensing fees then details of the consultation will be placed on the Have Your Say section of the Council's website and on the Council's social media.

3. LICENSING STATISTICS

Civic Summary

The number of applications paid for by cash in 2017/18 was 75 out of 433 (17.3%).

The number of applications paid for by cash in 2018/19 was 39 out of 364 (10.7%).

There is a 6.6% decrease 2018/19 on 2017/18 in terms of the number of applications being paid in cash. This is primarily due to an increase of people using the gov.uk website (up 2%) and debit card (up 9.6%), demonstrating that there is a shift away from paying in cash to using more modern methods such as online and debit card. Graphs illustrating the aforementioned statistics is attached as **Appendix 1**

In terms of amount of money received, cash accounted for £9,649 of £59,387 received by the civic licensing department. This represents 16.2% of in 2017/18.

In terms of amount of money received, cash accounted for £4,668 of £62,309 received by the civic licensing department. This represents 7.5% in 2018/19.

There is an 8.7% decrease 2018/19 on 2017/18 in terms of the proportion cash amounts to of our income from civic licensing fees. Graphs illustrating the aforementioned statistics is attached as **Appendix 2**.

Taxi and Private Hire

The number of applications paid for by cash in 2017/18 was 175 out of 522 (33.5%).

The number of applications paid for by cash in 2018/19 was 93 out of 443 (20%).

There is a 13.5% decrease 2018/19 on 2017/18 in terms of the number of applications being paid in cash. This is primarily due to the increase in payment by debit card, which was up 22.9%. Graphs illustrating the aforementioned statistics is attached as **Appendix 3**.

In terms of amount of money received, we received £34,538 in cash out of £106,622 in 2017/18 (32.4%).

In terms of amount of money received, we received £20,787 in cash out of £101,305 in 2018/19 (20.5%).

There is an 11.9% decrease 2018/19 on 2017/18 in terms of the proportion cash amounts to of our income from taxi and private hire fees. Graphs illustrating the aforementioned statistics is attached as **Appendix 4.**

Gambling Fees

There were no applications paid for in cash for gambling in either 2017/18 or 2018/19.

4. FINANCIAL IMPLICATIONS

Going cashless should result in less resources being required in processing payments given additional time is spent with cash payments compared to other methods of payment.

5. HUMAN RIGHTS

There are no human right implications arising from this Report.

6. CONCLUSION

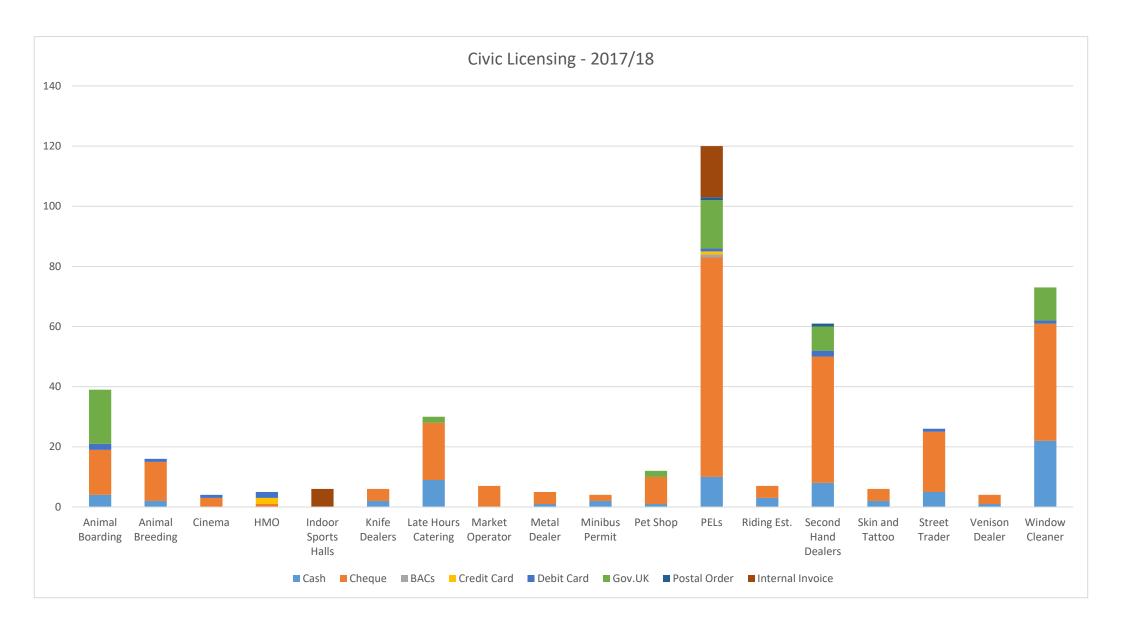
In the event Committee agree to a consultation information will be placed on social media via Facebook twitter and our licensing webpage and via Have Your Say.

A subsequent Report will be submitted to the next Committee meeting on 9 January 2020 advising of the outcome of the consultation.

NOTE: No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extend in preparing this report.

