

ANGUS COUNCIL

ANGUS LICENSING BOARD – 31 OCTOBER 2019

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

REPORT BY THE CLERK

ABSTRACT

The purpose of this Report is for the Board 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 Board:-

- (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 Board 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, the licensing team cannot post cash back so require to request a refund cheque or telephone the applicant to attend the office and collect. Further; there is 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 than 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 Board 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

In terms of liquor licensing the number of applications paid for by cash in 2017/18 was 142 out of 1176 (12.1%). The number of applications paid for by cash in 2018/19 was 130 out of 1007 (12.9%). There is a 0.8% increase 2018/19 on 2017/18 in terms of the number of applications being paid in cash. This nominal increase is to be expected given the number of applications decreased. Graphs illustrating the aforementioned statistics is attached as **Appendix 1**.

In terms of amount of money received, licensing received £4,992 in cash out of £120,955. This represents 4.1% of all payments received in 2017/18. In terms of amount of money received, licensing received £2,852 in cash out of £118,393. This represents 2.4% of all payments received in 2018/19. There is a 1.7% decrease 2018/19 on 2017/18 in terms of the proportion cash amounts to of our income from liquor licensing fees. Graphs illustrating the aforementioned statistics is attached as **Appendix 2**

A subsequent Report will be submitted to the Board Meeting of 9 January 2020 advising of the outcome of the Consultation.

4. FINANCIAL IMPLICATIONS

Going cashless should result in fewer 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

The Board is asked to agree to the Consultation and note that a further Report will be submitted to the Board on 9 January 2020 advising of the outcome of the Consultation. In the event Committee agree to a Consultation being undertaken information will be placed on social media via Facebook twitter and our licensing webpage and via Have Your Say

REPORT AUTHOR: Nannette Page, Team Leader

E-MAIL: LEGDEM@angus.gov.uk

APPENDIX 1

Table 1: Extended Hours 2017/18

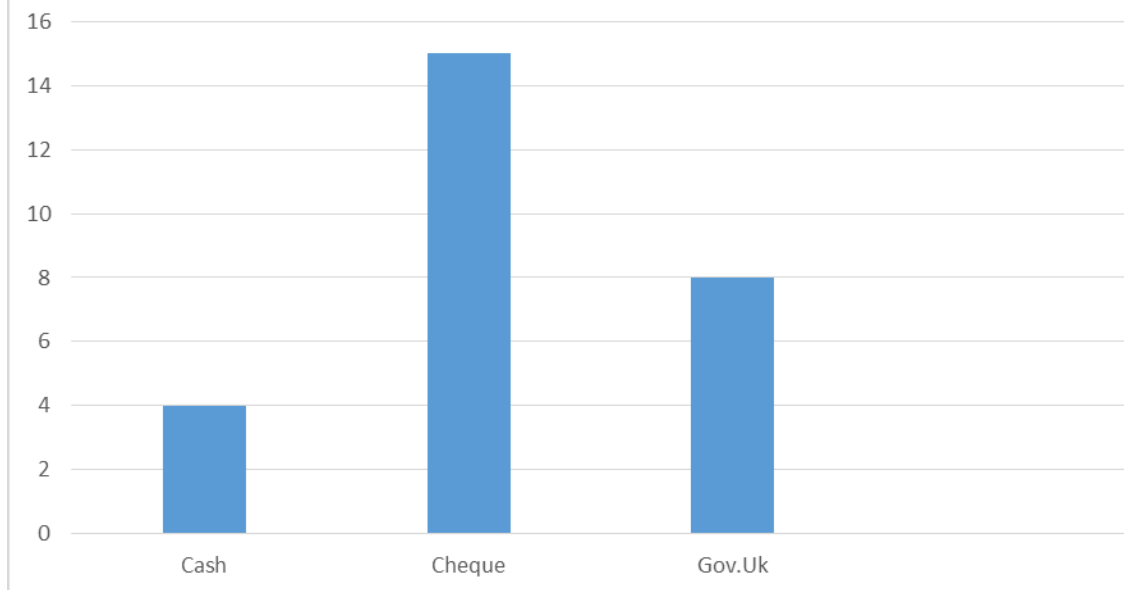


Table 1 displays the number of applications received for Extended Hours in financial year 2017/18.

The methods of payments equates to 4 being paid in cash, 15 by cheque and 8 via the gov.uk website. (Total of 27).

14.8% of applications for extended hours were paid in cash.

Table 2: Occasional Licences 2017/18

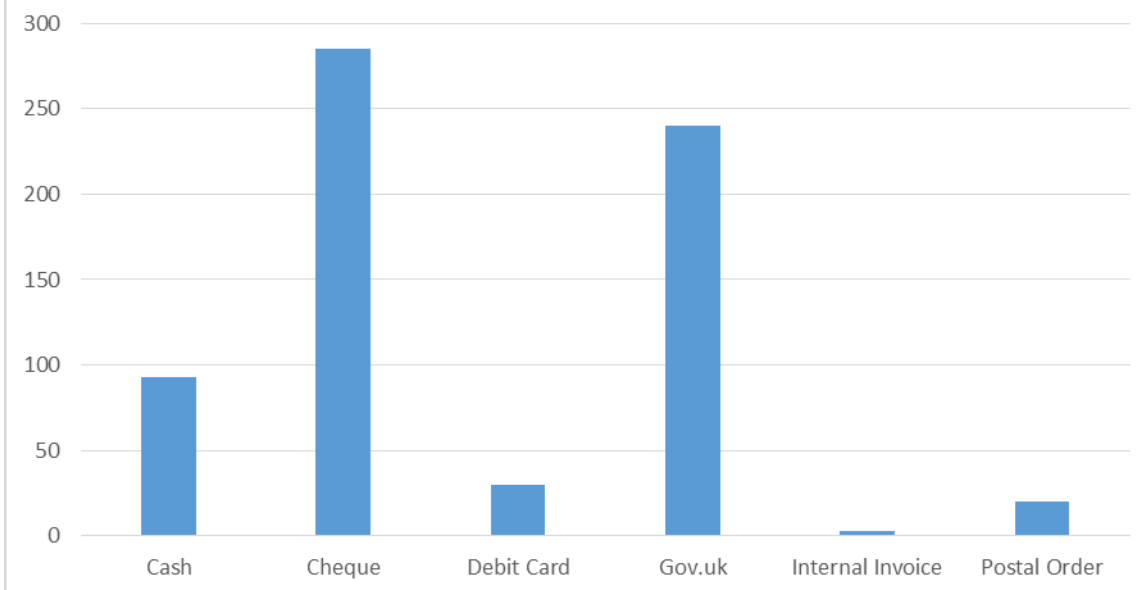


Table 2 displays the number of applications received for Occasional Licences in financial year 2017/18.

The methods of payments equates to 93 being paid in cash, 285 by cheque, 3 by debit card, 240 via the gov.uk website, 3 by internal invoice and 2 by postal order. (Total of 626).

14.2% of applications for occasional licences were paid in cash.

