

SCRUTINY
13 SEPTEMBER 2021

Contract Dispute Settlement 2020/21

Cabinet Members: Councillor Bob Evans – Deputy Leader and Cabinet Member for Housing & Property

Responsible Officers: Deputy Chief Executive (S151) – Andrew Jarrett

Reason for Report: To provide Scrutiny with an update on a specific payment made in the 2020/21 financial year.

RECOMMENDATION: That Scrutiny notes the update.

Relationship to Corporate Plan: All payments made to support the delivery of the Council's Housing Revenue Account (HRA) must demonstrate sound governance and value for money.

Financial Implications: The Council has a duty to obtain value for money.

Legal Implications: Legal advice is provided both internally and externally whenever the HRA requires it to protect the interests of the Council.

Risk Assessment: Detailed within the report.

Equality impact assessment: No equality issues identified for this report.

Impact on climate change: None.

1.0 Introduction

- 1.1 During the financial year 2020/21 the Council's Housing Revenue Account (HRA) made a contract dispute settlement of £600k to a 3rd party. All further information/discussion in regard to this payment is precluded from public disclosure due to both parties signing a legally binding confidential settlement agreement.
- 1.2 A recently published liquidator's report, which I have attached as a part 2 appendix 1, to this report, includes a small amount of information pertaining to this settlement payment.
- 1.3 I have also included as Appendix 2, to this report, which is again in Part 2, a very brief overview of the events that concluded in this settlement payment.

2.0 Conclusion

- 2.1 During the events that culminated in this payment legal advice was provided by both internal and external lawyers.
- 2.2 Both of these legal professionals/specialists concluded that the settlement decision arrived at was justifiable, prudent and proportionate given its potential liability and due to the likelihood of any recovery of costs.

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Circulation of the report: Leadership Team and Cabinet