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	Cash	Cheque	BACs	Credit Card	Debit Card	Gov.UK	Postal Order	Internal Invoice	TOTAL	% as Cash
Animal Boarding	4	15	0	0	2	18	0	0	39	10.3%
Animal Breeding	2	13	0	0	1	0	0	0	16	12.5%
Cinema	0	3	0	0	1	0	0	0	4	0%
НМО	0	1	0	0	2	2	0	0	5	0%
Indoor Sports Halls	0	0	0	0	0	0	0	6	6	0%
Knife Dealers	2	4	0	0	0	0	0	0	6	33.3%
Late Hours Catering	9	19	0	0	0	2	0	0	30	30%
Market Operator	0	7	0	0	0	0	0	0	7	0%
Metal Dealer	1	4	0	0	0	1	0	0	6	6.3%
Minibus Permit	2	2	0	0	0	0	0	0	4	50%
Pet Shop	1	9	0	0	0	2	0	0	12	8.3%
PELs	10	73	1	2	1	16	1	17	121	8.3%
Riding Est.	3	4	0	0	0	0	0	0	7	42.9%
Second Hand Dealer	8	42	0	0	2	8	1	0	61	13.1%
Skin and Tattoo	2	4	0	0	0	0	0	0	6	33.3%
Street Trader	5	20	0	0	1	0	0	0	26	19.2%
Venison Dealer	1	3	0	0	0	0	0	0	4	25%
Window Cleaner	22	39	0	0	1	11	0	0	73	30.1%
TOTAL	75	259	1	2	11	60	2	23	433	<u>17.3%</u>

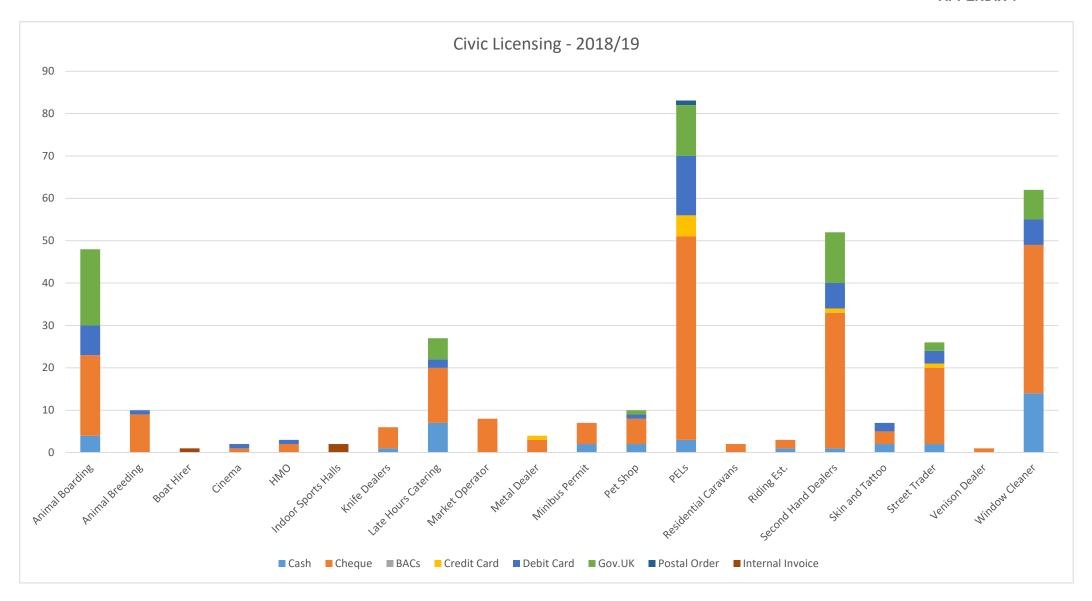
The total number of applications paid for in cash in 2017/18 was 75 from a grand total of 433. This represents a total of 17.3% of applications/transactions.

The most popular method of payment was cheque which accounts for 59.9% of applications received in the 2017/18 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: 259–59.8%
 Cash: 75 – 17.3%
 Gov.uk: 60–13.9%

4) Internal Invoice: 23 – 5.3%
5) Debit Card: 11 – 2.5%
6) Credit Card: 2 – 0.5%
7) Postal Order: 2 – 0.5%

8) BACs: 1– 0.2%



	Cash	Cheque	BACs	Credit Card	Debit Card	Gov.UK	Postal Order	Internal Invoice	TOTAL	% as Cash
Animal Boarding	4	19	0	0	7	18	0	0	48	8.3%
Animal Breeding	0	9	0	0	1	0	0	0	10	0%
Boat Hirer	0	0	0	0	0	0	0	1	1	0%
Cinema	0	1	0	0	0	0	0	0	1	0%
НМО	0	2	0	0	1	2	0	0	3	0%
Indoor Sports Halls	0	0	0	0	0	0	0	2	2	0%
Knife Dealers	1	5	0	0	1	0	0	0	7	14.3%
Late Hours Catering	7	13	0	0	2	5	0	0	27	25.9%
Market Operator	0	8	0	0	0	0	0	0	8	0%
Metal Dealer	0	3	0	1	0	0	0	0	4	0%
Minibus Permit	2	5	0	0	0	0	0	0	7	28.6%
Pet Shop	2	6	0	0	1	0	0	0	10	20%
PELs	3	48	0	5	14	12	1	0	83	3.6%
Residential Caravans	0	2	0	0	0	0	0	0	2	0%
Riding Est.	1	2	0	0	0	0	0	0	3	33.3%
Second Hand Dealer	1	32	0	1	6	12	0	0	52	1.9%
Skin and Tattoo	2	3	0	0	2	0	0	0	7	28.6%
Street Trader	2	18	0	1	3	2	0	0	26	7.7%
Venison Dealer	0	1	0	0	0	0	0	0	1	0%
Window Cleaner	14	35	0	0	6	7	0	0	62	22.6%
TOTAL	39	211	0	8	44	58	1	3	364	<u>10.7%</u>

The total number of applications paid for in cash in 2018/19 was 39 from a grand total of 364. This represents a total of 10.7% of applications/transactions, which is down 6.6%. The most popular method of payment was cheque which accounts for 58% of applications received in the 2018/19 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: 211–58%
 Gov.uk: 58–15.9%
 Debit Card: 44 – 12.1%
 Cash: 39 – 10.7%
 Credit Card: 8–2.2%
 Internal Invoice: 3 – 0.8%
 Postal Order: 1 – 0.3%

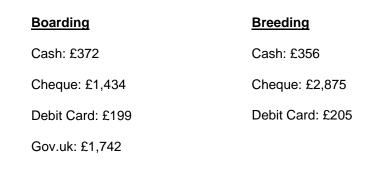
8) BACs: 0-0%

Indoor Sports Hall

Cash accounts for 32.3%

of Knife Dealer income.

