

Agenda Item No:

Report to: Charity Committee

Date of Meeting: 18 March 2019

Report Title: **Insurance and Cash Collection Contracts**

Report By: Peter Grace
Assistant Director Finance and Revenues (Chief Finance Officer)

Purpose of Report

To agree the procurement arrangements through the East Sussex Procurement Hub for the Insurance and Cash Collection Contracts.

Recommendation(s)

- 1. To agree that authority be given to the Assistant Director Finance and Revenues (Chief Finance Officer) in consultation with the Chair of the Charity Committee to determine final contract terms and conditions and award a contract to the suppliers that offer the most economically advantageous tenders in respect of Insurance and Cash Collection.**

Reasons for Recommendations

The current insurance contract expires on 31 March 2019 and the cash collection contract expires on 31 August 2019.

Introduction

1. Hastings Borough Council's current Insurance Contract expires on 31 March 2019. The East Sussex Procurement Hub has already gone out to tender with seven councils, including Hastings Borough Council, with a view to obtaining the most economically advantageous contract.
2. The contract will be for 5 years fixed term.
3. Hastings Borough Council's current Cash Collection Contract expires on 31 August 2019. 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. The contract will be for 3 or 5 years with an option to extend for a further 2 (5 or 7 years in total).
4. The procurement for the Insurance contract will result in the appointment of either one supplier across all seven councils and the Trust for all areas of insurance or a mixture of suppliers across different councils and the Trust and different areas of insurance.
5. The successful supplier(s) will be appointed in sufficient time for transfer (if necessary) to take place in time for the service to start on 1st April.
6. The procurement for the Cash Collection will result in the appointment of one supplier across all 3 councils (Hastings - including the Trust, Rother and Eastbourne).
7. The successful supplier will be appointed prior to the 1st August 2019 for transfer (if necessary) to take place in time for the service to start on 1st September.
8. A separate report informing the Cabinet will go to their 4 March 2019 meeting.

Risk Management

9. The Council and the Foreshore Trust need to ensure continuity of its insurance provision after midnight 31 March 2019. This is an absolute requirement. The recommended option outlined in this report will ensure that this fundamental requirement is met.
10. The Council's various insurance schedules have been re-examined to ensure they reflect up to date data, and the risks associated have also been reviewed to address any existing or new requirements.
11. 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.

12. 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

13. 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

14. The Council spent a total of £351,000 during 2018/19 on its insurance premiums. It is hoped that the procurement process will result in a small saving. The Foreshore Trust element is currently £11,700 per annum.

15. The current cost of providing the cash collection service is in the region of £65,000 per year (Council and Foreshore Trust combined cost). 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. A variation to the contract may develop reducing its value if the use of 'pay by phone' and 'contactless payments' increases substantially.

16. The East Sussex Procurement Hub has previously demonstrated that savings are possible where there has been collaboration with other local authorities, and have done well to secure the interest of others outside of East Sussex for the insurance tender.

Wards Affected

None

Area(s) Affected

None

Policy Implications

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

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|---------------------------------------|-----|
| 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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