

# Briefing Paper

March 2021

## Renewal of AllPay Contract for Barcoded Billing

### Recommendation

- Approve the renewal of the AllPay contract for barcoded billing for three years
- The actual cost of transaction fees for Financial Year 19/20 amounted to £126,000.65 based on 284,414 transactions. Assuming the transaction levels remain consistent in future years the new annual contract cost will be £112,451.88 therefore realising a benefit of £13,548.77 per annum
- Yearly fees for Schemes (payments to specific business areas) and AllPay WebConnect (administration and maintenance portal) total £1857.84
- The contract is funded based on department usage. Each department is recharged according to the number of transactions for their bills/services. The cost of transactions is paid from NCC Credits in Suspense (N-V-9314-876-987-0) and then gets recharged to Card Recharges (N-V-9314-829-987-0). This is then recharged to departments by finance journal according to the invoice we receive from AllPay matched against the transactions made during the period.
- The contract has been reviewed by Audit and Procurement and is a direct award under the Procurement for Housing Framework

### Introduction

Barcoded Billing is a way for citizens and customers to pay for bills and services from the City Council at any establishment that offers PayPoint and any Post Office. With the removal of kiosks from Joint Service Centres, PayPoint and Post Office are the only sites where cash payments can be made.

For FY 20/21 the city took over 280k payments totalling over £26m in income.

With the new contract the city will see a reduction in transaction fees:

	FY 19/20 Transactions	Current Pricing	Cost	New Contract	Cost	Savings
Post Office	123,421	£0.46	£56,773.66	£0.4024*	£49,664.61	£7,109.05
PayPoint	160,993	£0.43	£69,226.99	£0.39	£62,787.27	£6,439.72
Totals					£112,451.88	£13,548.77

\*£0.39 + Post Office Premium of £0.0124

Generating a saving of approximately £13.5k per annum on transaction fees

## Other Fees

	Price per month	Price per year	Price 3 years
Schemes	£106.00 (£10.60 x10)	£1,272.00*	£3,816.00
WebConnect	£48.82	£585.84	£1,757.52
<b>Total</b>	<b>£154.82</b>	<b>£1,857.84</b>	<b>£5,573.52</b>

\*10 Schemes priced at £10.60/month for 12 months

As with transaction fees, Scheme and WebConnect fees are recharged to business areas as detailed above.

The total value of the contract is estimated to be around £350,000 for three years

There is no change in pricing for Schemes or WebConnect.

## Background

We have been a customer of AllPay for four years, the contract was originally awarded under the ESPO Framework. Before that, barcoded billing was provided by Co-Op Bill Pay. When the City Council switched banks to Lloyds, Lloyds did not offer an inhouse barcoded bill pay service and had partnered with AllPay.

## Options Considered

A number of Options have been considered:

### Full Market Tender

This was considered and ruled out as an option last year due to commitments from FftF.

### Alternative Service Provider

Capita approached the city with an offer that could be directly awarded through Kent Commercial Services. Capita's per transaction pricing matched that of AllPay, but associated service costs were found to be more expensive. A comparison of costs carried out by Audit showed that AllPay were around £4k per annum less expensive than Capita.

### 5 Year contract renewal

Annual price is the same regardless of contract length. Given the current financial situation of the council it is prudent to go for the shortest contract term.