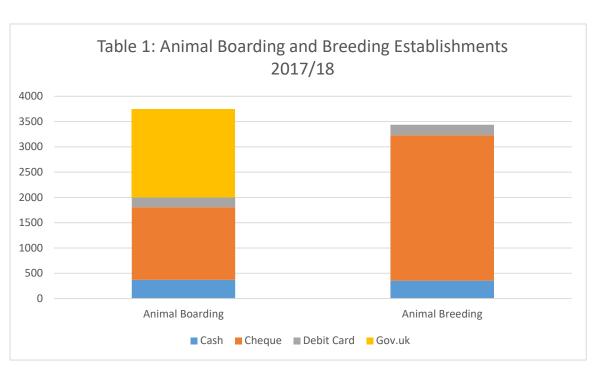
Table 1 displays the income for both Animal Boarding and Animal Breeding Establishment applications in financial year 2017/18 in pounds.

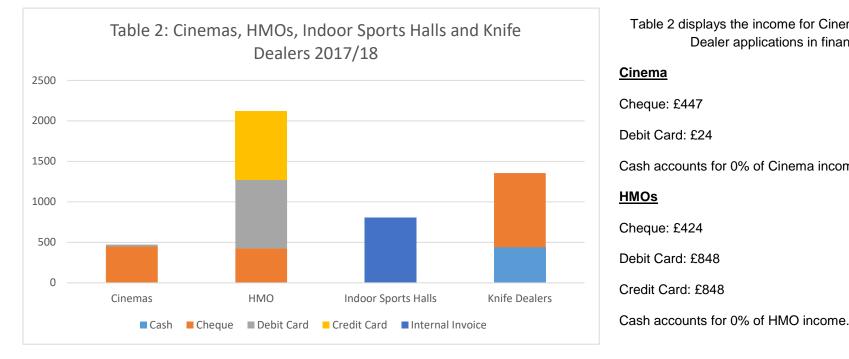


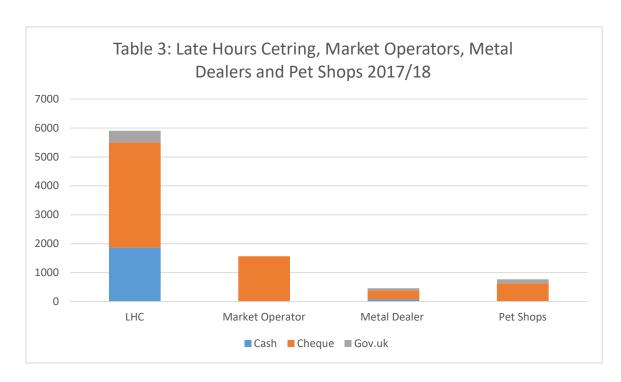
Cash payments account for 10% of Boarding Establishments and 10.1% of Breeding Establishment income.

Table 2 displays the income for Cinema, HMO, Indoor Sports Hall and Knife Dealer applications in financial year 2017/18 in pounds.

	macor operto man
Cheque: £447	Internal Invoice: £804
Debit Card: £24	Cash accounts for 0% of
Cash accounts for 0% of Cinema income.	ISH income
<u>HMOs</u>	Knife Dealers
Charus C404	Kime Bealers
Cheque: £424	Cash: £438
Debit Card: £848	
DODIT GUIG. 2010	Cheque: £918







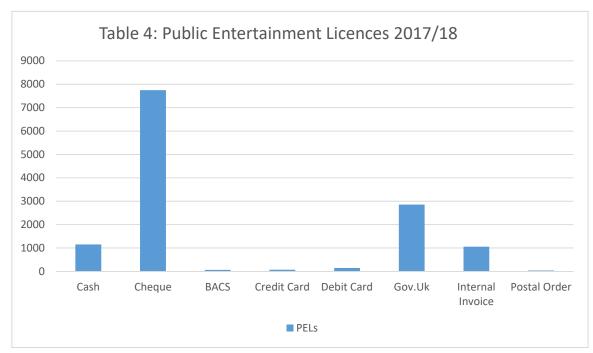


Table 3 displays the income for late hour catering, market operator, metal dealer and pet shop applications in financial year 2017/18 in pounds.

LHC Metal Dealers

Cash: £1,866 Cash: £77

Cheque: £3,643 Cheque: £308

Gov.uk: £396 Gov.uk: £77

Market Operators Pet Shops

Cheque: £1569 Cheque: £630

Gov.uk: £140

Cash accounts for 31.6%, 0%, 16.7% and 0% of LHC, Market Operator, Metal

Dealer and Pet Shop income respectively.

Table 4 displays the income for PEL applications in financial year 2017/18 in pounds.

BACs: £63

Cash: £1,152

Cheque: £7,749

Credit Card: £70

Debit Card: £144

Gov.uk: £2,858

Internal Invoice: £1,060

Postal Order: £36

Cash accounts for 8.8% of PEL income.

