



London Borough of Brent

The road to becoming a Cashless Council

August 27, 2015

London Borough of Brent become the first Cashless Council in the UK

SUMMARY

The London Borough of Brent worked with MasterCard and Prepaid Financial Services to design and launch a number of social disbursement prepaid card programmes.

The programmes drove significant cost savings and efficiencies for Brent Council. Once other council departments realized the savings, they launched incremental programmes including payroll, petty cash and guardianship accounts. The Council finally decided to replace all cash payments in and out with electronic solutions – delivering powerful cost savings and revenue returns for the Council.

KEY CHALLENGE

- The Council needed a streamlined way to disburse, track and reclaim funds for all users receiving direct payments
- The Council wanted to address high levels of fraud from direct payments made in cash including challenging the payment of carers in cash which reduced tax and NI income
- The Council wanted to address the inefficient process to provide funds to users in care homes and manage ancillary services such as meals on wheels
- Brent is multicultural and has low internet penetration so any solution required a multi lingual service center and significant support/user training
- The Council wanted to reduce the high provision costs of cash offices on Council premises which provided emergency payments and collected payments of fines and taxes



SOLUTION

Brent Council evolved their Prepaid Platform to deliver a range of MasterCard prepaid products to support all payments out of the Council and provided a number of solutions to collect all payments into the Council electronically. The Council is now 100% cashless and includes:

- **Instant Issue** anonymous non reloadable prepaid cards for emergency payments
- All Direct Payments made via their award winning **Prepaid Platform enabling** transparency, claw back, no cash withdrawal of monies and alters and triggers
- **Payments to the Council** all made electronically via a payment gateway on line, Paypoint terminals and Post Offices (rent, taxes, fines)
- Prepaid Cards sent to Care Homes on behalf of individual Service Users and used to pay for Meals On Wheels

RESULTS

- **6% clawback rate on Direct Payments budget (£6.5M)**
- **Significant process and admin savings releasing staff to focus on front line care**
- **Savings of 4 FTEs equivalent following removal of cash**
- **Increases in VAT income due to improved transparency of Council spend**
- **Increases in tax and NI to central Treasury due to removing cash access**