

## **BRECKLAND COUNCIL**

### **Report of the Director of Sustainable Communities to the Audit Committee**

#### **VARIATION TO ENVIRONMENTAL SERVICES CONTRACT TO ALLOW PAYMENTS IN ADVANCE**

##### **1. Purpose of Report**

1.1 A report was presented to Cabinet on Tuesday 19<sup>th</sup> October 2010 outlining a proposal from Serco to allow payments in advance for the Environmental Services contract, in return for a payment discount to the Council. The Cabinet recommendation was for the Audit Committee to be commissioned to investigate the financial aspects of the proposal.

**Note:** In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

##### **3. Information, Issues and Options**

###### **3.1 Information**

3.1.1 At the Cabinet meeting in October 2010 a report was presented asking members to consider a proposal to settle invoices for the service charges of this contract up to three months in advance in order to realise early payment discounts from Serco. The original report, proforma B and risk statement is attached as an appendix and also the extract from the minutes relating to the report.

3.2 It was resolved at the meeting that:

- 1) the commencement of the proposal to settle invoices for the Gross Annual Service Charges be deferred;
- 2) the Audit Committee be commissioned to investigate the financial aspects of such a proposal; and
- 3) alternative options be explored.

3.3 Serco have confirmed that there are no further variations to these options which can be presented. At the time of writing this report 4 other Serco contracts had agreed to the following early payment options:

- 2 Councils paying 1 month in advance
- 1 Council paying 2 months in advance
- 1 Council paying 3 months in advance

###### **3.3.1 Options**

See original report

##### **4. Risk**

4.1 See original report.

##### **4.2 Financial**

Pro Forma B attached as per original report

**5. Legal Implications**

5.1 See original report.

**6. Other Implications**

- a) Equalities: none
- b) Section 17, Crime & Disorder Act 1998: none
- c) Section 40, Natural Environment & Rural Communities Act 2006: none
- d) Human Resources: none
- e) Human Rights: none
- f) Other: [e.g. Children's Act 2004] none

**7. Alignment to Council Priorities**

- 7.1 The matter raised in this report falls within the following Council priorities:
- To ensure the Council manages its finances well to ensure value for money.

**8. Ward/Community Affected**

8.1 N/A

Appendix

*Original report, Proforma B and Risk Statement*

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