

## APPENDIX B – Progress on deferred savings

Area of Potential Saving	Potential Saving Identified	Current recommended saving	
Closure of TICs	£50,000	£50,000	Consultation with interested parties in Tavistock and Okehampton has commenced and is ongoing. Further report to September Resources Committee.
Economy service reduction	£20,000	£20,000	Active consideration underway. Further report to September Resources Committee.
Ending Giro Payments	£18,000	£3,000 per year over next three years	A separate report is attached below this table.
CVS Grant Reduction	£8,500	£8,500	Consultation process underway. Further report to September Resources Committee.
Discretionary Rate Relief Reduction	£5,500	£5,500	It is felt that this saving could be achieved with changes to the criteria for considering discretionary relief. With further work around the localisation of business rates, it is possible that more substantial savings might be available to this budget. Modelling work is ongoing and an update will be available at the September Resources Committee.
Total Potential Savings	£102,000	£87,000	

## **Giro Payment Card Changes**

The Council receives approximately £43 million in income each year in a variety of ways:

- £280k in cash
- £3.2 million in cheques
- £167k in credit card payments
- £1.8 million in debit card payments
- £28 million in direct debits
- **£3.1 million in Giro card payments**
- £7 million in standing order payments

All of these payment methods have a cost associated with them and these range from 2 pence (direct debits) to 0.5% of the transaction cost (credit card payments).

We process £3.1 million through the Santander card scheme (Giro) at a cost of 64p per transaction and last year we processed 26,000 transactions at an annual cost of £16k. The income received by this method is reducing each year and our charges have reduced by £4k per annum since 2010 -11.

We could take the decision to remove this payment facility altogether, but it is important to understand that this method may be the only option for some of our customers where they do not have a bank account and cannot get into the council offices. This might have an adverse impact to our Council Tax collection rate particularly next year if Council Tax Support increases the number of households liable for Council Tax.

We are looking to replace the existing card payment scheme with a bar coded bill system. This will reduce the card replacement and administration costs. We are also looking at the possibility of increasing the number of outlets where our customers can make payments. The Paypoint scheme allows payment in the Post Office or village/local shop. This may be of particular use to customers in rural locations where there is no longer a post office, but there is a Paypoint terminal.

It will be important for the Council to have a payment facility which is flexible for these residents. They may struggle to pay their bills and the introduction of bar coded bills through the Paypoint facility would provide a convenient, as well as cost effective, solution for customers as they may already be paying some of their other bills via this method.

In terms of the budget, as already outlined, the administration cost of Giro payments has already reduced. We would recommend a reduction in the budget in 2014/15 of £3,000 with subsequent reductions in the following two years of £3,000 as other alternatives are promoted. We do not recommend the complete removal of this service on the grounds of a potential 'false economy' arising from the risk of increased non-payment from those customers who rely on this method of payment and have fewer ready alternatives.