APPENDIX 1

Table 3: Personal Licences, 2017/18

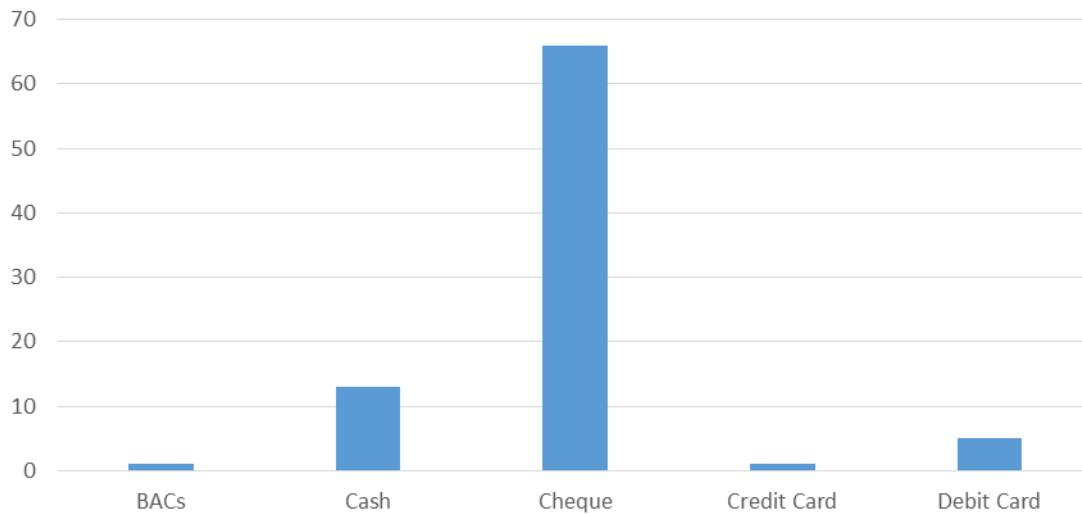


Table 3 displays the number of applications received for Personal Licences in financial year 2017/18.

The methods of payments equates to 1 by BACs, 13 in cash, 66 by cheque, 1 by credit card and 5 by debit cards. This includes both applications for new personal licences and replacements. (Total of 86).

15.1% of applications for personal licence applications were paid in cash.

Table 4: Premises Licence Annual Fees, 2017/18

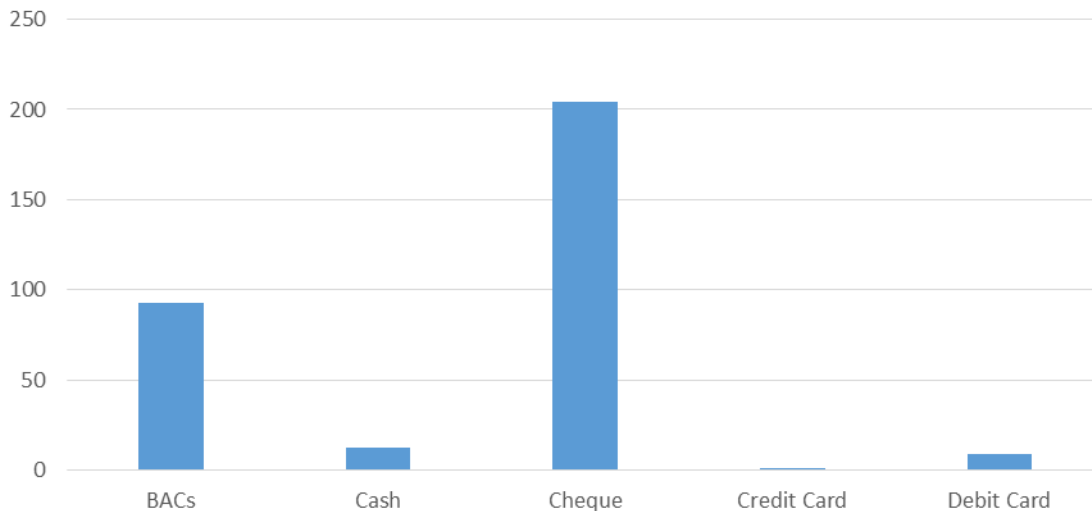


Table 4 displays the number of Annual Fees received in financial year 2017/18.

The methods of payments equates to 93 being paid by BACs, 12 by cash, 204 by cheque, 1 by credit card and 9 by debit card. (Totals 319).

3.6% of Annual Fees were paid in cash.

Table 5: Premises Licences 2017/18

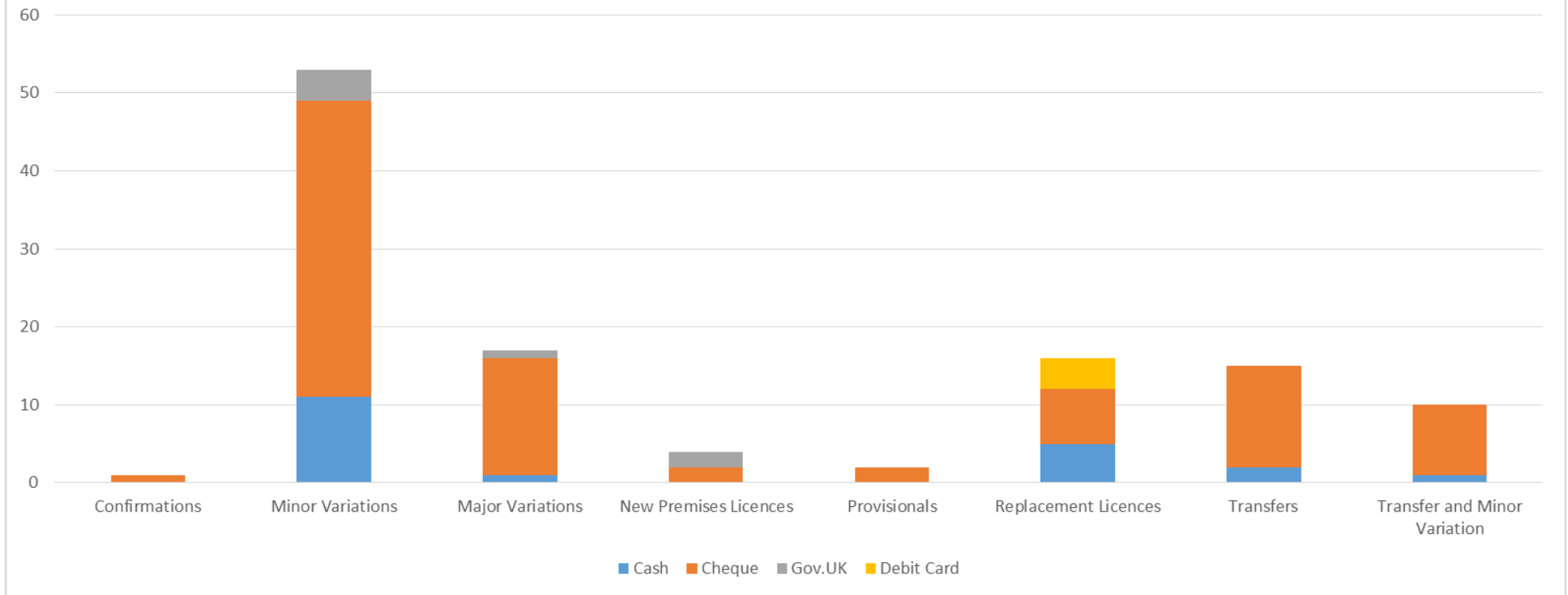


Table 5 displays the methods of payment used for all transactions in relation to premises licences in financial year 2017/18 (except annual fees).

The percentage of cash payments for each kind of application can be found below:

- 1) Confirmations: 1 by Cheque (0% Cash)
- 2) Minor Variations: 11 by cash, 38 by cheque and 4 by gov.uk (Total of 53. 20.8% paid in cash)
- 3) Major Variations: 1 by cash, 15 by cheque and 1 by gov.uk. (Total of 17. 5.9% paid in cash)
- 4) New Premises Licences: 2 by cheque and 2 by gov.uk (Total of 4. 0% paid in cash)
- 5) Provisional: 2 by cheque (Total of 2. 0% paid in cash)
- 6) Replacement Licences: 5 by cash, 4 by debit card, 7 by cheque (Total of 16. 31.3% paid in cash)
- 7) Transfers: 2 by cash, 13 by cheque (Total of 15. 13.3% paid in cash)
- 8) Transfers and Minor Variations: 1 by cash, 9 by cheque. (Total of 10. 10% paid in cash).

