

## **EAST AYRSHIRE COUNCIL**

### **HOUSING COMMITTEE – 28 JANUARY 2004**

#### **RENT PAYMENT ARRANGEMENTS**

##### **Report by the Director of Finance**

## **1 PURPOSE OF REPORT**

- 1.1** To advise members of proposed changes in the arrangements for collecting rent payments and communicating payment information to tenants and to seek approval for charging tenants for charges incurred for paying with credit cards.

## **2 BACKGROUND**

- 2.1** Prior to 1 April 2003 payments were received from tenants over the counter by cash or cheque at the collecting hall and area offices.
- 2.2** From 1 April 2003 previous systems were replaced by an integrated cash receipting and income management system.
- 2.3** This resulted in immediate improvements in customer service. Increased information was available to staff receiving payments and all tenants received system generated payment receipts. The time taken to process payments from point of receipt to the income systems was also significantly reduced. Cardboard rent cards continued to be available for tenants to have their payments and balance recorded.

## **3 CURRENT DEVELOPMENTS**

- 3.1** Following the successful implementation of the new cash receipting and income management systems on 1 April 2003 ongoing development has resulted in the ability:
- (i)** to extend the choice of payment methods available to tenants at the counter to include debit and credit card;
  - (ii)** to accept telephone payments from customers for an extended range of services by debit and credit card; and
  - (iii)** to accept internet payments by customers for an extended range of services by debit or credit card.

**3.2** As a consequence of the improved receipting at the counter from 1 April 2004 cardboard rent cards will be replaced by plastic cards. Tenants will also be issued with a plastic wallet to retain their receipts. The revised proposals will also include the provision of an annual statement to tenants which will outline their current balance and detailing charges, benefit awarded and payments made.

**3.3** The acceptance of credit cards results in a charge being incurred by the council. It is proposed that the agreement to allow any tenant to pay by credit card will be subject to the tenant agreeing to accept responsibility for the charge incurred. This charge is currently 1.95% of the value of the transaction.

#### **4. FINANCIAL IMPLICATIONS**

**4.1** The proposal is that charges incurred on acceptance of credit cards will be met by the tenant.

#### **5. LEGAL AND POLICY IMPLICATIONS**

**5.1** The agreement to pay the additional administration charge for payment by credit card will require to be given by tenants on an individual basis, prior to payment being made.

#### **6. RECOMMENDATIONS**

The Committee is asked to:

- (i) Agree the proposal to charge credit card charges to tenants; and
- (ii) Otherwise note the contents of this report.

**Alex McPhee**  
**Director of Finance**  
9 January 2004

#### **LIST OF BACKGROUND PAPERS**

Nil

Anyone wishing further information should contact Lorna Service, Exchequer Services Accounting Manager, Telephone 01563 (57) 6405.

Implementation Officer: Lorna Service, Accounting Manager