

# BRECKLAND DISTRICT COUNCIL RISK MANAGEMENT RISK REGISTER

**DIRECTOR:** Rob Walker, Director of Community Services

**REPORT NAME/TYPE:** Serco discounts for early payment report / Cabinet 19 October 2010

**SERVICE AREA / FUNCTION:** Environmental Services

Risk Ref No	Aim/ Priority	Risk Category	Risk Description (cause, risk event, impact & consequences)	Risk Owner	Gross			Existing Control Measures including any contingency measures currently in place and working effectively (State related NI/PI/Project No)	Mitigation Plan (Action to deal with control measures not currently in place)	Action by dd/mm/yy	Net		
					Likelihood	Impact	Score				Likelihood	Impact	Score
1	CA05	Financial	The impact of the Economic Downturn on the Council's budgets may compromise the affordability of inflationary increases Environmental Services contract at current levels of service quality going forward.	Roger Wilkin	3	3	9	The Environmental Services Manager is undertaking negotiations with Serco with a view to reduce costs and increase income across a range of activities. Consequently, Serco has offered discounts to the Council for advance payment of invoices for basic service provision	The approval of the advance payments will enable a gross saving on the basic contract payment of 1% per annum, equivalent to £40,000 per annum at 2010-2011 prices.	October 2010 Cabinet	2	3	6

2	CA05	Reputation / Financial	The Councils Environmental Services contractor goes into liquidation, requiring the Council to take steps to recover payments made in advance.	Roger Wilkin	1	3	3	A rigorous financial assessment was made of the contractor at the time the contract was tendered in 2004/5.	Half yearly partnership meetings take place with Serco at Director level, at which details of current financial health of the company can be requested. A check of current financial performance through the financial media suggest a healthy financial position of the company at present (September 2010) <i>Source:</i> <a href="http://uk.ibtimes.com/articles/46058/20100825">http://uk.ibtimes.com/articles/46058/20100825</a>	Partnership Board meeting scheduled October 2010	1	3	3
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