Table 5: Riding Establishments, Second Hand Dealers and Skin Piercing and Tattoo Artists 2017/18

14000
12000
10000
8000
4000
2000
Riding SHD Skin and Tattoo

■ Cash ■ Cheque ■ Debit Card ■ Gov.uk ■ Postal Order



Table 5 displays the income for riding establishment, second hand dealer and skin piercing and tattooing applications in financial year 2017/18 in pounds.

<u>Riding</u>	Skin Piercing and Tattoo
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Cash: £292 Cash: £632

Cheque: £372 Cheque: £1,448

Second Hand Dealer

Cash: £1,705

Cash accounts for 44%, 13.7% and 30.4% of Riding Establishment, Second Hand Cheque: £8,484

Dealer and Skin Piercing and Tattoo

Debit Card: £480 income respectively.

Gov.uk: £1,584

Postal Order: £198

Table 6 displays the income for street trader, venison dealer, window cleaner and minibus permit applications in financial year 2017/18 in pounds.

Street Trader	Window Cleaner
Cash: £880	Cash: £1,758
Cheque: £3,095	Cheque: £3,103
Debit Card: £211	Debit Card: £93
	Gov.uk: £927
Venison Dealers	Minibus Permit
Cash: £99	Cash: £22
Cheque: £210	Cheque: £22

Cash accounts for 21%, 32%, 30% and 50% of street trader, venison dealer,

window cleaner and minibus permits respectively.

2017/18 Summary

The total amount received in cash in financial year 2017/18 was £9,649 from a grand total of £59,387. This represents 16.2% of all payments received.

The most popular method of payment was cheque which accounts for 61.9% of all monies received by the liquor licensing department in the 2017/18 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: £36,731 – 61.9%
 Cash: £9,649 – 16.2%

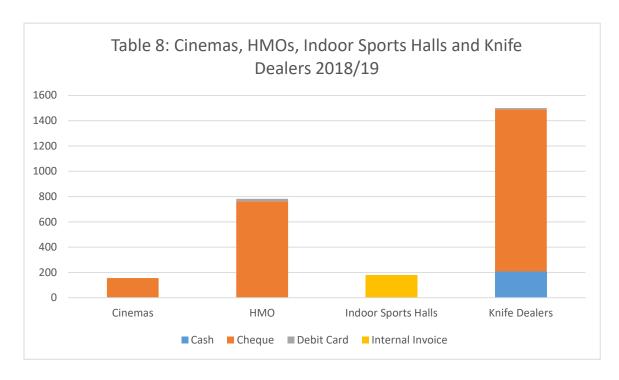
3) Gov.uk: £7,724 – 13%

4) Debit Card: £2,204 - 3.7%
5) Internal Invoice: £1,864 - 3.1%

6) Credit Card: £918 – 1.5%7) Postal Order: £234, 0.4%

8) BACs: £63 – 0.1%

Table 7: Animal Boarding and Breeding Establishments 2018/19 5000 4000 2000 1000 Animal Boarding Animal Breeding Cash Cheque Debit Card Gov.uk



APPENDIX 2

Table 7 displays the income for both Animal Boarding and Animal Breeding Establishment applications in financial year 2018/19 in pounds.

Boarding

Cash: £390 Breeding

Debit Card: £619 Debit Card: £215

Gov.uk: £1,742

Cash accounted for 7.5% and 0% of boarding and breeding income respectively.

Table 8 displays the income for Cinema, HMO, Indoor Sports Hall and Knife

Dealer applications in financial year 2018/19 in pounds.

Cinema Indoor Sports Hall

Cheque: £156 Internal Invoice: £182

Knife Dealers

HMOs Cash: £208

Cheque: £762 Cheque: £1,282

Debit Card: £10 Debit Card: £10

Cash accounted for 0%, 0%, 0% and 13.9% of cinema, ISH, HMO and Knife Dealer income respectively.

Table 9 displays the income for late hour catering, market operator, metal dealer and pet shop applications in financial year 2017/18 in pounds.



Cash accounted for 25.5%, 0%, 0% and 20% of LHC, metal dealer, market operator and pet shop income respectively.

Table 5 displays the income for PEL applications in financial year 2018/19 in pounds.

