



**DRAFT PORTFOLIO HOLDER DECISION NOTICE**

**PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE**

**TOPIC - CASH COLLECTION CONTRACT**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Legal Services Manager, the Chief Executive and the Strategic Director: Resources are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on Monday 26 March 2018.**

**Contact Officers:**

**Case Officer:** Richard Hein, Head of Parking and CCTV, 01962 848060  
rhein@winchester.gov.uk

**Democratic Services Officer:** Nancy Graham, 01962 848 235,  
ngraham@winchester.gov.uk

**SUMMARY**

The Council's cash collection contract is due to expire on 31 March 2018 and the service will need to be re-procured. As the current value of the Contract is above the EU threshold for Services Contracts an EU compliant tender process will be required either by conducting a full procurement process or by arranging for a call off contract under an EU compliant framework. The current providers of the Service (Keyline Security Services) have notified the Council that they will not be re-tendering for this Service.

An EU compliant single supplier framework agreement has just been awarded by New Forest District Council acting on behalf of the Hampshire and Isle of Wight Procurement Partnership (HIOWPP), of which the Council is a member and others,

to Jade Security Services Limited. The framework was evaluated on the basis of a price/quality split of 60% /40%.

The Council will need to have a new contract in place commencing on 1<sup>st</sup> April 2018 to ensure a seamless collection of cash without interruption from the Council's car parks and the main Council offices.

There is also a national Cash Collection Framework, ESPO 324F (ESPO is a public sector owed professional buying organisation) which is available to the Council on a call off or mini competition basis.

Both framework costs have been analysed and both result in an increased price compared to that paid currently. The cost of cash collection for both the car parks and Council offices per year based on current collection rates is approximately £ 80k years 1 & 2 and increasing to £83k per year in years 3 and 4 an increase on current costs of £33k and £36k respectively. This increase in cost will be met from existing parking budgets.

A financial evaluation has been undertaken and cost differences between the HIOWPP and ESPO 324F are nominal, with some certainty being offered in favour on ongoing costs for using the HIOWPP framework. See Exempt Appendix for details. Other options include bringing the service in house, or going out to tender ourselves. Both options would have too long a time frame and are not suitable in the short term.

### **PROPOSED DECISION**

That the Council be authorised to use the single supplier Framework agreement (HIOWPP) to be entered into by New Forest District Council with Jade Security Services Limited and to enter into an agreement with Jade Security Services Limited for its Cash collection service to provide cash collection services in respect of the parking machines situated in the Council's car parks and from the main Council offices, for a term of four years commencing on 1 April 2018 at a cost of approximately £80,000 per year in years 1 and 2, and approximately £83,500 per year for years 3 & 4 , based on the Council's current collection schedule.

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

There is a need to maintain cash collection from 1 April 2018 as a matter of urgency. Given the risks associated with cash handling, it is essential that parking machines are emptied and the income figures reconciled with audit tickets.

If pay machines are not emptied according to schedule there is also risk that they will go out of service, resulting in a reduction in Council income.

Leaving large amounts of cash in pay machines may result in machines being targeted for theft, as happens in many areas, leading to a substantial loss of income from thefts; increased capital costs for replacing damaged machines; as well as lost income whilst machines are replaced.

Whilst the cost of future cash collections may be higher than those of the current supplier of these services, the Council will explore fewer collections from its pay machines, this is possible due to increased rates of customers paying for their parking by phone or card.

### **RESOURCE IMPLICATIONS:**

To be able to work with a new cash collection provider, details and meetings to specify collection arrangements and schedules need to take place as soon as possible to ensure that collection of cash is not interrupted and income is protected.

### **CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

Consultation has taken place with the Council's finance and legal teams and human resources to establish if there are any indirect staffing issues. In this case as the current supplier has one member of staff almost entirely engaged on the Winchester contact, this member of staff would need to be considered by any new supplier as part of a new contract. The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") applies and this has been covered within the HIOWPP Framework agreement

Senior Officers of the Council including Strategic Director (Resources) have also been consulted.

### **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

None

### **DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None.

### **DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

Approved by: (signature)

Date of Decision

Councillor Guy Ashton – Portfolio Holder for Finance

**EXEMPT APPENDICES:**

Exempt Appendix A      Financial Analysis