2017/18 Summary

The total number of applications paid for in cash in 2017/18 was 142 from a grand total of 1176. This represents a total of 12.1% of applications/transactions.

The most popular method of payment was cheque which accounts for 55.9% of all applications 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:

- 1) Cheque: 657– 55.9%
- 2) Gov.uk: 255– 21.7%
- 3) Cash: 142 – 12.1%
- 4) BACs: 94– 8%
- 5) Debit Card: 21 – 1.8%
- 6) Internal Invoice: 3 – 0.3%
- 7) Credit Card: 2 – 0.2%
- 8) Postal Order: 2 – 0.2%

APPENDIX 1

Table 6: Extended Hours 2018/19

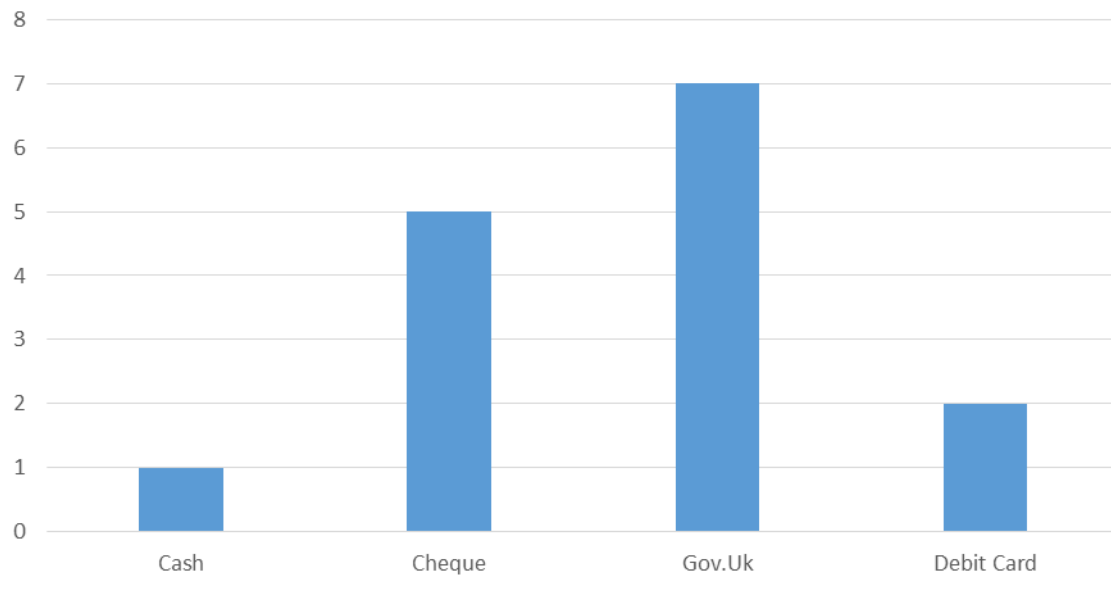


Table 6 displays the number of applications received for Extended Hours in financial year 2018/19.

The methods of payments equates to 1 being paid in cash, 5 by cheque, 7 via the gov.uk website and 2 by debit card. (Total of 15).

6.7% of applications for extended hours were paid in cash.

Table 7: Occasional Licences 2018/19

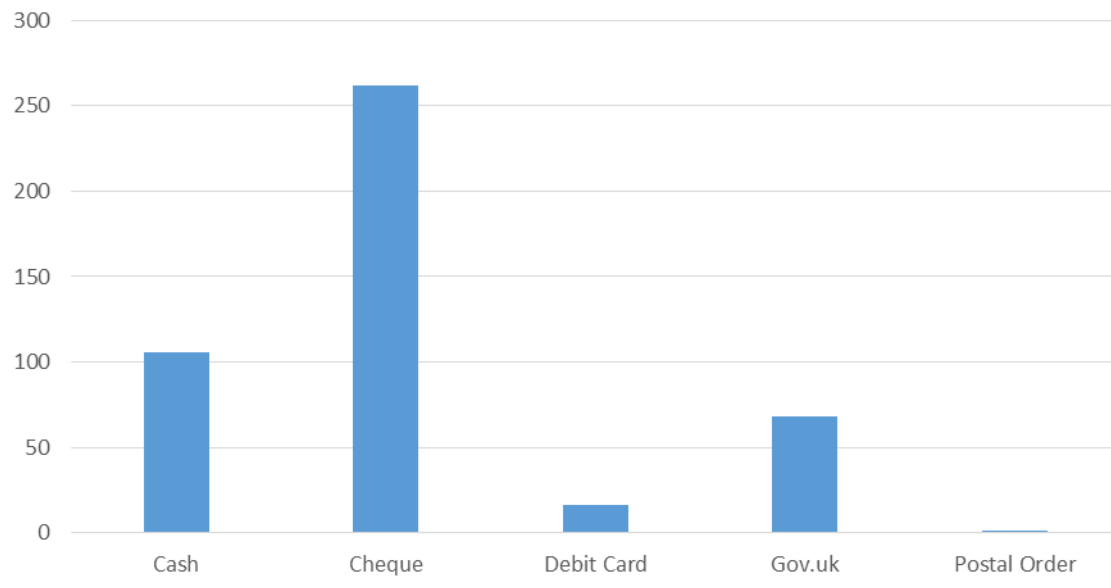


Table 7 displays the number of applications received for Occasional Licence in financial year 2018/19.

The methods of payments equates to 106 being paid in cash, 262 by cheque, 68 via the gov.uk website, 16 by debit card and 1 by postal order. (Total of 453).

23.4% of applications for extended hours were paid in cash.

APPENDIX 1

Table 8 Personal Licences, 2018/19

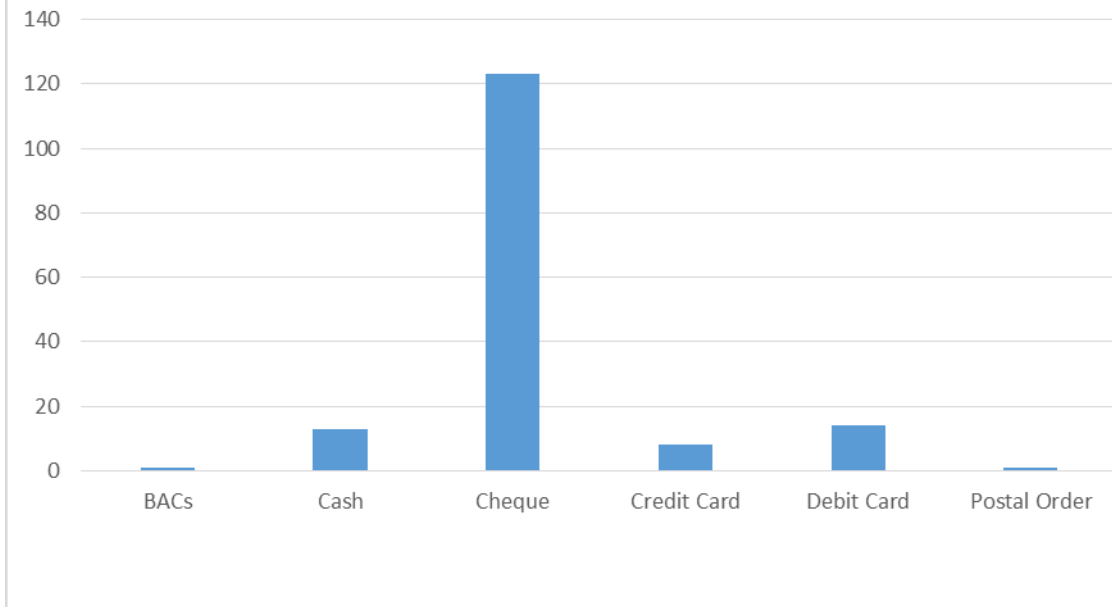


Table 8 displays the number of applications received for Personal Licences in financial year 2018/19.