Cash: £79

Cheque: £5,763

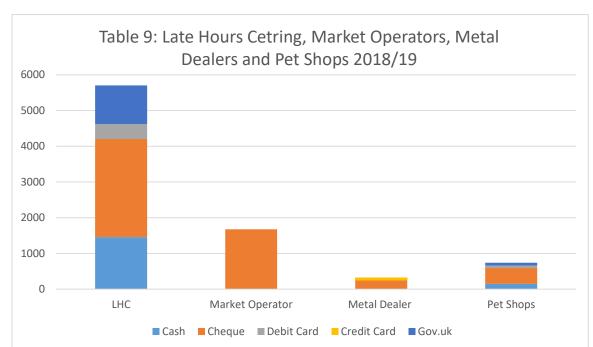
Credit Card: £521

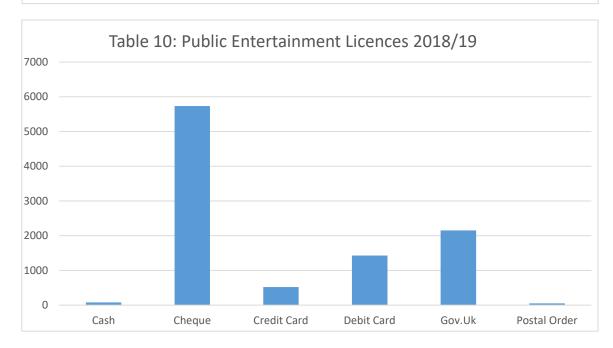
Debit Card: £1,427

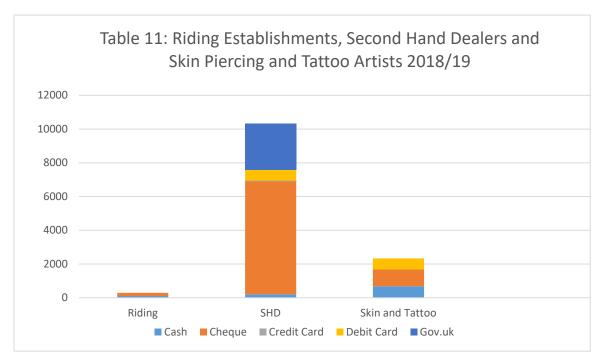
Gov.uk: £2,152

Postal Order: £38

Cash accounted for 0.1% of cash income for PELs.







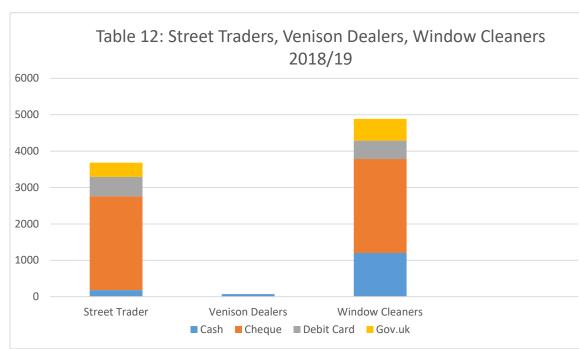


Table 11 displays the income for riding establishment, second hand dealer and skin piercing and tattooing applications in financial year 2018/19 in pounds.

<u>Riding</u>	Skin Piercing and Tattoo

Cash: £98 Cash: £675

Cheque: £191 Cheque: £996

Second Hand Dealer Debit Card: £664

Cash: £208

Cheque: £6,691 Cash accounted for 34%, 2% and 29% of riding establishment, SHD and Skin Piercing

Debit Card: £624 and Tattooing income respectively.

Gov.uk: £2,744

Credit Card: £44

Table 12 displays the income for street trader, venison dealer, window cleaner and minibus permit applications in financial year 2017/18 in pounds.

window cleaner income respectively.

Street Trader Window Cleaner Cash: £182 Cash: £1.202 Cheque: £2,577 Cheque: £2,852 Credit Card: £134 Debit Card: £503 Debit Card: £533 Gov.uk: £601 Gov.uk: £392 **Venison Dealers** Cash accounted for 4.8%, 0% and 23.2% of street trader, venison and Cheque: £74

2018/19 Summary

Also note that:

Residential Caravan Income: £12,000 cheque. Minibus Permit: £22 cash and £55 cheque and Boat hirer £141 internal invoice.

The total amount received in cash in financial year 2018/19 was £4,668 from a grand total of £62,309. This represents 7.5% of all payments received. This is a decrease of 8.7%.

The most popular method of payment was cheque which accounts for 68.4% of all monies received by the civic licensing department in the 2018/19 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

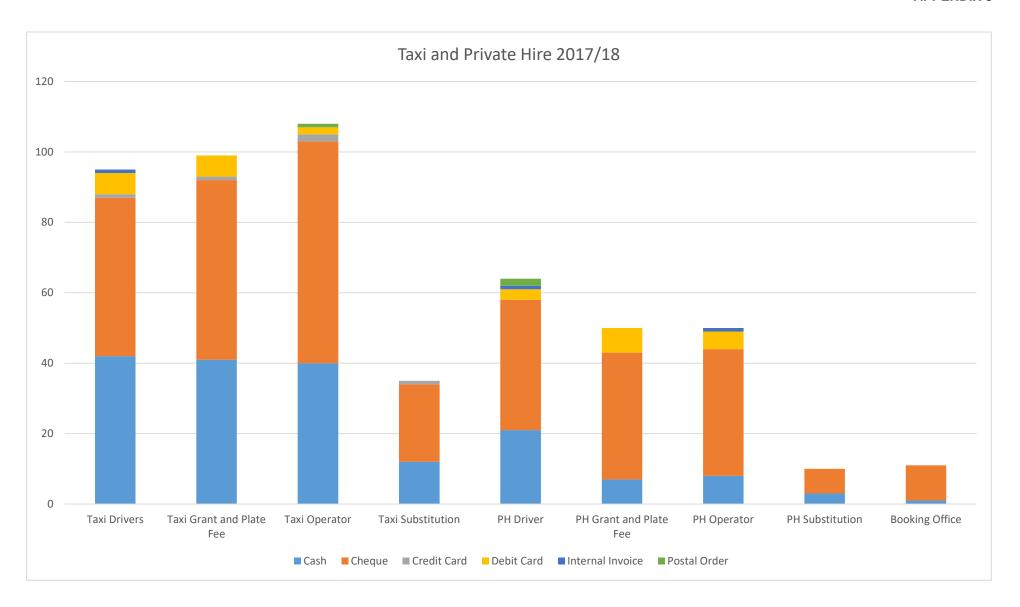
Cheque: £42,605–68.4%
 Gov.uk: £8,789 – 14.1%
 Debit Card: £5,106–8.2%

