



## Cambridge City Council

**To:** Executive Councillor for Customer Services and Resources

**Report by:** Chris Bolton

**Scrutiny committee:** STRATEGY & RESOURCES 14<sup>TH</sup> OCTOBER 2013

**Wards affected:** All

### **Project Appraisal and Scrutiny Committee Recommendation**

**Project Name:** Telephone payments upgrade & Online payments Configuration Management System (CMS)

#### **Recommendation/s**

##### **Financial recommendations –**

- a) The Executive Councillor is asked to recommend this scheme (which is not included in the Council's Capital & Revenue Project Plan) for approval by Council, subject to resources being available to fund the capital and revenue costs.
- b) The total capital cost of the project is £27,000. £12,000 is to be funded from the Corporate Marketing Web Development budget and £15,000 is to be funded from the Cashiers repairs and renewals fund.
- c) The on-going revenue costs are £8,300 per annum (£41,500 for 5 years), funded from the Cashiers revenue budget provision.

##### **Procurement recommendations:**

The Executive Councillor is asked to approve the carrying out and completion of the procurement of a telephone payments upgrade and an online payments CMS system.

Subject to -

- The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
- The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

## **1 Summary**

### **1.1 The project**

The purchase and installation of the Capita call secure and online payments content management system.

Target Dates:	
Start of procurement	15 <sup>th</sup> October 2013
Award of Contract	15 <sup>th</sup> October 2013
Start of project delivery	1 <sup>st</sup> Feb 2014
Completion of project	1 <sup>st</sup> June 2014
Date that project output is expected to become operational (if not same as above)	

### **1.2 Anticipated Capital Cost**

Total Capital Cost	£27,000
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### Capital Cost Funded from:

Funding:	Amount:	Details:
Reserves	£0	
Repairs & Renewals	£15,000	Cashiers R & R budget (cost centre 19547)
Developer Contributions	£0	
Climate Change Fund	£0	
Other	£12,000	Corporate Marketing Web Development budget (cost centre 00086)

### 1.3 Procurement process

The reasons for procuring the telephone payments system upgrade and online payment configuration management system from Capita are:

- Procuring an alternative corporate payment system for telephone and online payments would far outweigh the cost of upgrading the telephone and online payments systems.
- A project would be required to specify, procure and install the alternative system and migrate from Capita to a new system. This process could potentially take 9 to 12 months.
- The Council has a number of other payment modules from Capita on a perpetual licence basis. If the core Capita system was to be replaced the Council would have to either write off the existing investment and re-procure or undertake a costly, timely and risky integration project. By working with Capita we would avoid this.
- The estimated total cost for both products on a perpetual licence basis is £68,500.

Northgate will support the installation of both products in accordance with the provisions of its contract with the Council.

There is the need to include waiver recommendation – for the Executive Councillor to note that this procurement is exempt under Rule 5.1.5(c) of the Contract Procedure Rules from the requirement to go out to tender on the basis that both products can only be supplied by Capita as they are the corporate payments system supplier.

## **2 Project Appraisal & Procurement Report**

### **2.1 Project Background**

#### **Telephone payments upgrade**

Payment Card Industry Data Security Standard (PCI DSS) compliance is a set of comprehensive requirements for enhancing payment account data security for organisations who accept payments by credit or debit card.

The PCI Security Standards Council has recently issued the following guidance on telephone-based payments.....

*“Cardholder data must be protected and authentication data (post authorisation) should not be stored anywhere on the company’s systems”.*

In order to reduce the scope of PCI, companies should work towards ensuring that all risks associated with card payments are reduced as far as is practical.

The upgrade of the telephone payments system will reduce Cambridge City Council’s exposure as regards PCI scope and increase the security of our customer data.

#### **Online payments CMS**

The Council’s website is a key customer service channel and is increasingly the preferred way for customers to access our services. It’s available 24 hours a day, seven days a week, meaning customers can interact and do business with us in a more convenient way for them. It is also a much more efficient and cost effective channel costing less, per transaction, than face-to-face and telephone contact.

<b>Type of contact</b>	<b>Average cost per transaction</b>
Face to face	£14
Telephone (through call centre)	£4
Self service	20p
Web	17p

*Note: Average costs based on data gathered by SOCITM.*

We currently provide the facility for customers to pay for a limited range of our services via the Capital payment portal. For some time we have been keen to extend this to other services, including those provided by Environmental Health and Streets and Open Spaces.

