

**EXECUTIVE
COMMITTEE**

26th June 2012

**INCOME MANAGEMENT SYSTEM AND PAYMENT CARD INDUSTRY
COMPLIANCE**

Relevant Portfolio Holder	Councillor Phil Mould, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All Wards
Ward Councillor Consulted	
Non-Key Decision	

1. SUMMARY OF PROPOSALS

There is a need to upgrade/replace the current income management system in order to ensure that the system used by the Council is PCI PA-DSS compliant. This will require investment.

2. RECOMMENDATIONS

2.1 The Executive Committee is requested to RECOMMEND that

- 1) prudential borrowing of up to £35k (revenue impact £3.6k p.a.) and additional maintenance costs of £5k to be met from revenue balances, be approved for the upgrade/replacement for the Northgate PARIS system in order to achieve compliance with the PCI PA-DSS standards; and**
- 2) a joint procurement exercise be undertaken with Bromsgrove District Council and extend the invitation to participate to other authorities in the County.**

3. KEY ISSUES

- 3.1** The Council needs to make changes to their income management systems in order to comply with the Payment Industry Data Security Standard (PCI PA-DSS). The Standard relates to the environment in which card transactions take place in particular the storage and accessibility of card details. It will no longer be appropriate for organisations to hold card details on site. Therefore, going forward, the Council will be required to use either a bureau service for card transactions or consider a hosted solution. A decision on the way forward needs to be made by July 2012, although implementation can be much later. Due to the number of customers that need to make changes, migration to a new solution could take another 18 to 24

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months. The consequences of not upgrading could result in a fine or the withdrawal of the facility to accept card payments.

- 3.2. The Council currently uses Northgate's PARIS system for income management. In addition to making changes to become PCI PA-DSS compliant the Council needs to introduce Chip and Pin functionality.
- 3.3. Discussions have taken place with Northgate regarding their readiness to enable their product to become PCI PA-DSS accredited. Northgate have entered into an arrangement with a third party, Logic Group to provide a bureau solution but, at the time of writing, this had not been accredited. The Logic Group are the largest provider of gateway solutions in the UK. In terms of a hosted solution Northgate will be implementing the first hosting arrangement for a local authority in June. There are 5 further authorities due to go hosted during 2012.
- 3.4 Malvern Hills, Worcester City and Worcestershire County Council have recently tendered for a shared hosted solution for income management that will deliver enhanced functionality and be PCI PA-DSS compliant. The new contract with Civica will deliver ongoing revenues savings for each authority.
- 3.5 Based on the current position Northgate, that their product is currently not PCI PA-DSS accredited and the hosted solution is not tried and tested and the outcomes achieved by the authorities named above it may be beneficial for the Council to tender its requirements for a compliant income management system.
- 3.6 Bromsgrove District Council are in a similar position to Redditch in that they need to move to a bureau or hosted service in order to have an income management system that is PCI PA-DSS compliant. Bromsgrove currently use Civica's ICON system. Entering into a joint procurement exercise could be beneficial to both authorities.

Financial Implications

- 3.7 There is a need to upgrade/replace the Northgate PARIS income management system in order to be PCI PA-DSS compliant and this will require capital investment estimated to be in the region of £35k. There will also be a revenue impact in term of borrowing costs and ongoing maintenance estimated to be in the region of £9.0k. This will be met from revenue balances for 12/13 and addressed as part of the budget process for future years.

Legal Implications

- 3.8 There are no legal implications identified.

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Service/Operational Implications

- 3.9 If card payment facilities were to be withdrawn this would impact on service delivery and have operational implications. A number of Council services are based on being able to accept card payments.

Customer / Equalities and Diversity Implications

- 3.10 Not being able to accept card payments would have implications for customers.

4. RISK MANAGEMENT

There is risk of card payment facilities being withdrawn or a find if the Council does not move to either a bureau or hosted solution that is PCI PA-DSS compliant.

5. APPENDICES

None.

6. BACKGROUND PAPERS

No background papers have been identified in respect of this report.

AUTHOR OF REPORT

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