

Decision by Portfolio Holder



Report reference: HPS-001-2019/20

Date of report: 24 May 2019

**Epping Forest
District Council**

Portfolio: Housing & Property Services

Author: Rachel Smith (Ext 2710) Democratic Services: J Leither

Subject: Renewal of the Council's contract with Allpay Ltd (provided through the Northern Housing Consortium Framework Agreement), to Enable the Continuation of Electronic Payment Services for Tenants and Leaseholders.

Decision:

- (1) To waiver the procurement rules and renew the Council's contract with Allpay Ltd (provided through a Northern Housing Consortium Framework Agreement), to enable the continuation of electronic payment services for Tenants and Leaseholders.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/ do not approve (delete as appropriate) the above decision:	
Comments/further action required: None	
Signed: Cllr. H Whitbread	Date: 12 th June 2019
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i> N/A	<i>Dispensation granted by Standards Committee:</i> Yes/No or n/a None
Office use only: Call-in period begins: 13 th June 2019	Expiry of Call-in period: 20 th June 2019

**After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY**

Reason for decision:

The Council's electronic payment services contract with Allpay Ltd expired in November 2018, which provided direct debit and swipe card payment facilities to the Council's Tenants and Leaseholders. The Council is currently receiving electronic payment services from Allpay Ltd outside of a contract.

Initialled as original copy by
Portfolio Holder:

Options considered and rejected:

1. Not to waive the procurement rules and to undertake a full procurement process.
2. Not to enter into a new electronic payment services framework agreement with Northern Housing Consortium Ltd and therefore not to enter into a new contract with Allpay Ltd.

Background Report:

1. The Council's electronic payment services contract with Allpay Ltd expired in November 2018, which provided direct debit and swipe card payment facilities to the Council's Tenants and Leaseholders. The Council is currently receiving electronic payment services from Allpay Ltd outside of a contract.
2. Whilst Allpay Ltd have not yet withdrawn their electronic payment service, operating without a contract poses a significant risk to income recovery. If Allpay Ltd turn off the Direct Debit and swipe card payment functionality, Tenants and Leaseholders will lose the facility to pay by Direct Debit or pay their rent at multiple PayZone and Paypoint outlets throughout the District.
3. In 2018/19, Allpay Ltd processed £7.6m in Direct Debit payments and £2.1m in swipe card payments from Council Tenants. In addition, Allpay Ltd processed £353k in Direct Debit payments and £24k in swipe card payments from Leaseholders.
4. Allpay Ltd have been providing electronic payment services to the Council since 2004. When the last contract for electronic payment services was procured in 2015, there were just two providers that provided a swipe card payment solution. Overriding factors in deciding whether or not to renew its contract with Allpay Ltd at that time, were that if the Council changed to an alternative provider, a mass card replacement project would be required and the development of a computer payment interface to handle the changes. Whilst both issues remain, the Assistant Director of Resources planned to conduct a review and explore alternative electronic payment service options which may have come to market since 2015. However, the Assistant Director of Resources left the Council's employ before this review could be undertaken and the contract with Allpay Ltd has since expired.
5. The Service Director for Property & Housing and Service Director for Customer have decided that a wider corporate review should be undertaken, comprising all of the Council's electronic payment service contracts, with the expectation that in the future the Council might operate under one electronic payment services contract which provides best value. However, this review cannot be resourced until 2020/21.
6. With the corporate review in mind, it is recommended that the Council enters into a new contract with Allpay Ltd (through the Northern Consortium Framework Agreement) for an initial term of one year, with the option to extend for a further two years on an annual basis in the form of an Amending Agreement. It would be the intention to review the Council's position on an annual basis over the contract term.

Resource Implications:

Subscription to the Northern Housing Consortium at £1,115.00 + VAT.

Contract sum for term of 3 years (1 May 2019 – 30 April 2022) £75K.

Legal and Governance Implications:

Safer, Cleaner and Greener Implications:

Paperless payment solution.

Consultation Undertaken:

None

Background Papers:

None

Impact Assessments:

Risk Management:

If Allpay Ltd turn off the Direct Debit and swipe card payment functionality, Tenants and Leaseholders will lose the facility to pay their rent by Direct Debit or at multiple PayZone and Paypoint outlets throughout the District. This will present a significant risk for Income Recovery and will create a resourcing issue for staff in Customer and Business Support who will then have to handle all payments manually.

Key Decision Reference (Y/N): N

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to the report.