

Capital Programme Application Form



Corporate Priority	All
Proposed Scheme	Upgrade of our Civica payments platform
Outline of Proposal, including timescales	<p>Our Civica payments platform is an integral part of how the council functions. Without it we would be unable to take payments from our customers compliantly and fulfill our statutory accounting responsibilities. The proposal is to complete the upgrade in three stages.</p> <p>The first stage is to upgrade the Payment Gateway to support the latest version of 3D secure validation (V2). Due to a change in the Payment Service Directive from April 2022 all payments will need to be passed through a 3DSV2 payment Gateway to be accepted. 3DSV2 introduces Strong Customer Authentication with the aim of reducing fraudulent transactions. If payments are not passed through a 3DSV2 payment gateway they will be declined. From September 2021 banks will begin soft declining card payments which are using the current 3DS (V1) payment gateway.</p> <p>The second stage is to upgrade our internal payments portal to allow the usage of the latest mobile and tethered in-person payment devices, with more secure encryption. From 1 April 2022 our current chip and pin machines and kiosk will no longer be usable. These new devices will be needed to support the new service delivery ambitions of the Amelia and the Assembly Hall Theatre, as well as replacing the legacy technology in other areas of the council.</p> <p>The third stage is to further upgrade our internal payments portal to offer improvements to the customer experience and reduce processing time for staff. This upgrade will also increase security and reduce reliance on de-supported technology for processing payments. It will also allow greatly flexibility in our deployment of payment services.</p>
Sources of funding	“Capital & Revenue Initiatives” Reserve
Objectives	<ol style="list-style-type: none"> 1. Upgrade payment gateway to support 3D Secure V2 2. Upgrade Webpay Staff to version 1.5 3. Upgrade Webpay Staff to version 2.0
Benefits	Upgrade payment gateway to support 3D Secure V2 – Relevant to Online Payments

Capital Programme Application Form



- Strong Customer Authentication (SCA) aims to make online payments more secure for users and reduce the risk of fraud
- Compliance with the Payment Service Directive (provision of a secondary method of identification)
- Ensuring we can continue to take online payments from our customers as transactions over £30 are likely to be rejected by the banks without it.
- User payment disputes will be handled by the bank any chargebacks for 3DSV2 payments will be paid by the bank

Upgrade Webpay Staff to version 1.5 – Relevant to in-person payments

- Ensuring we continue to be able to take payments via chip and pin and payment kiosks as our current chip and pin devices will no longer be supported.
- Increased range of chip and pin devices available, which include support for Near Field Communication payment devices (Apple Pay, Google Pay which are desirable by the Amelia and Assembly Hall Theatre)
- Increased security for Chip and Pin devices through the implementation of point-to-point encryption V3 (P2PE)
- Compliance with the latest Payment Card Industry Data Security Standards version (v5)

Upgrade Webpay Staff to version 2.0

- Support for all browsers, currently we are restricted to using Internet Explorer 11 which is due to be de-supported by Microsoft from June 2022
- Remove the reliance on ActiveX. ActiveX was officially de-supported in August 2020
- Improved security and support for stronger cyphers (encryption keys). Our current dependencies on old technology which is not being developed means new security enhancements cannot currently be deployed
- Reduction in internal ICT support requirements by removing the requirement to maintain legacy technology within our remote desktop environment and install specific software on local devices
- Mobile enabled payments interface which will allow payment devices to be used independently of a MS Windows based device. You can process the transaction fully within a chip and pin machine.

Capital Programme Application Form



	<ul style="list-style-type: none"> • Improved data quality and reporting • Improved customer experience through automation, an improvement to processing times, a reduction in the number of steps in a payment journey, the addition of address look ups • Improvements to back office reconciliation processes • Improved user interface which will ensure accessibility compliance with Web Content Accessibility Guidelines (WCAG) • Allows staff with a need for assistive technology to use the payment solution, fulfilling compliance with the Councils Equality and Diversity responsibilities
<p>How will the proposal contribute towards:</p> <p>Corporate Priority?</p> <p>Local Area Agreement?</p> <p>Asset Management Plan?</p> <p>Other plans and strategies (please specify)?</p>	<p>This will enable the council to deliver all its other objectives by ensuring we continue to run as a financially viable organisation and meet our statutory obligations for compliance with the Payments Services Directive, Payment Card Industry Data Security Standards and Web Content Accessibility Guidelines.</p>
<p>Constraints (e.g. time, reliance on external funding, legal or technical)</p>	<p>Payments may be soft declined from 15 September 2021 if the payment gateway is not upgraded to support 3DSV2. Due to the value of the transactions processed by the Council (most are more than £30) there is a higher probability that transactions will be declined.</p>

