

Central Bedfordshire  
Council  
Priory House  
Monks Walk  
Chicksands,  
Shefford SG17 5TQ



please ask for Paula Everitt  
direct line 0300 300 4196  
date

## NOTICE OF MEETING

### CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date & Time

**Tuesday, 8 April 2014 10.00 a.m.**

Venue at

**Room 15, Priory House, Monks Walk, Shefford**

Richard Carr  
**Chief Executive**

To: The Chairman and Members of the CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE:

Cllrs P A Duckett (Chairman), Miss A Sparrow (Vice-Chairman), Mrs A Barker, L Birt, Mrs C F Chapman MBE, Dr R Egan, J Murray, B Saunders and T Woodward

[Named Substitutes:

Mrs R J Drinkwater, C C Gomm, R W Johnstone, Mrs M Mustoe and I Shingler]

All other Members of the Council - on request

**MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS  
MEETING**

# AGENDA

1. **Apologies for Absence**

Apologies for absence and notification of substitute members.

2. **Minutes**

To approve as a correct record the Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 28 January 2014 and to note actions taken since that meeting.

3. **Members' Interests**

To receive from Members any declarations of interest and of any political whip in relation to any agenda item.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **Petitions**

To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

6. **Questions, Statements or Deputations**

To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of part A4 of the Constitution.

7. **Call-In**

To consider any decision of the Executive referred to this Committee for review in accordance with Procedure Rule 10.10 of Part D2.

8. **Requested Items**

To consider any items referred to the Committee at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

## Reports

Item	Subject	Page Nos.
9	<p><b>Executive Member Update</b></p> <p>To receive a brief verbal update from the Deputy Leader and Executive Member for Corporate Resources.</p>	* verbal
10	<p><b>Exclusion of public and press</b></p> <p>To consider whether to pass a resolution under section 100A of the Local Government Act 1972 to exclude the Press and Public from the meeting for Item 11 and if necessary for Appendix B of Item 12 on the grounds that the consideration of the item is likely to involve the disclosure of exempt information as defined in paragraph(s) 4 of Part 1 of Schedule 12A of the Act.</p>	*
11	<p><b>Provision of Recruitment Services for Temporary Agency Staff</b></p> <p>To receive a presentation on the proposals for the provision of Recruitment Services for Temporary Agency Staff.</p>	* verbal
12	<p><b>Procurement of Specialist Professional Services</b></p> <p>To consider the proposals to implement a contract for the supply of specialist professional services which is available through the North East Procurement Organisation framework. Appendix B of this report is an exempt item under category number 3 “information relating to the financial or business affairs of any particular person (including the authority holding that information)”.</p>	* 11 - 24
13	<p><b>Draft Asset Plan</b></p> <p>To consider the proposals outlined in the Corporate Asset Management Strategy &amp; Plan (CAMSAP) that sets out the Council’s strategic objectives for the management of its property and land assets for the period 2014-2018.</p>	* 25 - 40
14	<p><b>Customer Service Strategy</b></p> <p>To receive a presentation on the proposals for the Customer Services Strategy.</p>	* verbal
15	<p><b>Fees and Charges Policy</b></p> <p>To consider a proposed updated Fees and Charges Policy along with a proposal for a full review of the Policy.</p>	* 41 - 56

16      **Q3 Budget Monitoring**      \*      57 - 68

To receive a presentation setting out the quarter 3 budget monitoring information for:-

- The Council including the Housing Revenue Account
- Corporate Resources Directorate

Papers relating to this item were circulated to Members in the Executive agenda for 18 March 2014 (Items 19 and 20 refer). The report is available to view and print at the following website:-

<http://www.centralbedfordshire.gov.uk/modgov/ieListDocuments.aspx?CId=577&MId=4399&Ver=4>

17      **Work Programme 2013 - 2014 & Executive Forward Plan**      \*      69 - 72

The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.

**CENTRAL BEDFORDSHIRE COUNCIL**

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House, Monks Walk, Shefford on Tuesday, 28 January 2014.

**PRESENT**

Cllr P A Duckett (Chairman)  
Cllr Miss A Sparrow (Vice-Chairman)

Cllrs	Mrs A Barker	Cllrs	J Murray
	L Birt		B Saunders
	Mrs C F Chapman MBE		T Woodward
	Dr R Egan		

Members in Attendance:	Cllrs	P N Aldis	
		R D Berry	
		D Bowater	Vice-Chairman of the Council
		C C Gomm	
		D J Hopkin	Deputy Executive Member for Corporate Resources
		J G Jamieson	Leader of the Council and Chairman of the Executive
		M R Jones	Deputy Leader and Executive Member for Corporate Resources
		M A G Versallion	Executive Member for Children's Services

Officers in Attendance:	Ms D Clarke	–	Director of Improvement and Corporate Services
	Mrs P Everitt	–	Scrutiny Policy Adviser
	Mr R Norris	–	Team Leader Housing Finance
	Mr P Taylor	–	Finance Manager
	Mr C Warboys	–	Chief Finance Officer

Others in Attendance	Mrs P Katrak	Client Director, Arlingclose Limited
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CR/13/88 **Minutes**

**RESOLVED** that the Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 17 December 2013 be confirmed and signed by the Chairman as a correct record subject to the addition of Cllrs P N Aldis and M J Jones to the attendance list.

CR/13/89 **Members' Interests**

Cllr Dr Egan declared a disclosable pecuniary interest in Item 13 due to the nature of a corporate tenancy.