4) Cash: £4,668 - 7.5%5) Credit Card: £780 - 1.3%

6) Internal Invoice: £323 - 0.5%

7) Postal Order: £38, 0.1%

8) BACs: £0 – 0%

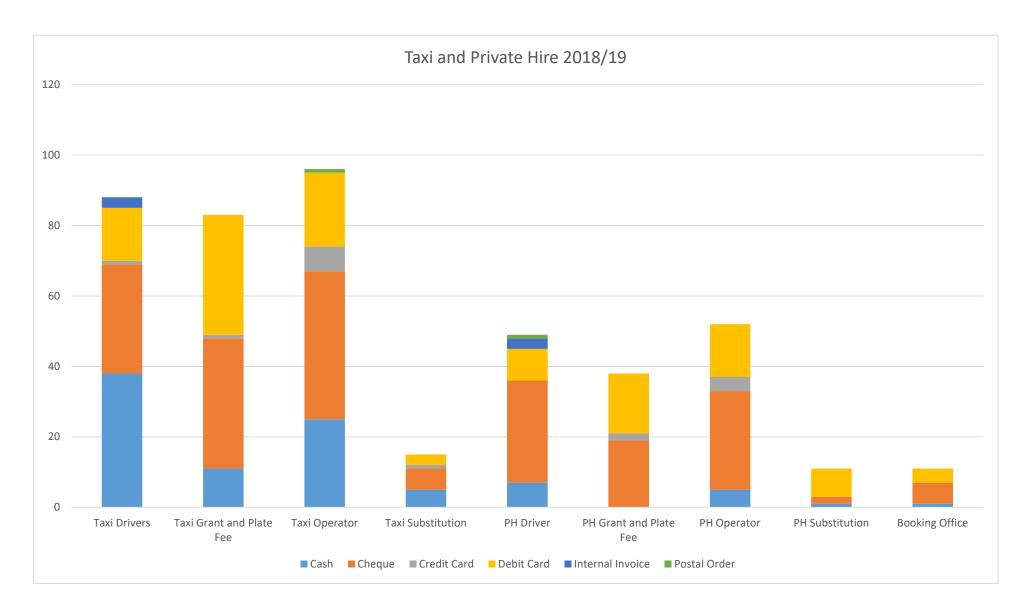


	Cash	Cheque	Credit Card	Debit Card	Internal Invoice	Postal Order	TOTAL	% as cash
Taxi Driver	42	45	1	6	1	0	95	44.2%
Taxi Grant and Plate Fee	41	51	1	6	0	0	99	41.4%
Taxi Operator	40	63	2	2	0	1	108	37%
Taxi Substitution	12	22	1	0	0	0	35	34.3%
PH Driver	21	37	0	3	1	2	64	32.8%
PH Grant and Plate Fee	7	36	0	7	0	0	50	14%
PH Operator	8	36	0	5	0	1	50	16%
PH Substitution	3	7	0	0	0	0	10	30%
Booking Office	1	10	0	0	0	0	11	9.1%
TOTAL	175	307	5	29	2	4	522	33.5%

The total number of applications paid for in cash in 2017/18 was 175 from a grand total of 522. This represents a total of 33.5% of applications/transactions.

The most popular method of payment was cheque which accounts for 58.8% of applications received in the 2017/18 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: 307 – 58.8 %
 Cash: 175 – 33.5%
 Debit Card: 29 – 5.5%
 Credit Card: 5 – 1%
 Postal Order: 4 – 0.8%
 Internal Invoice: 2 – 0.4%



	Cash	Cheque	Credit Card	Debit Card	Internal Invoice	Postal Order	TOTAL	% as cash
Taxi Driver	38	31	1	15	3	0	88	43.2%
Taxi Grant and Plate Fee	11	37	1	34	0	0	83	13.3%
Taxi Operator	25	42	7	21	0	1	96	26%
Taxi Substitution	5	6	1	3	0	0	15	33%
PH Driver	7	29	0	9	3	1	49	34.3%
PH Grant and Plate Fee	0	19	2	17	0	0	38	0%
PH Operator	5	28	4	15	0	0	52	9.6%
PH Substitution	1	2	0	8	0	0	11	9.1%
Booking Office	1	6	0	4	0	0	11	9.1%
TOTAL	93	200	16	126	6	2	443	20%

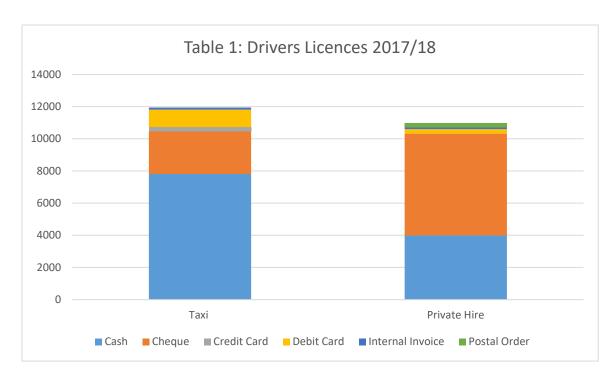
The total number of applications paid for in cash in 2018/19 was 93 from a grand total of 443. This represents a total of 20% (down 13.5%) of applications/transactions.

