

<b>Committee(s):</b> Barbican Estate Residents Consultation Committee – For Information	<b>Dated:</b> 2 September 2024
Barbican Residential Committee – For Decision	16 September 2024
<b>Subject:</b> Barbican Estate Office – Cash Payments	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	4
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Judith Finlay, Executive Director of Community and Children’s Services	<b>For Decision</b>
<b>Report author:</b> Daniel Sanders – Assistant Director – Barbican	

### Summary

The Barbican Estate Office currently accepts cash payments and is receiving some service charge/rent payments for the Barbican Estate and other HRA developments. Handling such large amounts poses many risks and this paper identifies those risks and provides a recommendation on how to phase cash payments out.

### Recommendations

Members are asked to:

- Approve the proposal.

### Main Report

#### Risks of accepting cash

Accepting cash payments at the BEO is potentially problematic for several reasons:

- **Security Risks:** Handling cash increases the risk of theft, both from external sources and internally, which could jeopardize the safety of employees and the office.

- **Lack of Transparency:** Cash transactions are harder to track and audit, leading to potential issues with accountability and financial record-keeping. This can make it difficult to detect errors or fraud.
- **Compliance Issues:** We are required to maintain accurate financial records for tax and regulatory purposes. Cash payments can complicate compliance with these requirements, potentially leading to fines or penalties.
- **Operational Inefficiencies:** Managing cash involves time-consuming tasks such as counting, reconciling, and depositing funds, which can divert resources away from more productive activities.
- **Customer Trust:** Relying on cash can appear outdated and less secure to residents, who may prefer electronic payment methods that offer more convenience and security.
- **Risk of Money Laundering:** Cash payments are more difficult to trace, making it easier for illicit activities like money laundering to occur, which can expose the office to legal risks.

For these reasons, many offices prefer electronic or traceable payment methods, which offer greater security, transparency, and efficiency.

## Scale

There are relatively low numbers of people using cash for these payments, but they are significant in amount, there have been instances where we have collected several thousands in a few days when service charge or rent payments are due.

## Considerations

We would propose to phase the cash accepting over a period of 3 months. We will write to all leaseholders/residents who have paid cash over the past year and let them know from 1<sup>st</sup> January 2025 we will not be accepting cash payments and if that is going to cause a significant problem to get in contact so we can offer transition support.

We would have signs in the office and regular updates in our bulletin comms to ensure anyone that has not paid cash in a while also understand the BEO will cease accepting cash on 1<sup>st</sup> January 2025.

## Conclusion

It is the recommendation of the Assistant Director that we implement a cashless BEO office as of 1<sup>st</sup> January 2025 ensuring we take all steps listed in considerations.

*Daniel Sanders*

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