The methods of payments equates to 1 by BACs, 12 by cash, 123 by cheque, 8 by credit card, 14 by debit card and one by postal order. (Total of 158).

7.5% of applications for extended hours were paid in cash.

Table 9 Premises Licence Annual Fees, 2018/19

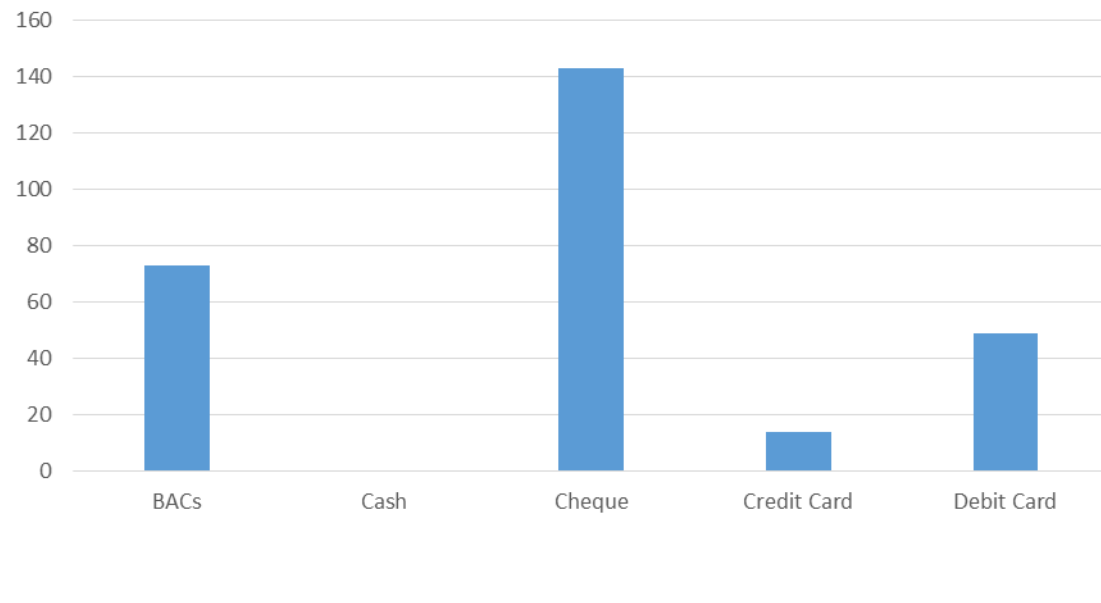


Table 9 displays the number of Annual Fees received in financial year 2018/19.

The methods of payments equates to 73 being paid by BACs, 0 by cash, 143 by cheque, 14 by credit card and 49 by debit card. (Totals 279).

0% of Annual Fees were paid in cash

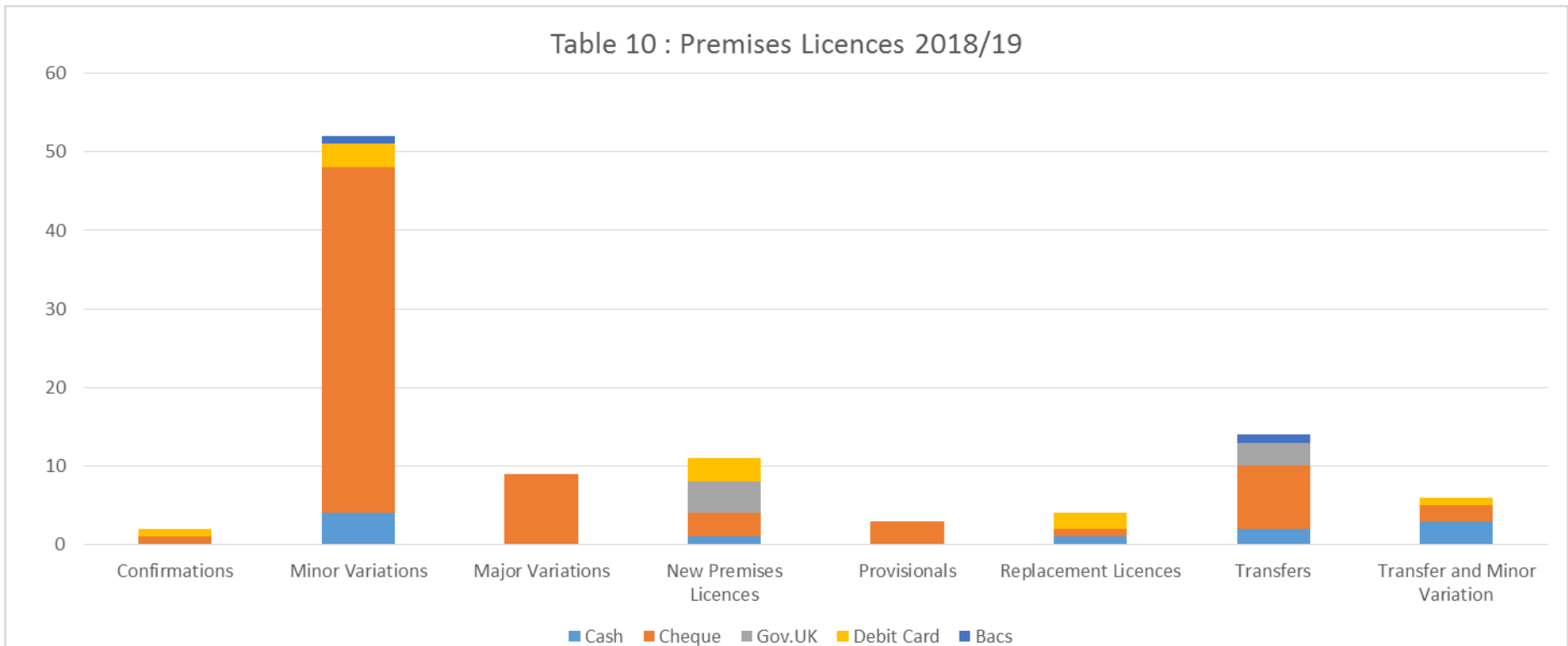


Table 5 displays the methods of payment used for all transactions in relation to premises licences in financial year 2018/19 (except annual fees).

The percentage of cash payments for each kind of application can be found below:

- 1) Confirmations: 1 by Cheque and 1 by debit card (0% Cash)
- 2) Minor Variations: 1 by BACS, 4 by cash, 44 by cheque and 3 by debit card (Total of 52. 7.7%)
- 3) Major Variations: 9 by cheque (0% cash)
- 4) New Premises Licences: 1 by cash, 3 by cheque, 3 by debit card and 4 by gov.uk (Total of 11. 9.1% paid in cash)
- 5) Provisional: 3 by cheque (Total of 3. 0% paid in cash)
- 6) Replacement Licences: 1 by cash, 3 by debit card, 1 by cheque (Total of 5. 20% paid in cash)
- 7) Transfers: 1 by BACS, 3 via gov.uk, 2 in cash and 8 by cheque (Total of 14. 14.3% paid in cash)
- 8) Transfers and Minor Variations: 3 in cash, 2 by cheque and 1 by debit card. (Total of 6. 50% paid in cash).

