

EDR Num	Decision Taken By	Decision	Reason	Key Decision	Confidential	Date of Decision
274.21	Deputy Leader (Environment and Housing)	To approve the recommendations in paragraph B2.	<p>the RBCC service. Claimants rely on their HB payments to pay their rental liabilities. Tax payers and Rate payers should only pay the CT and BR charges they are liable for, and where they have overpaid the Council is obliged to refund those overpayments. Historically, payments were made by cheque and over the years the Council has issued many hundreds of thousands of cheque payments. However, since the introduction of electronic payments via the Bankers Automated Clearing System (BACS) it is easier, quicker and more cost effective to issue payments electronically rather than in the form of a paper cheque. The cost of a paper cheque is 10 pence per cheque. The cost of each envelope is around 3 pence per envelope and the mailing cost is 47 pence per envelope (second class franked mail postage cost). That is a total cost of 61 pence for each cheque to be printed and mailed (this does not include the costs of staff time in getting the cheques ready for mailing). The charges raised by the Bank per transaction are 5 pence per cheque and 1.5 pence per BACS transaction. Therefore, issuing payments by cheque costs the Council a total of 66 pence per cheque transaction, compared to BACS payments of 1.5 pence per transaction. This is a difference of 64.5 pence per cheque payment issued. Cheque recipients have to wait for their cheque to be delivered to them through the Royal Mail postal service. This can be anything from 2 to 7 working days. They then have to pay the cheque into their bank, and wait for the cheque to be cleared which can be at least 1 working day. Electronic payments reach the recipient within two working days of the file being uploaded to the BACS website. Between 1 April 2020 and 31 January 2021, just under 30,000 payments were issued by the RBCC service. Table 1, below shows a breakdown of the payments issued: Table 1 – Breakdown of payments issued: Cheque BACS Total % HB 604 26,237 26,841 92% CT 11 2,053 2,064 7% BR 2 356 358 1% % 2% 98% The majority of payments issued by RBCC service is HB payments at 92% for the period under analysis and 2% of payments issued are in the form of a cheque. With regards to transaction charges, had the Council issued those payments electronically via BACS the Council would have saved £21.60 in bank charges. All HB claimants are now required to have a bank account to receive their benefit and pension income payments from the Department for Work and Pensions and Pensions Service. The majority of employers pay their employees via BACS payments. Officers have conducted a benchmarking exercise using data from the Local Authority Civil Enforcement Forum (LACEF) to which Revenues officers from 300 Local Authorities belong. Forum members post questions to the forum regarding administration of Revenue and Benefits inviting comments from other forum members. A question was put to the forum in 2020 asking whether other Local Authorities had ceased to issue cheque payments and eight forum members responded to confirm their authorities had stopped issuing payments by cheque (one authority stopped issuing cheque payments in 2012). All respondents reported no issues with the decision. As a precedent has already been set with regards to Local Authorities issue payments by BACS rather than in the form of a cheque, it is proposed that the Council stop issuing cheque payments for HB, CT and BR. However, it would be prudent to have a lead-in time before stopping cheque payments altogether so that claimants, taxpayers and ratepayers can be informed of the change and make relevant arrangements to accept payments into their bank accounts. Therefore, it is proposed that all claimants, taxpayers and ratepayers are given 6 months' notice from 1 April 2021 that the Council will issue all HB payments, CT refunds or BR</p>	No	No	26/02/2021