

Agenda Item No: 8

Report to: Cabinet

Date of Meeting: 5 January 2015

Report Title: Cash Collection Contract

Report By: Peter Grace
Head of Finance

Purpose of Report

To agree the procurement arrangements through the East Sussex Procurement Hub for the Cash Collection Contract.

Recommendation(s)

- 1. To agree that authority be given to the Director of Corporate Resources or his nominee in conjunction with the Leader of the Council, to award a contract to the supplier that offers the most economically advantageous terms.**

Reasons for Recommendations

The current cash collection contract expires on 31 March 2015.

Introduction

1. Hastings Borough Council's current Cash Collection Contract expires on 31 March 2015. The East Sussex Procurement Hub is looking to go out to tender with 3 other local authorities with a view to seeking the most advantageous economic tender.
2. The contract duration will be 3 years with an option to extend for a further 2 (5 years in total).
3. The tender will be run as an open procedure in line with the EU procurement directive and public contract regulations (2006).
4. The procurement will result in the appointment of one supplier across all 4 councils (Hastings, Rother, Eastbourne and Wealden).
5. The successful supplier will be appointed prior to the 1st March 2015 for transfer (if necessary) to take place in time for the service to start on 1st April.
6. A separate report informing the Charity Committee went to their 8 December 2014 meeting.

Risk Management

7. The nature of cash collection has inherent potential physical security risks particularly for the contractor. Measures can be put in place to mitigate these by the implementation of appropriate communication systems, training and utilisation of CCTV that exists in the car parks. Internal measures can be taken to ensure robust monitoring of income together with appropriate insurance provision to mitigate against the risk of potential fraud.
8. The ability to promptly bank the cash collected in to Hastings Borough Council's bank account will form part of the evaluation process.

Environmental Issues

9. The main issue revolves around the use of contractor's vehicles to collect the monies. Regrettably, this cannot be avoided, however, contractors can reduce the impact of carbon dioxide emissions by using energy efficient fuel and modern vehicles and by the Council keeping collections to a minimum consistent with operational efficiency.

Economic/Financial Implications

10. The current cost of providing the cash collection service is in the region of £65,000 per year. However, it is important that the cash collection service provider will be able to promptly and reliably transfer the monies into the Council's bank account.
11. The East Sussex Procurement Hub has demonstrated that savings are possible where there has been collaboration with other local authorities.

12. There may develop a variation to the contract reducing its value if use of 'pay by phone' increases substantially when it is introduced.

Wards Affected

None

Area(s) Affected

None

Policy Implications

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

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

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Officer to Contact

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