2018/19 summary

The total number of applications paid for in cash in 2018/19 was 130 from a grand total of 1007. This represents a total of 12.9% of applications/transactions.

The most popular method of payment was cheque which accounts for 60 % of all applications received by the liquor 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:

- 1) Cheque: 604– 60%
- 2) Cash: 130– 12.9%
- 3) Debit Card: 92 – 9.1%
- 4) Gov.uk: 82– 8.1%
- 5) BACs: 76– 7.5%
- 6) Credit Card: 22 – 2.2%
- 7) Postal Order: 1 – 0.2%

APPENDIX 2

Table 1: Extended Hours 2017/18

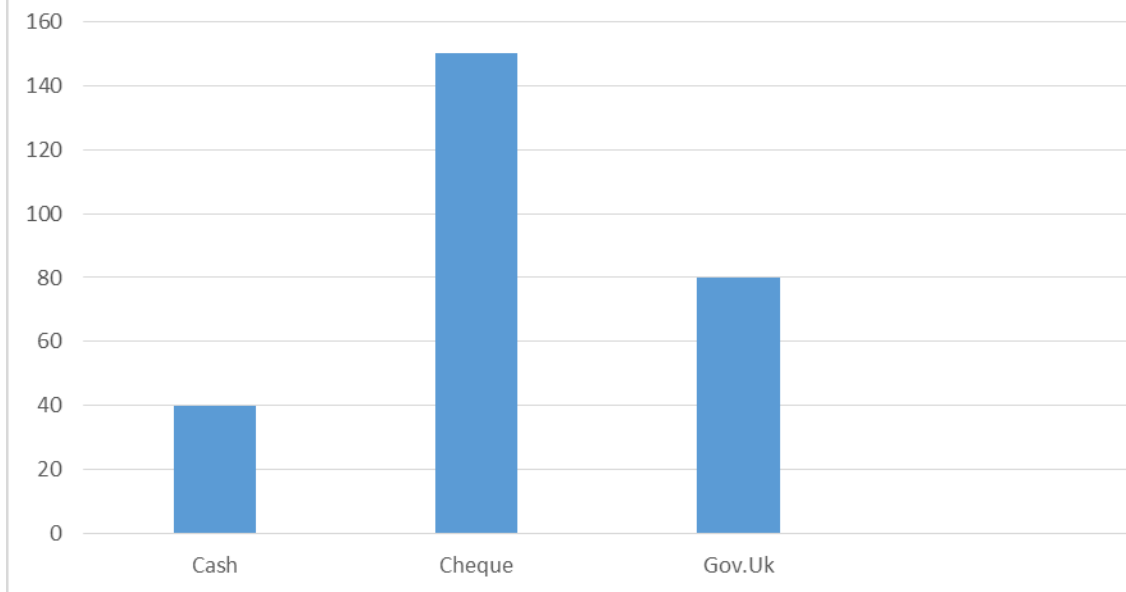


Table 1 displays the income for Extended Hours applications in financial year 2017/18 in pounds.

The methods of payments equates to £40 being received in cash, £150 in cheque and £80 worth from the online gov.uk website. (Totals £270).

14.8% of income for extended hours was paid in cash.

Table 2: Occasional Licences 2017/18

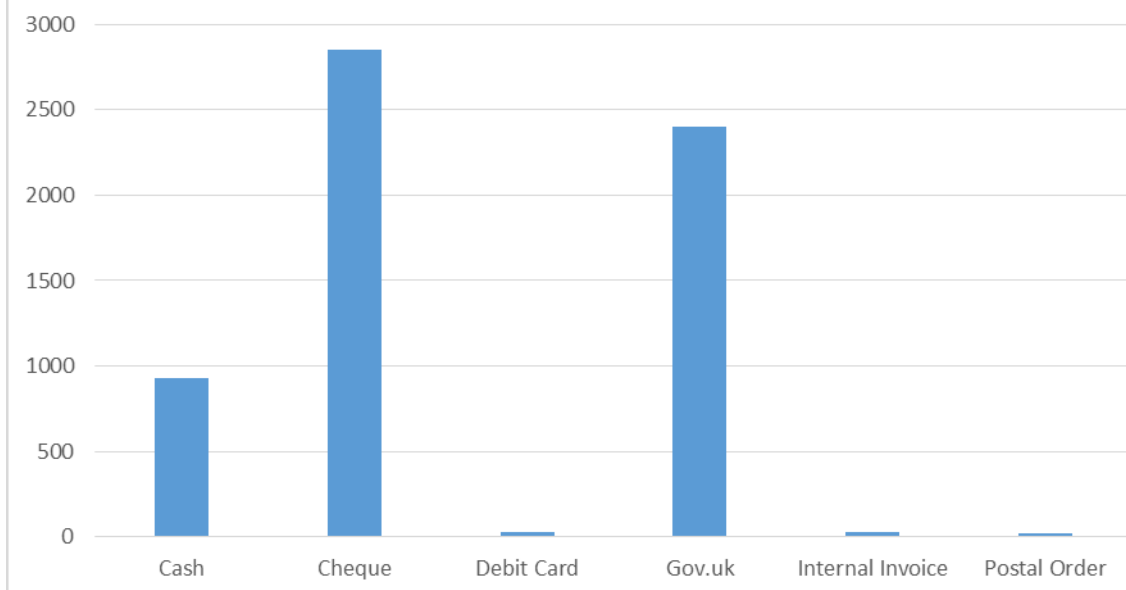


Table 2 displays the income for Occasional applications in financial year 2017/18.

The methods of payments equates to £930 being in cash, £2,850 in cheque, £30 by Debit Card, £2,400 via gov.uk, £30 by internal invoice and £20 by postal order. (Totals £6,260).

14.9% of income for occasional licences was paid in cash.

APPENDIX 2

Table 3: Personal Licences, 2017/18

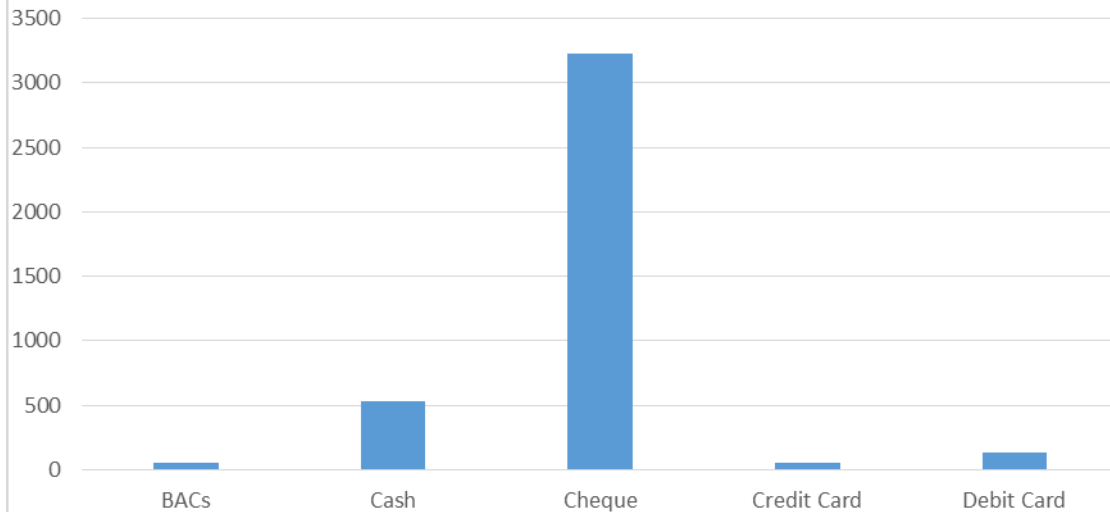


Table 3 displays the income for Personal Licence applications in financial year 2017/18. This includes new applications and replacement licence fees.

