

**NORTH SOMERSET COUNCIL
DECISION**

DECISION OF THE LEADER OF THE COUNCIL EXERCISING THE
PORTFOLIO OF THE EXECUTIVE MEMBER FOR FINANCE
WITH ADVICE FROM THE SECTION 151 OFFICER OF THE COUNCIL,
CORPORATE SERVICES DIRECTORATE



DECISION NO: CSD71

SUBJECT: Merchant Card Contract

BACKGROUND: North Somerset Council currently uses the merchant card services of Global Payments for the collection of income over the phone, online and via chip and pin terminals. The council are currently on a rolling monthly contract with this supplier.

The merchant card retailer provides the council with a merchant account for credit and debit card processing with funds held in the account before a payment transaction is authorised. Fees are charged for the account, the processing service and by the card scheme providers such as Mastercard and Visa, referred to as Interchange fees.

A review of these back-office transaction costs has been undertaken to determine if the current costs offer value for money and also if there would be opportunities to obtain cost reductions on these services. Various procurement options were considered however the best value has been realised through by seeking an alternative provider via a framework agreement.

Lloyds Cardnet won this framework via a competitive tendering process initiated by CPRAS, and have quoted the Council on a like for like basis on a 4 year contract. The framework has now been used by approximately 30 other local authorities within the past year as it offers significant cash savings compared to current arrangements with little or no operational change. All business impacts of the change has been considered with the implications discussed with internal audit, IT, procurement and the Income teams and directly with the potential new provider.

DECISION: We would request that approval is given to change the council's current merchant card provider with effect from 1 March 2017.

Reasons: The main reason for the change in provider are the revenue implications – this proposal will deliver cost reductions of £58k in a full year.

Other Alternatives Considered: An opportunity to improve on the pricing structure with the current provider, however this was above that quoted by Lloyds Cardnet through the framework.

Financial Implications:

The decision is within the relevant revenue budget of the Corporate Services Directorate and has an annual budget of £162k.

Implications for Future Years:

Lloyds Cardnet have quoted a total contract saving of £234k over 4 year life of the contract.

Signed:

Councillor Nigel Ashton
Leader of the Council

Dated:

Signed:
Section 151 Officer, North Somerset Council

Dated: