

Notice of Non-Key Executive Decision

Subject Heading:	Approval for a 12 months contract extension with WorldPay for the provision of payment acquiring services.
Decision Maker:	Kathy Freeman, Strategic Director of Resources
Cabinet Member:	Sue Benjamins, Deputy Leader and Cabinet Member for Finance
ELT Lead:	Kathy Freeman, Strategic Director of Resources
Report Author and contact details:	Sean Cloake, sean.cloake@onesource.co.uk
Policy context:	This contract supports Resources, enabling a resilient Council to be able to process card payment income.
Financial summary:	The charges for the service are based on card transaction volumes and the type of card used. Based on the previous 12 months, costs are estimated at £301k. The bulk of these costs are funded from the corporate expenses budget with the remainder funded from service budgets such as housing, parking, bereavement services, and libraries.
Relevant Overview & Scrutiny Sub Committee:	Overview and Scrutiny Board.
Is this decision exempt from being called-in?	<i>The decision will be exempt from call in as it is a Non key Decision</i>

Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council X

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval from the Strategic Director of Resources to:

- extend the Council's contract with WorldPay (UK) Limited (WorldPay) for the provision of Payment Acquiring Services for 12 months from 01st August 2026 to 31st July 2027 for £301,000. The Council's existing contract with Worldpay (UK) Limited is due to expire on 31st July 2026 and approval is sought to activate the one year extension option.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

Part 3.3

Powers common to all Strategic Directors

4 Contracts

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions.)

STATEMENT OF THE REASONS FOR THE DECISION

In order to accept and process card payments, all merchants require payment acquiring services. The current service is provided to Havering Council by WorldPay, via a Crown Commercial Services framework RM6118 contract which commenced on 1st August 2023 for a 3 year term, with an option to extend for a further year.

In the last 12 months, Havering Council collected £88.5m in revenue via payment cards and was charged £301k for payment acquiring services, equating to an average fee of 0.34%. This represents a significant reduction compared with the previous average fee rate paid by the Council of 0.77%.

The fees from WorldPay incorporate the charges made by card providers, i.e. Visa and Mastercard. These fees are the same regardless of merchant acquirer and constitute over 90% of the costs.

Remaining with the current provider, whose service has been stable throughout the duration of the contract, avoids any implementation risk, service disruption or additional costs associated with changing supplier. On this basis, it is considered that exercising the option to extend the contract for a further year represents the most advantageous approach for the Council.

OTHER OPTIONS CONSIDERED AND REJECTED

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Re-procurement via the updated Crown Commercial Services framework: this option was considered; however, a change of supplier would introduce additional costs and risks associated with transition. Given the availability of the option to extend the existing agreement for one year, this option was rejected.

Allowing the contract to expire and run into a rolling agreement: this would potentially see an increase in fees and would place an essential service at risk. This would also be non-compliant with the Council's constitution and procurement legislation.

PRE-DECISION CONSULTATION

None.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Sean Cloake

Designation: Head of ERP and Financial Systems

Signature:  Date: 10th July 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to extend the contract under section 111 of the Local Government Act 1972 which permits the Council to do anything that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council also has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's section 1 power are engaged by this decision.

The extension value is estimated at £301,000. The total value of the contract over the previous 3 years is in the region of £840,000. This is above the threshold for services and therefore the contract and any extension will be subject to both the Public Contract Regulations 2015 (PCR), as this was procured prior to the Procurement Act 2023 coming into force and the Council's Contract Procedure Rules (CPR).

The contract was originally awarded via the Crown Commercial Services Framework RM6118 (now expired), which was compliant with the Public Contract Regulations 2015 ("PCR") at the time of award. Officers have confirmed that the call-off contract was entered into in compliance with Regulation 33 of the PCR. The framework was available to all UK public sector bodies and the Council was therefore entitled to enter into the call-off contract through that framework.

Although CCS Framework RM6118 has now expired, the terms of the call-off contract entered into by the Council with WorldPay in 2023 include an option to extend the contract for a further one-year period. The proposed extension is being exercised in accordance with those contractual provisions and complies with Regulation 72(1)(a) PCR and CPR 35.1. On this basis, the Council may lawfully extend its contract with WorldPay for a further one year term.

FINANCIAL IMPLICATIONS AND RISKS

This decision seeks to exercise a 1 year extension to the contract with WorldPay for the provision of Payment Acquiring Services from 1st August 2026 until 31st July 2027.

The charges for the service are based on card transaction volumes and the type of card used. The overall costs are therefore subject to change, however, costs over the previous 12 months were £301k on card payments of £88.5m. The bulk of the costs are funded from the corporate expenses budget with the remainder funded from service budgets such as housing, parking, bereavement services, and libraries. This allocation is based on the level of card payments within each service area.

There are no specific additional financial risks associated with the proposed extension of this service, as there are no changes to process or technology.

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HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

None – the contract is for card payment services that does not require or affect staff.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are no equalities and social inclusion implications or risks associated with this decision.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable environmental implications or risks.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There are no health and wellbeing implications or risks associated with this decision

BACKGROUND PAPERS

None

APPENDICES

None

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

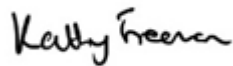
Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: Kathy Freeman

Cabinet Portfolio held:

ELT Member title: Strategic Director of Resources

Head of Service title

Other manager title:

Date: 14.07.26

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____