The methods of payments equates to £50 by BACs, £527 in cash, £3,231 by cheque, £50 by credit card and £135 by debit card. (Totals £3,993).

13.2% of income for personal licences was paid in cash.

Table 4: Premises Licence Annual Fees, 2017/18

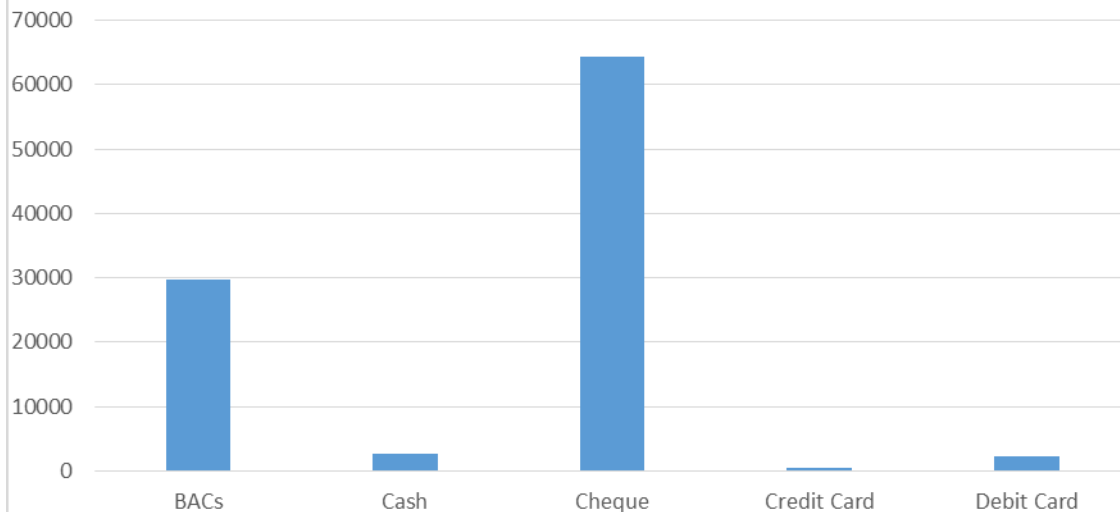


Table 4 displays the income for Premises Licence Annual Fees in financial year 2017/18.

The methods of payments equates to £29,722 by BACs, £2,680 by cash, £64,416 by cheque, £500 by credit card and £2,320 by debit card. (Totals £99,638).

2.7% of income for annual fees was paid in cash.

Table 5: Premises Licences 2017/18

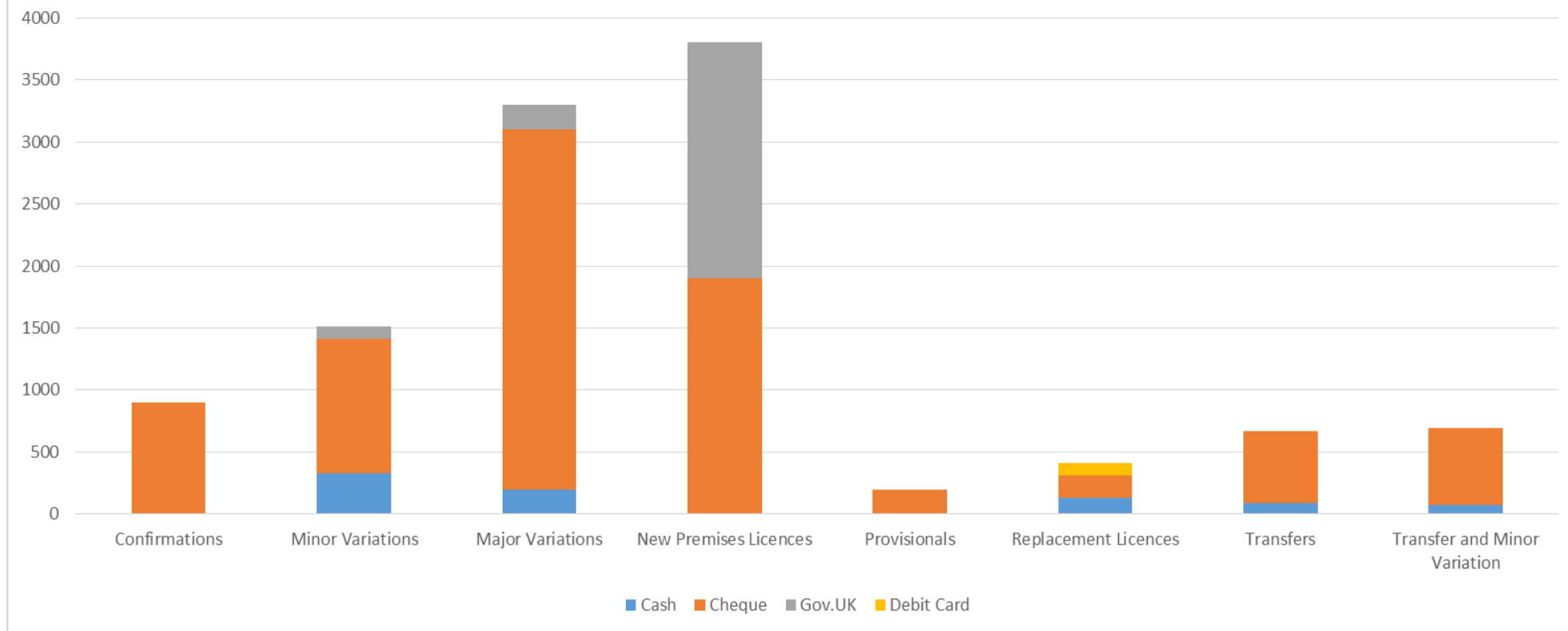


Table 5 displays the methods of payment used for all transactions in relation to premises licences in financial year 2017/18 (except annual fees).

The percentage of cash payments for each kind of application can be found below:

- 9) Confirmations: £200 by Cheque (0% Cash)
- 10) Major Variations: Cash: £330, Cheque: £1,079, Gov.uk: £102 (21.8% cash)
- 11) Major Variations: Cash: £200, Cheque: £2,900, Gov.uk: £200 (6.1% cash)
- 12) New Premises: Cheque: £1,900, Gov.uk: £1,900 (0% cash)
- 13) Provisional premises licences: Cheque: £200 (0% cash)
- 14) Replacement Licences: Cash: £130, Cheque: £182, Debit Card: £104 (31.3% in cash)
- 15) Transfers: Cash £86, Cheque £585 (12.8% in cash)
- 16) Transfer and Minor Variation: Cash £69, Cheque £627 (9.9% in cash).

2017/18 Summary

The total amount received in cash in financial year 2017/18 was £4,992 from a grand total of £120,955. This represents 4.1% of all payments received.