The most popular method of payment was cheque which accounts for 45.1% of applications received in the 2017/18 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: 200 – 45.1%
 Debit Card: 126 – 28.4%

3) Cash: 93 – 20%

4) Credit Card: 16 – 3.6%
5) Internal Invoice: 6 – 1.4%
6) Postal Order: 2 – 0.5%



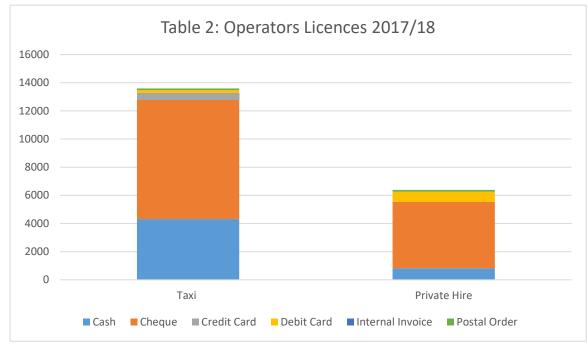


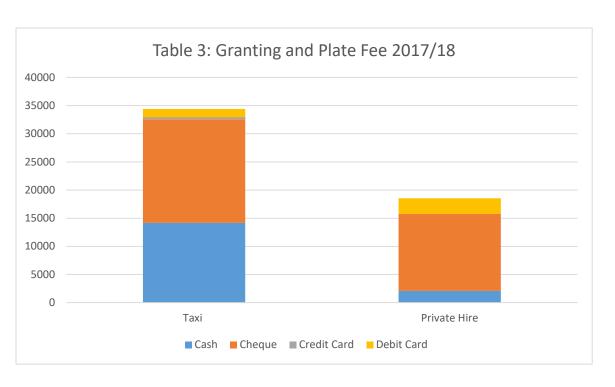
Table 1 displays the income for both taxi driver licence and private hire licence applications and renewals in financial year 2017/18 in pounds.

<u>Taxis</u>	Private Hire
Cash: £7,812	Cash: £3,996
Cheque: £7,654	Cheque: £6,328
Credit Card: £267	Debit Card: £272
Debit Card: £1,081	Internal Invoice: £126
Internal Invoice: £126	Postal Order: £252
% of cash = 46.1%	% of cash = 36.4%

Table 2 displays the income for both taxi operator and private hire operator applications and renewals in financial year 2017/18 in pounds.

This was the lodging fee.

<u>Taxis</u>	<u>Private Hire</u>
Cash: £4,321	Cash: £813
Cheque: £8,483	Cheque: £4,716
Credit Card: £474	Debit Card: £735
Debit Card: £198	Postal Order: £126
Postal Order: £120	
	% of cash = 12.7%
% of cash = 31.8%	



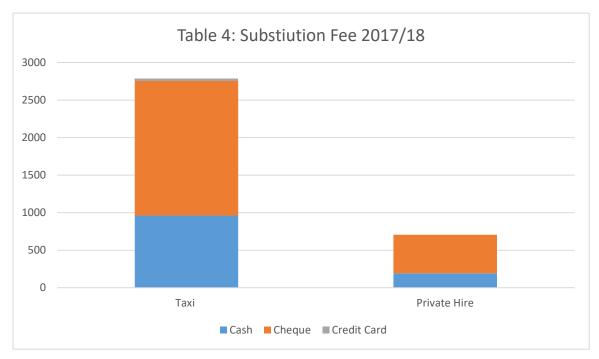


Table 3 displays income for granting and plate fees for financial year 2017/18 in pounds. This was the cost of the vehicle test and plate.

<u>Taxis</u>	Private Hire
Cash: £14,164	Cash: £2,079
Cheque: £18,439	Cheque: £13,684
Credit Card: £322	Debit Card: £2,773
Debit Card: £1,492	
% of cash = 41.2%	% of cash = 11.2%

Table 4 displays income for substitution fees in financial year 2017/18 in pounds.

<u>Taxis</u>	Private Hire
Cash: £963	Cash: £192
Cheque: £1,763	Cheque: £514
Credit Card: £31	
% of cash = 34.6%	% of cash = 27.2%

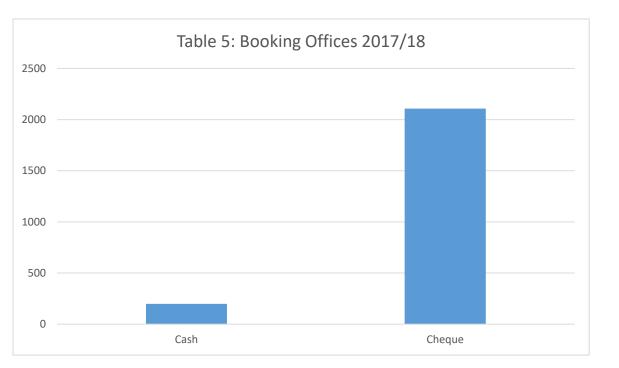


Table 5 displays income for booking offices in financial year 2017/18.

Cash: £198

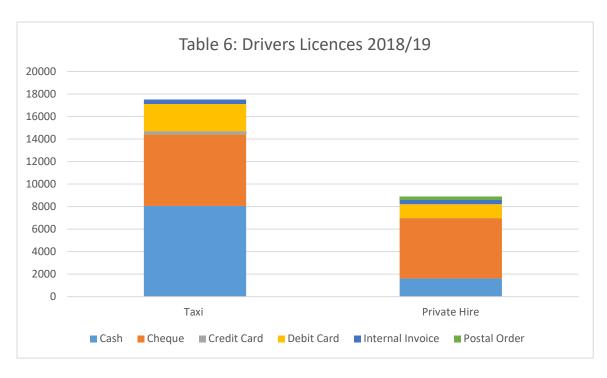
Cheque: £2,108

% of cash = 8.6%

The total amount received in cash in financial year 2017/18 was £34,538 out of a grand total of £106,622. This represents 32.4% of all payments received.

The most popular method of payment was Cheque with 59.7% of all monies received in the 2017/18 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: £63,689 – 59.7%
 Cash: £34,538 – 32.4%
 Debit Card: £6,551 – 6.1%
 Credit Card: £1,094 – 1%
 Postal Order: £498, 0.5%
 Internal Invoice: £252, 0.2%



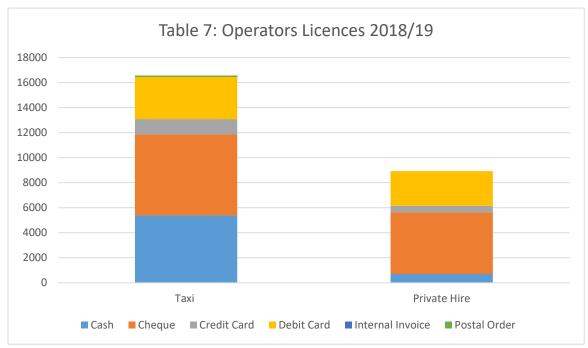


Table 6 displays the income for both taxi driver licence and private hire licence applications and renewals in financial year 2018/19 in pounds.

<u>Taxis</u>	Private Hire
Cash: £8,055	Cash: £1,615
Cheque: £6,349	Cheque: £5,360
Credit Card: £280	Debit Card: £1233
Debit Card: £2,427	Internal Invoice: £396
Internal Invoice: £396	Postal Order: £267
% of cash = 46%	% of cash = 18.2%

Table 7 displays the income for both taxi operator and private hire operator applications and renewals in financial year 2018/19 in pounds.

<u>Taxis</u>	Private Hire
Cash: £5,386	Cash: £701
Cheque: £6,471	Cheque: £4,939
Credit Card: £1,224	Debit Card: £2,768
Debit Card: £3,368	Credit Card: £514
Postal Order: £104	
	% of cash = 7.9%
% of cash = 32.4%	

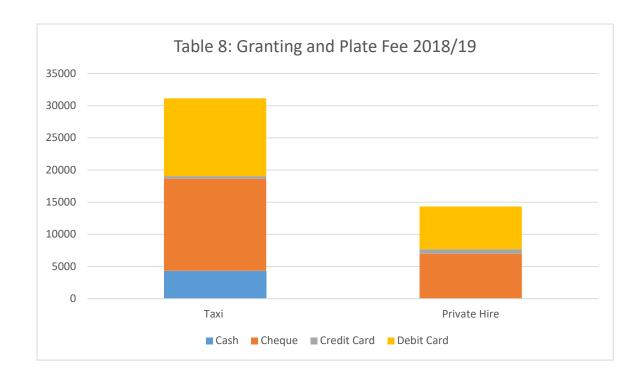




Table 8 displays income for granting and plate fees for financial year 2018/19.

<u>Taxis</u>	Private Hire
Cash: £4,312	Cash: £0
Cheque: £14,352	Cheque: £6,995
Credit Card: £394	Debit Card: £6,646
Debit Card: £12,089	Credit Card: £675
% of cash = 13.8%	% of cash = 0%

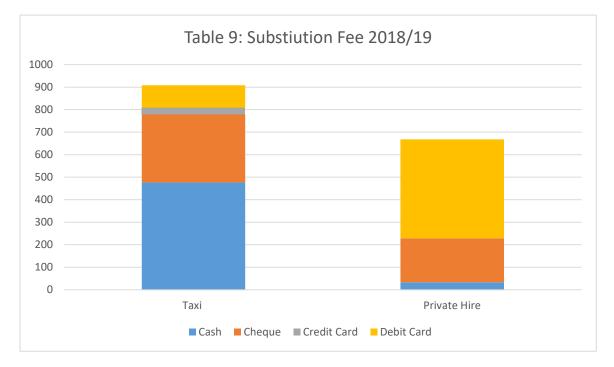


Table 9 displays income for substitution fees in financial year 2018/19 in pounds.

Private Hire
Cash: £33
Cheque: £196
Debit Card: £439
% of cash = 4.9%

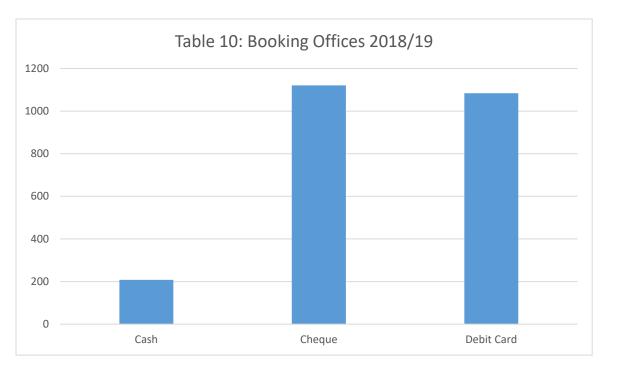


Table 10 displays income for booking offices in financial year 2018/19

Cash: £208

Cheque: £1,121

Debit Card: 1,084

% of cash = 8.6%

The total amount received in cash in financial year 2018/19 was £20,787 out of £101,305. This represents 20.5% of all payments received, 11.9% decrease on 2017/18.

The most popular method of payment was Cheque with 45.5% of all monies received in the 2018/19 financial year. Below is the order of popularity in terms of amount of monies received by that payment method:

Cheque: £46,085 - 45.5%
 Debit Card: £30,153 - 29.8%
 Cash: £20,787 - 20.5%

4) Credit Card: £3,117 – 3%
5) Internal Invoice: £792, 0.9%
6) Postal Order: £371, 0.4%