

Report to: Cabinet

Date of Meeting: 5 March 2018

Report Title: Cash Collection Contract

Report By: Peter Grace, Assistant Director, Financial Services and Revenues

Purpose of Report

To inform Cabinet of a change in cash collection provider.

Recommendation(s)

- 1. To note the report and the action taken by officers to tender for a new cash collection contract.**

Reasons for Recommendations

The Constitution of the Council requires Cabinet to decide on all significant decisions and where decisions are taken by officers for reasons of urgency before informing Cabinet, then a report must be submitted to Cabinet at the first opportunity. Whilst the cash collection contract is circa £40,000 per annum, it is considered a significant contract.

Introduction

1. The G4S contract was for a 3 + 2x 12 month extensions (5 year contract) and we would have needed to provide them with 3 months' notice before 31st March 2018 if we had decided to extend it by 12 months. Whilst their banking performance was exemplary there had been continuous problems in executing the operational requirements of the contract despite numerous performance review meetings where these had been brought to their attention. It was therefore decided not to take up the extension option and to terminate two months early due too significant poor performance.

Detail

2. The agreement with G4S was terminated in October 2017, with the last day of service being 31st January 2018. A mini competition process was undertaken via the ESPO Framework with BDI and CSS. Neither company submitted a bid. Subsequent investigations indicated their reluctance to accept service penalties or provide a service on a Sunday. CSS indicated it wasn't economical to provide a Sunday service but would be able to do so at a cost of £1000 per week.
3. The need for a Sunday service meant looking outside of the ESPO Framework arrangement to Jade Security services that provide this service to a number of Councils in West Sussex and in the South East. Jade were issued the proposed specification and collection schedule and responded with a proposal that was acceptable to the Council with minor adjustments.
4. The rates quoted by Jade will represent an annual saving to HBC of £ 5520 and RDC of £ 3291. They are currently investigating the cost of a performance bond and this should be approximately an additional £600 for Hastings (6k bond) and £450 for Rother (4.5k bond).
5. It was decided that this interim arrangement is for 19 months. This allows sufficient time to evaluate the impact of cashless payments on the amount of monies held at premises and in car park machines and to establish an appropriate specification that will be attractive to the few companies that provide this service. Whilst the review and re-tender could have been achieved in less than 19 months this contract length allows the new arrangement to start at the beginning of the Winter Collection Schedule in October 2019. This off peak period start presents a more straightforward implementation period.
6. Both legal teams at Hastings and Rother have been provided with copies of Jade's standard terms and conditions to ensure that they are acceptable. An external financial assessment has been completed and is satisfactory. Jade have provided three technical references and to date two have been received and are deemed to be of a good standard.
7. Jade were advised that in principle the Councils wished to contract with them subject to the agreement of terms from 1st February 2018 and as a consequence Jade undertook a formal risk assessment process of all sites early in January 2018.

Wards Affected

Insert the list of wards affected

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness
Crime and Fear of Crime (Section 17)
Risk Management
Environmental Issues
Economic/Financial Implications
Human Rights Act
Organisational Consequences
Local People's Views
Anti-Poverty

Additional Information

None.

Officer to Contact

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