The most popular method of payment was cheque which accounts for 65% 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:

- 1) Cheque: £78,320– 64.8%
- 2) BACs: £29,772 – 24.6%
- 3) Cash: £4,992 - 4.1%
- 4) Gov.uk: £4,682 – 3.9%
- 5) Debit Card: £2,589 – 2.1%
- 6) Credit Card: £550 – 0.5%
- 7) Internal Invoice: £30, 0.02%
- 8) Postal Order: £20, 0.02%

APPENDIX 2

Table 6: Extended Hours 2018/19

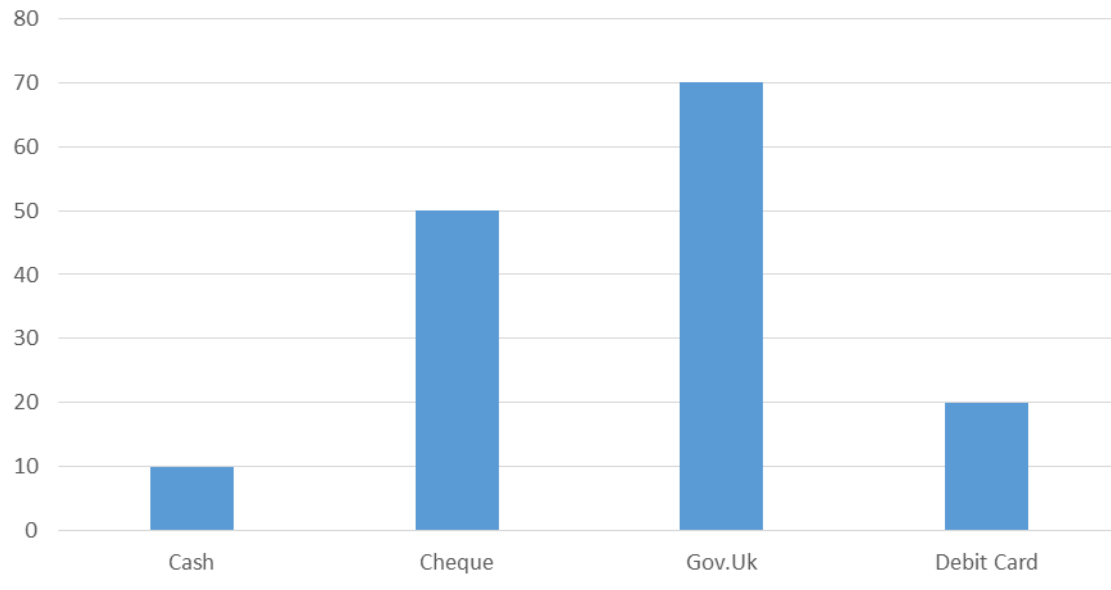


Table 6 displays the income for Extended Hours applications in financial year 2018/19 in pounds.

The methods of payments equates to £10 being received in cash, £50 in cheque, £70 worth from the online gov.uk website and £20 by debit card. (Totals £150).

6.7% of income for extended hours was paid in cash.

Table 7: Occasional Licences 2018/19

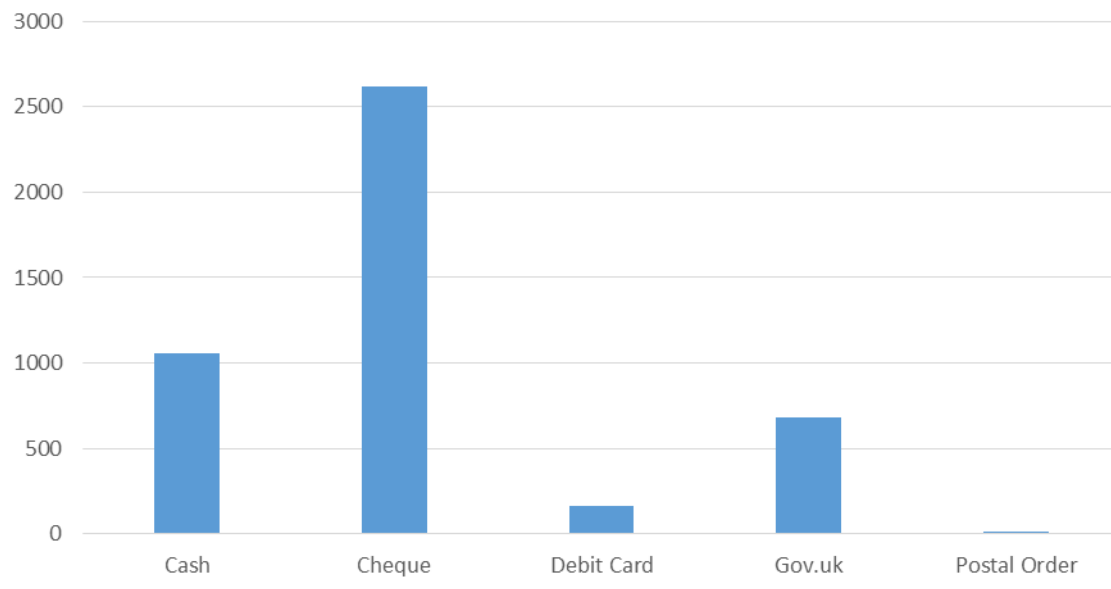


Table 7 displays the income for Occasional Licence applications in financial year 2018/19 in pounds.

The methods of payments equates to £1,060 being received in cash, £2,620 in cheque, £680 worth from the online gov.uk website, £10 by postal order and £160 by debit card. (Totals £4,530).

23.4% of income for Occasional was paid in cash.

APPENDIX 2

Table 8 Personal Licences, 2018/19

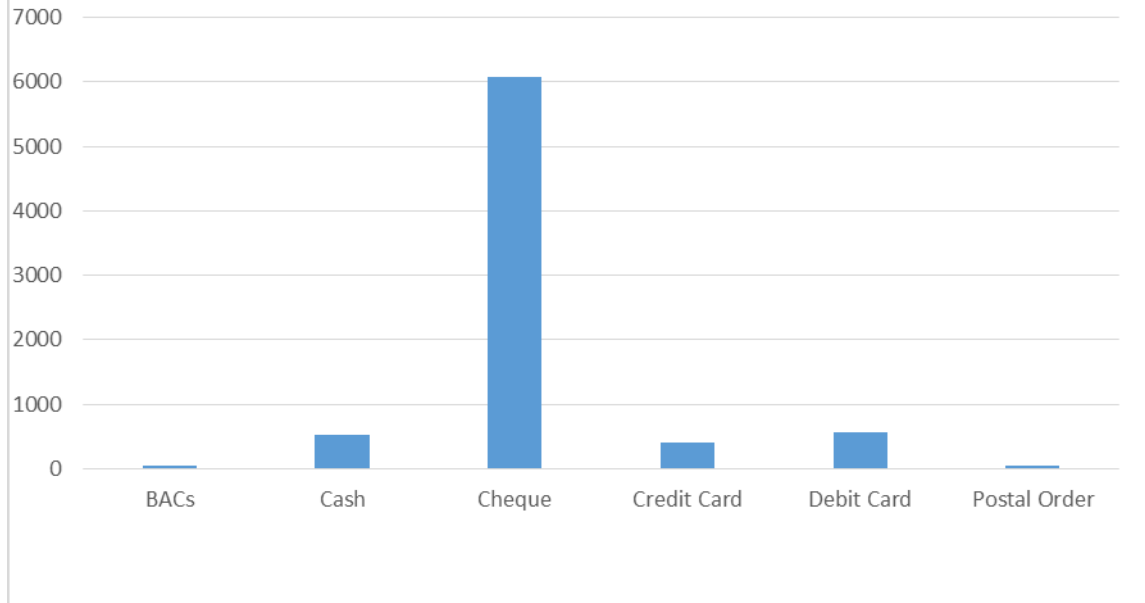


Table 8 displays the income for Personal Licence applications in financial year 2018/19 in pounds.

The methods of payments equates to £528 being received in cash, £6,083 in cheque, £50 from BACs, £400 from credit cards, £567 on debit cards and £50 postal order (totals £7,678).

6.9% of income for Personal Licences was paid in cash.

