

FINANCE URGENT KEY DECISION



DECISION OF: SECTION 151 OFFICER

WITH ADVICE FROM: RICHARD YOUNG

DIRECTORATE: RESOURCES

DECISION NO: 033

SUBJECT: PAY 360: ONLINE PAYMENT GATEWAY SOFTWARE

KEY DECISION: YES

REASON THE CONTRACT FOR THE COUNCIL'S SYSTEM FOR RECEIVING PAYMENTS VIA SEVERAL DIFFERENT CHANNELS ENDS IN MARCH 2024, THE TRANSACTION CHARGES AND TRANSACTION VOLUMES ARE INCREASING, THE COUNCIL WILL SEEK TO SECURE BEST VALUE IN A FUTURE CONTRACT

BACKGROUND

Routine contract management identified the significantly increased number of transactions being processed through the Pay360 software. This alerted officers as to the extent of the cost escalation associated with processing these transactions and the need to manage this situation given the spend parameters within the contract.

DECISION

To authorise the extended expenditure of up to £510k of the council's payments system funded from the combined budgets within the Resources and G&R Directorates and note the re-procurement of the council's internet payment service. The contract expires in March 2024

FINANCIAL IMPLICATIONS

Pay360 software has been in use in the Council since 2003. The software provides an online payment gateway to allow citizens, businesses and other stakeholders to make a digitally secure payment for works, services, and other activities provided to them by the council.

The current contractual relationship with the Access Group for this software is due to end 31/3/24 and was on the basis of a one-year extension.

The payment mechanism for using the system is broadly driven by the volume of transactions being processed. In applying a one-year contract extension for the 23/24 financial year, the Council had not fully anticipated the additional volume of transactions resulting from the introduction of the Bristol Clean Air Zone (CAZ) resulting in a significant increase in the transactional cost for processing these transactions. This has resulted in the cost of the annual spend being increased to a level not previously expected when the contract was agreed.

It should be noted that the cost of processing CAZ transactions will be reimbursed to the Council's General Revenue Fund in accordance with the Regulations and Guidance governing the administration of CAZ monies.

From 1/4/24, the Council will need to ascertain its future online payment system requirements and in so doing re-establish a baseline and forecast for expected transaction volumes. Finance, IT/business application and procurement officers are currently progressing this work to ensure a compliant and value for money contract is put in place that can meet the future payment needs of the council and allows its citizens, businesses and other stakeholders to make efficient and secure online payment transactions.

The Council's internet payment service contract is budgeted from two sources, IT services has the maintenance budget and Financial Services has the budget for transactional services. The transaction costs in 22/23 were £578k. The total budget for the activity was £420k. The budget for 23/24 is £441k with up to £880k forecast for the year and a maximum of £510k expected between Dec-March 2024. forecast total cost of £880k. The contract is included in the Council's contract register. Additional activity related funding is to be covered by the Growth and Regeneration Directorate

LEGAL POWERS AND IMPLICATIONS

Legal services will advise and assist officers regarding the procurement process and the resulting contractual arrangements.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

N/A

CONSULTATION

Consulted with procurement, legal, directors, cabinet member, monitoring officer

RISK MANAGEMENT

The risk management unit will advise and assist officers regarding necessary risk improvement initiatives and processes to keep the council's exposures low. This decision, taken under urgency, reduces the council's exposure to risk.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes/No

CORPORATE IMPLICATIONS

Contract for internet payment systems renewals are periodically required, this decision is considered urgent due to the timing of the contract being renewed by March 2024.

SIGNATORIES

DECISION MAKER

Title:

Signed:

Note: If electronic signature used email from Director confirming decision and allowing use of electronic signature must be attached

S151 Officer

Title: **Director of Finance/s151 Officer**

Signed:

Date:

Consultees

Title:

Signed:

Date:

Note: If electronic signature used email from the relevant certifier confirming consultation and allowing use of electronic signature must be attached. If consultation undertaken verbally Director must record date and time of the conversation and any agreement/concerns raised by consultee.