

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM**  
**REPORT TO CABINET**

**Cabinet**  
**01 December 2021**

**Report Title:** Bill Payment Services Contract 2021/22 to 2025/26

**Submitted by:** Executive Management Team

**Portfolios:** Finance, Town Centres & Growth

**Ward(s) affected:** All

**Purpose of the Report**

To seek approval to enter into a contract with Allpay Limited for the Council's Bill Payment contract.

**Recommendation**

1. That the contract for the Council's Bill Payment Service be awarded to Allpay Limited for a 4 year period from 1<sup>st</sup> January 2022.

**Reasons**

To continue to enable residents who currently make Council Tax payments to the Council via the payment card method to continue doing so in the most efficient and cost effective manner, whilst minimising disruption following the end of the current contract the Council has with its incumbent service provider.

1. **Background**

- 1.1 Residents who utilise this bill payment service and are issued with payment cards are able to make payments via either the Post Office or a Paypoint location. The Paypoint locations are available across the Borough through a convenient network of stores. For example these include local newsagents and convenience stores.
- 1.2 The ongoing service has significantly impacted on both cash and cheque receipting by the Council.
- 1.3 The Council's current bill payment service via payment cards is provided by 'allpay Limited' and a short term extension has been established whilst officers considers its procurement options.
- 1.4 The procurement on this occasion will be managed by the Council Finance Team, this is to allow the changes which are taking place in the Council's Revenues and Benefits department to be embedded. The intention is however that the ongoing monitoring and management of the service and contract delivery will be undertaken by the Revenues and Benefits department.

1.5 Transactions by way of the payment cards for the past 3+ years are summarised below;

Year	Paypoint Transactions	Post Office Transactions	Total number Transactions	Monetary value of transactions
2018/19	36,340	26,427	62,767	£4.576m
2019/20	31,474	23,732	55,206	£4.356m
2020/21	23,493	15,717	39,210	£3.446m
2021/22 (to 31/10/21)	15,322	10,857	26,179	£2.376m

1.6 A total of 7,908 allpay payment cards have been issued and are live, 5,148 of which have been used to make a payment since 1<sup>st</sup> January .

1.7 The transfer from the previous provider (Co-Op Bank) to allpay Limited wasn't without its problems with many residents reluctant to change cards, with the Co-Op still accepting payments on old cards some 18 to 24 months after the introduction of the Council's then new service. There were significant resourcing requirements experienced at the time of moving services.

1.8 This payment method does attract a cost to the Council, based on the total number of transactions that the provider has enabled, and this is included within the base budget for 2021/22 and beyond.

1.9 Relationships and service delivery from the current incumbent service provider over the term of the existing contract have been very positive with minimal input required from Borough Council Officers.

## 2. Issues

2.1 Officers having recognised the previous issues and resourcing implication from both offboarding and onboarding to a new provider and have looked to minimise the impacts on both Council officers and residents.

2.2 There has been minimal responses to calls for competition in the past, the previous procurement only generating two tender submissions, resulting in officers considering the use of a compliant framework, where the framework provider has undertaken the initial market research and engagement and run a competitive procurement process.

## 3. Proposal

3.1 That allpay Limited be awarded the contract for the Council's bill payment service for a 4 year period (3 + 1), utilising the Procurement For Housing framework.

## 4. Reasons for Proposed Solution

4.1 The solution proposed offers a compliant (Public Contract Regulations 2015 / Council's Contract procedure Rules) procurement solution.

4.2 The development and establishment of the chosen framework the Council is proposing to use will have been undertaken utilising the 'Most Economically Advantageous Tender' - enabling the authority to take account of criteria that reflect qualitative, technical and

sustainable aspects of the tender submission as well as price when reaching an award decision.

- 4.3 The proposed solution offers the Council an opportunity to build on the positive relationships with its existing provider, minimising the risks involved in the transfer and embedding of a new solution/service provider.

## 5. **Options Considered**

- 5.1 To undertake a national open procurement process publishing a contract notice on the Contracts finder website.
- 5.2 To identify compliant procurement frameworks that could be used by the Council which offer an opportunity to run either a further competition or direct award, offer competitive rates and minimal costs to the Council. Four frameworks were reviewed:
  - 5.2.1 National Housing Consortium (NHC);
  - 5.2.2 Procurement For Housing (PfH);
  - 5.2.3 South East Consortium (SEC);
  - 5.2.4 Crown Commercial Services (CCS) G-Cloud.
- 5.3 Whilst a further extension to the existing contract was discussed, this was discounted as there are no further extensions permissible under the existing contract;

## 6. **Legal and Statutory Implications**

- 6.1 The procurement of this contract complies with Public Contract Regulations 2015 and the Council's own Contract Procedure Rules.

## 7. **Equality Impact Assessment**

- 7.1 No adverse equality impacts have been identified and raised as part of the existing service and these will continue to be monitored following the continuation of the service.

## 8. **Financial and Resource Implications**

- 8.1 Expenditure for 2020/21 in relation to the Bill Payment Services contract was £19,600. Based on current transactional volumes the annual cost would increase to £20,600 per annum, an increase of circa 5%.
- 8.2 At £103,000 over the four years of the contract, the award of contract to allpay Limited would result in an overall increase of £4,000.
- 8.3 It should be noted that the costs quoted are based on 2020/21 numbers of transactions undertaken, and that these may fluctuate over the contract period – it might be considered that the effects of the pandemic and associated lockdowns in 2020/21 will have been influential.

## 9. **Major Risks**

- 9.1 No major risks have been identified, all risks associated with the procurement of this contract have been adequately managed and ongoing monitoring of service delivery will be managed internally by the Council's Revenues and Benefits Service.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The award of contract for the ongoing delivery of a bill payment card solution seeks to support the following sustainable Development Goals and Climate Change Implications:



11. **Key Decision Information**

11.1 This is a key decision based on Section 13.2 of the Borough Council Constitution in that the award of contract will result in the Council incurring revenue expenditure to the value of £100,000 or more.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There are no earlier Cabinet/Committee Resolutions.

13. **List of Appendices**

13.1 There are no appendices.

14. **Background Papers**

14.1 No background papers are being submitted.