Table 9 Premises Licence Annual Fees, 2018/19

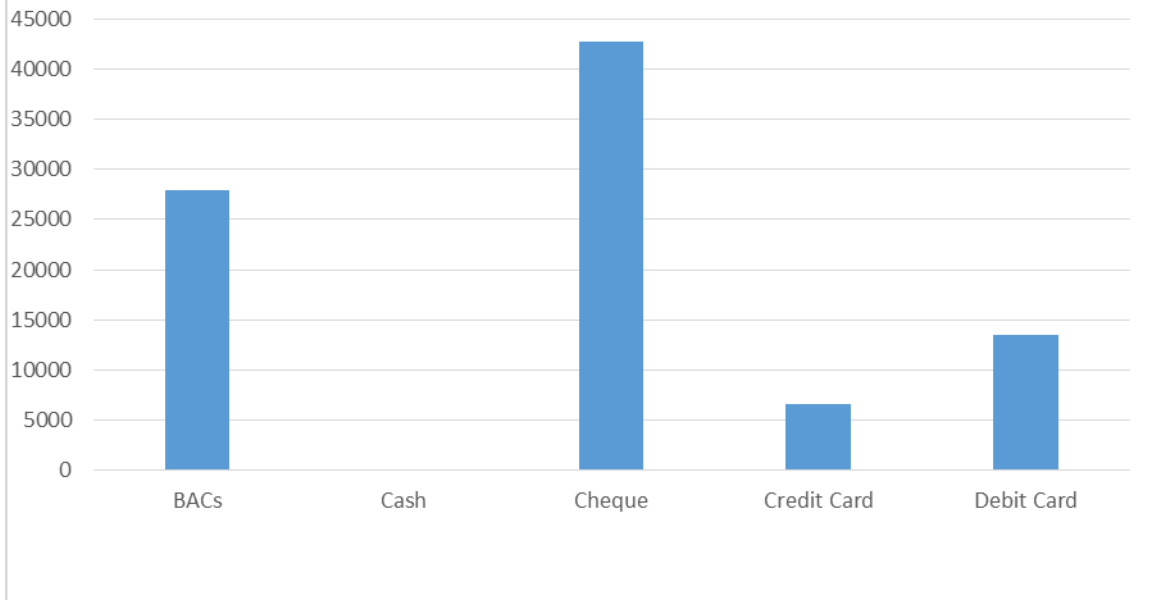


Table 9 displays the income for Premises Licence Annual Fees in financial year 2018/19 in pounds.

The methods of payments equates to £0 being in cash, £27,900 BACs, £42,800 in cheques, £6,560 on credit cards and £13,440 on debit cards. (Totals 90,700)

0% of income for premises licence annual fees was paid in cash.

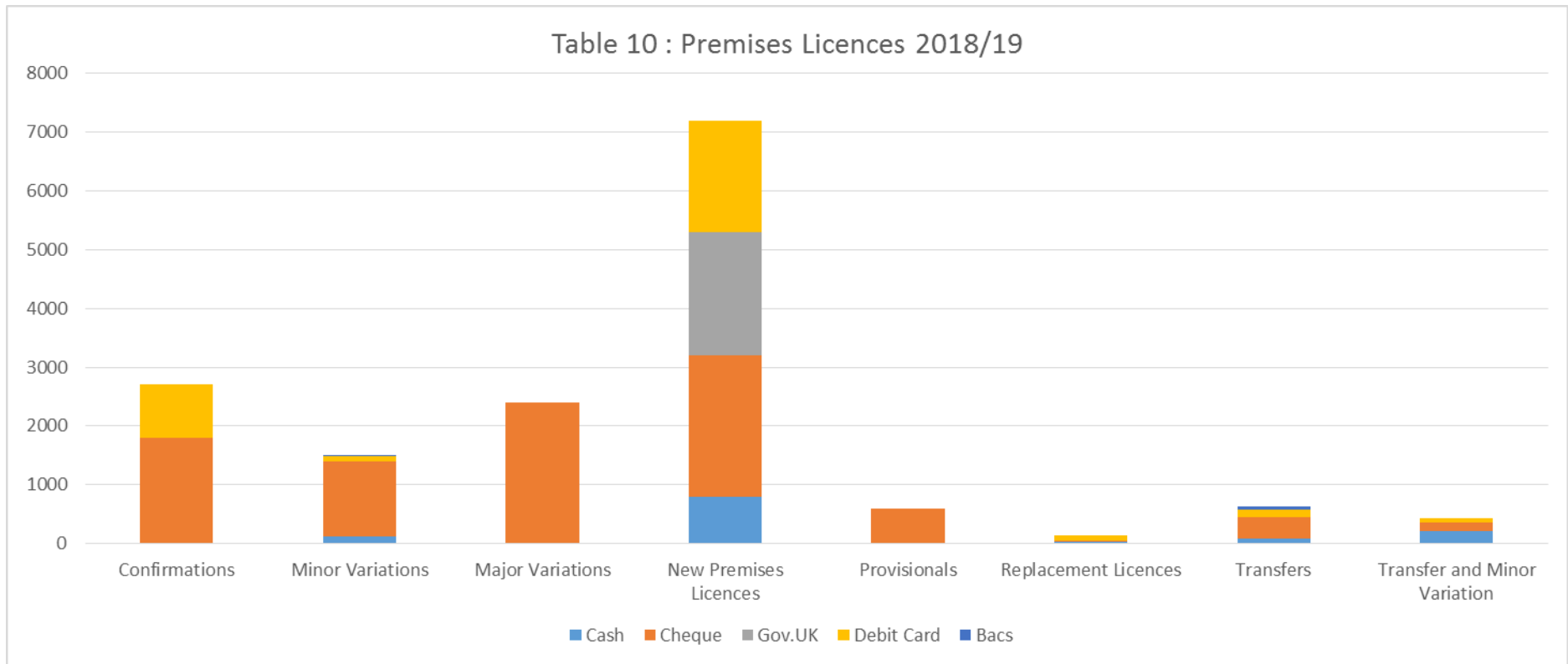


Table 10 displays the methods of payment used for all transactions in relation to premises licences in financial year 2018/19 (except annual fees).

The percentage of cash payments for each kind of application can be found below:

- 1) Confirmations: Cheques: £1,800, Debit Card: £900 (0% cash)
- 2) Minor Variations: Cash: £124, Cheque: £1,276, Debit Card: £82, BACs: £31 (8.2% cash)
- 3) Major Variations: Cheque: £2,400 (0% cash)
- 4) New Premises: Cash: £800, Cheque: £2,400, Debit Card: £1,900, Gov.uk: £2,100 (11.1% cash)
- 5) Provisional: Cheque: £600 (0% cash)
- 6) Replacements: Cash: £27, Cheque: £27, Debit Card: £81 (20% cash)
- 7) Transfer: Cash: £90, Cheque: 90, Debit Card: £135, BACs: £43 (25.1% cash)
- 8) Transfer and MV: Cash: £213 Cheque: £144, Debit Card: £72 (49.7% cash)

APPENDIX 2

The total amount received in cash in financial year 2018/19 was £2,852 from a grand total of £118,393. This represents 2.4% of all payments received, a decrease of 1.7% on 2017/18.

The most popular method of payment was cheque which accounts for 50.9% of all monies received by the liquor 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:

- 1) Cheque: £60,290 – 50.9%
- 2) BACs: £ 28,024– 23.7%
- 3) Debit Card: £17,357 – 14.7%
- 4) Credit Card: £6,960 – 5.9%
- 5) Cash: £2,852 – 2.4%
- 6) Gov.uk: £2,850 – 2.4%
- 7) Postal Order: £60, 0.05%