

SUBJECT:	Payroll Contract Extension	
REPORT OF:	Officer Management Team - Prepared by -	Director of Resources Accountancy Assistant

1. Purpose of Report

- 1.1. To seek approval for an extension of the current payroll contract to 31st March 2013.

2. Links to Council Policies & Plans

- 2.1. The provision of a cost effective payroll service, links with the Council's key driver of 'Value for Money and a lean organisation'.

3. Background

- 3.1. Aylesbury Vale District Council (AVDC) has been running the SBDC payroll contract since 1st June 2004. This contract is due to come to an end on 31st March 2012.

4. Proposal / Discussion

- 4.1. AVDC runs the payroll for South Bucks, Wycombe, Aylesbury Vale and Chiltern DC.
- 4.2. The current contract has been running successfully for the past seven years. Payslips are received punctually, pay is accurate and statutory year end procedures are carried out well within timescales. Staff are aware that processing is located in Aylesbury and adhere to the deadlines to ensure claims are received in time. To extend this contract would have no effect on staff and continuity of present procedures.
- 4.3. The extension of the contract can be undertaken without tenders being invited or quotations obtained as it is covered by an exemption in the Contracts Procedure Rules (Para 14(2)), which states "The work to be executed or the services or goods or materials to be supplied constitute an extension of an existing contract such an extension to be approved by both the Committee responsible (if appropriate) and the Cabinet".
- 4.4. The alternative option, to retender the service, would be a lengthy process involving input from both the finance and legal services. However it would not be appropriate to do this at the moment as we would not want to move away from a shared payroll service, whilst discussions about having a joint Management team / increased collaboration with Chiltern and Wycombe are still ongoing.

5. Resources, Risk and Other Implications

- 5.1. To extend the contract, there would be little resource implication other than the time of legal services to prepare the contract extension. SBDC currently pays £13,084 per annum for this service.
- 5.2. As the total contract value remains under the EU threshold notwithstanding this extension it does not have to be subject to a full EU public procurement, and can be agreed under the SBDC Contracts Procedure Rules.

6. Recommendation

- 6.1. The PAG is asked to recommend to Cabinet the extension of the current payroll contract to 31st March 2013.

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Background Papers:	