### **Options available**

Currently, in order to add additional payments into the portal, we are reliant on our suppliers, their daily rates and lead times for completion of works.

As part of the web improvement project we have identified at least 30 payment processes that would benefit from being made available online now. With the existing daily rate charge, this would mean a potential (maximum) cost of £30K, to implement these payments.

At the moment, the service requesting the additional online payment has to pay the supplier cost and it is this reason that additional payments have not been added to the portal.

The implementation cost for the CMS is less than half the cost of the supplier adding the 30 payments and would provide us with the necessary tools to add new payments, as well as maintain existing ones, without any further cost now and for years to come.

This would mean we could extend and maintain our range of payments, now and in the future to ensure we are offering the customer our services in a more convenient and accessible way, while making the best use of our most efficient and cost effective customer channel.

## **2.2 Aims & objectives**

### ***Cambridge – caring for the planet***

*“A city in the forefront of low carbon living and minimising its impact on the environment from waste and pollution”*

Completion of this project will meet two strategic objectives:

- *Investing in projects to reduce our carbon footprint and our energy bills;*
- *Improving the efficiency of Council services to maintain high standards and value for money;*

Procuring these products is essential to maintaining and developing the Cambridge City Council payment applications. The telephone payments upgrade will allow Cambridge City Council to keep meet the corporate PCI compliance. Purchasing the online payments CMS means the Council will be able to provide more of its services online and process its payments more efficiently and cost effectively, now and in the future.

## **2.3 Major issues for stakeholders & other departments**

Affected stakeholders include Revenues and Benefits, Housing, Environmental and Planning services, who will need to review their payment processes and online content in order to add their payments into the portal. However, this will make the process more efficient and cost effective in the long term.

## **2.4 Summarise key risks associated with the project**

The key risk this project aims to mitigate is the Council not meeting PCI compliance standards and subsequently not being able to take payments and the resulting harm to the organisation's reputation.

Telephone and online payments are part of the major income management business systems and as such support key statutory functions on behalf of the Council.

## **2.5 Financial implications**

- a. Appraisal prepared on the following price base: 2013/14
- b. Specific grant funding conditions are: N/a
- c. Other comments

## 2.6 Net revenue implications (costs or savings)

Revenue	£	Comments
Maintenance	£8,300	£8,300 cost per annum. Total revenue cost over 5 years will be £41,500. Revenue costs to be funded from the Cashiers cost centre (19052).
R&R Contribution	0	
Developer Contributions	0	
Energy savings	( 0)	
Income / Savings	( 0)	
<b>Net Revenue effect</b>	<b>£8,300</b>	<b>Cost</b>

## 2.7 VAT implications

There are no adverse VAT implications for undertaking this project. This will, however, be kept under review by the Accountant (VAT & Treasury) as part of the procurement process.

## 2.8 Energy and Fuel Savings

(a) Is this project listed in the Carbon Management Plan?	No
	<b>If 'No', move to Section 2.9.</b>

(d) Monitoring of Savings

## 2.9 Climate Change Impact

Positive Impact	No effect	Negative Impact
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### **2.10 Other implications**

There are no other known implications at this stage of the project.  
An Equality Impact Assessment (EqIA) has been prepared for this project and is attached.

### **2.11 Staff required to deliver the project**

Implementation of the pilot project is expected to be completed using current resources.

### **2.12 Dependency on other work or projects**

Not applicable

### **2.13 Background Papers**

| None

### **2.14 Inspection of papers**

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Capital Project Appraisal - Capital costs & funding - Profiling

Appendix A

	2013/14	2014/15	2015/16	2016/17	2017/18	Comments
	£	£	£	£	£	
<b>Capital Costs</b>						
Building contractor / works						
Purchase of vehicles, plant & equipment	19,000					
Professional / Consultants fees	8,000					
Other capital expenditure:						
<b>Total Capital cost</b>	<b>27,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Capital Income / Funding</b>						
Government Grant						
Developer Contributions						
R&R funding	15,000					19547 (Cashiers R&R fund)
Earmarked Funds						
Existing capital programme funding						
Revenue contributions	12,000					00086 (Corporate Marketing)
<b>Total Income</b>	<b>27,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Capital Bid</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	