Capital Programme Application Form



<p>factors)</p>	<p>We will be unable to take any payments after 31 March 2022 if the payment gateway is not upgraded to support 3DSV2.</p> <p>We will be unable to take in-person payments after 31 March 2022 if Webpay Staff is not upgraded to version 1.5.</p> <p>We will be using un-supported technology after 15 June 2022 if Webpay Staff is not upgraded to version 2 which represents a risk to payment security.</p>
<p>Is this scheme already in the Capital Programme? (If so, has the work started or has the contract been let?)</p>	<p>No</p>
<p>Does this scheme create new assets, which the Council will need to replace in due course? If so, please give the asset life expectancies.</p>	<p>No</p>
<p>Have Accountancy agreed that the proposed expenditure should correctly be treated as capital?</p>	<p>Yes</p>
<p>Implications of</p>	<p>All our public payment services will be unusable after 31 March 2022.</p>

Capital Programme Application Form



<p>proposal being rejected</p>	
<p>Implications of proposal being delayed</p>	<p>Any delay will represent a risk to our ability to accept payments from customers. We will also lose an element of control over when the upgrades are deployed which could mean they will conflict with other planned work and staff completing the accounting year end tasks. We would also risk reducing the time available to fully test the changes before deployment to the live environment.</p> <p>The Assembly Hall and Ice Rink both have an identified need for additional chip and pin devices and without the upgrade we will not be able to order new devices. This will have an impact on their ability to operate effectively.</p> <p>We have negotiated an early adopter reduction in the cost to upgrade, however this discount is reliant on committing to the upgrade by the end of September 2021.</p>
<p>Alternative solutions (If capital funding not available)</p>	<p>Carry on using existing technology until we are unable to accept payments and are forced to upgrade to continue to offer online and face-to-face payment services.</p>
<p>Risks (outline risks and action required to meet them)</p>	<p>This is an upgrade to our existing software, and as such the likelihood for any operational issues or additional training needs are low. Improvements within the process may lead to changes in processes. Any changes will be identified during testing and new procedures put in place before deployment to live. Increased online payment security could impact on the user experience as there is likely to be a secondary level of authentication for online payments, such as an SMS code or authentication through the users banking app. This secondary level of authentication has already been implemented by some online retailers and its usage will become more wide spread and so it is anticipated users will accept this as the new normal. However, there is no choice in the matter.</p> <p>Webpay staff 2 is a new piece of software and is still to be certified for compliance. This certification process could delay the roll out of Webpay staff 2, hence the plan to upgrade to Webpay Staff 1.5 first to ensure we will be in a position to continue to take payments if Webpay Staff 2 has not been certified before 31 March 2022.</p>

Capital Programme Application Form



How does this proposal impact on equalities?	Improvements to the user interface and compliance with WCAG will ensure the software is suitable for staff with accessibility needs. Increasing our payment offering will represent an improvement for customers by ensuring more choice.
Are there any VAT implications?	No

Capital Programme Application Form



Capital Costs				
Expenditure	2021/22	2022/23	2023/24	2024/25
Site Acquisition				
Construction				
Structural Maintenance				
Fees				
Vehicles, Plant, Furniture and Equipment				
Grants and Contributions				
Other expenditure	£57,800			
Total	£57,800			
Less external grants and contributions				
Less sales of related fixed assets				
Net cost to Tunbridge Wells Borough Council	£57,800			

Capital Programme Application Form



Revenue Effects of Capital Expenditure				
Expenditure / Income	2021/22	2022/23	2023/24	2024/25
Loss of Interest (3% of net cost)	£1,734	£1,734	£1,734	£1,734
Additional revenue costs (please specify)	£4,800	£4,800	£4,800	£4,800
Reduced revenue costs (please specify)				
Additional income (please specify)				
Net cost to Tunbridge Wells Borough Council	£6,534	£6,534	£6,534	£6,534

Net Present Value (Please speak with Finance if you are unsure what this is)	
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Date the scheme discussed by the Head of Service with the relevant Portfolio Holder:

Supply email endorsing their support for the approval of funding by Cabinet.

Work must not commence without budgetary approval from Cabinet (or s151 in an emergency)