**CR/13/90 Chairman's Announcements and Communications**

None

**CR/13/91 Petitions**

None

**CR/13/92 Questions, Statements or Deputations**

Cllr Dr Egan requested to speak on item 13 as a member of the public due to the nature of the interest that she had previously declared. The Chairman agreed to invite Cllr Egan to speak in advance of the relevant item.

**CR/13/93 Call-In**

None

**CR/13/94 Requested Items**

None

**CR/13/95 Executive Member Update**

The Deputy Leader and Executive Member for Corporate Resources provided the Committee with an update regarding the following:-

- The annual canvass showed that 96.9% of electors were registered correctly. From June 2014 an individual elector form system would be introduced.
- A reception for Tenant Farmers to meet the Assets Team that would take place on 6 February 2014 at Priory House, Chicksands.
- A loop hole that had been discovered in the Spare Room Subsidy and legislation that would be brought in to remedy this whilst work to identify those affected was undertaken.

In light of the update, Members commented as follows:-

- The Committee extended their congratulations and thanks to the Electoral Registration Team and canvassers for their excellent achievement. The Committee requested that the Electoral Registration Manager write a letter of thanks to all canvassers.
- That tenant farmer's agents and local authorities adjacent to Central Bedfordshire be welcomed to the Farmers Reception and that feedback on the event be reported to the Committee.

**CR/13/96 Draft Treasury Management Strategy Statement 2014-2018**

The Deputy Leader and Executive Member for Corporate Resources introduced this report, which provided a summary of the changes to the Treasury Management Strategy as a result of continuous review with the Council's external advisers, Arlingclose Ltd.

Members of the Committee considered the content of the report and, confirming that they did not have any concerns, thanked officers present.

**NOTED the report**

CR/13/97

**Draft Budget 2014/15, Medium Term Financial Plan 2014 - 2018 and Capital Programme 2014/15 to 2017/18**

The Executive Member introduced this report, which provided the Committee with an opportunity to comment upon the draft budget 2014/15, Medium Term Financial Plan 2014 – 2018 and Capital Programme 2014/15 to 2017/18. This report had been presented and approved for consultation at a meeting of the Executive on 14 January 2014.

The Chief Finance Officer drew the Committee's attention to the final Capital budget proposal. A few changes had been made following the phasing of some projects and copies of the changes were circulated to Members at the meeting. Members asked questions on the adjusted figures relating to the Flitwick Leisure Centre project and speed safety cameras. The Chief Finance Officer advised that the changes were in line with project adjustments and re-phasing of the work for the leisure centre and there was only a very minor change to the value of the scheme in total.. Members were also informed that costs for speed safety cameras were paid by the Council as part of their community safety role, however, it was the Police who collected and kept the money retrieved as a result of any fines issued. Members requested that the Communications Team publicise the Council's role in relation to these speed safety cameras.

**RECOMMENDED that the draft budget 2014/15, Medium Term Financial Plan 2014/15 to 2017/18 and the Capital Programme 2014/15 to 2017/18 be endorsed as set out.**

CR/13/98

**Fees and Charges 2014/15**

The Executive Member introduced the report which proposed the revised fees and charges rates to be effective from 1 April 2014 and identified those charges where increases were different from the 2% advisory increase as per the Fees and Charges Policy.

Members of the Committee discussed the content of the report and supported the proposal that the Fees and Charges Policy be revisited by the Committee. The Chief Finance Officer agreed to present a report to the April meeting for consideration.

**NOTED the report**

CR/13/99 **Draft Budget for the Housing Revenue Account (Housing Service)  
Business Plan**

Cllr Dr Egan had declared a disclosable pecuniary interest in relation to the Housing Revenue Account due to the nature of a corporate tenancy. Dr Egan was invited by the Chairman to address the Committee as a member of the public before leaving the room for the remainder of the discussion. Dr Egan raised concerns regarding the amount paid by tenants in 1 bedroom sheltered accommodation compared to the lower percentage paid by tenants in 3 bedroom accommodation. Dr Egan suggested that the Council should not implement the proposed rise in rents for tenants in sheltered housing accommodation for at least a period of two years.

(Cllr Dr Egan left the Chamber during the debate)

Members of the Committee were informed that the sheltered accommodation rate was, on average, 71% of the market rate. Of the tenants in this type of accommodation a total of 80% received full or partial benefits from the Council, and were therefore at least partially exempt from the increase in charges. It was pointed out that a similar situation affected tenants in 1 bedroom accommodation in the south of Central Bedfordshire. In light of this information Cllr Chapman proposed a motion (seconded by Cllr Murray) that the Committee recommend to Executive a 1 year freeze in rent increases for sheltered accommodation.

(Cllr Dr Egan rejoined the meeting)

The Housing Finance Officer advised that a briefing note could be provided to give Members a detailed account of the manner in which rents for Council properties were calculated and a comparison of the level of proposed rents to comparable market rents in the private sector. Members raised specific questions relating to average market rents and officers would provide a written response to these and a comparison between the rents at the Council's Sheltered properties with the rents at our General Needs properties.

(The Chairman adjourned the discussion to permit receipt of additional information and the Committee went on to consider other items on the agenda before returning to consider the HRA later in the meeting. On receipt of the additional information the Chairman adjourned the meeting for 15 minutes to permit time for Members to read the additional information. When the meeting reconvened Cllr Dr Egan left the Chamber during the debate).

The Chief Finance Officer advised Members that a more detailed piece of work to assess the impact of the rent increases on different sectors of the market could be undertaken if Members requested it. In light of this advice the Chairman suggested that the Committee request a report for a future meeting that set out the outcomes of this assessment. Cllr Chapman subsequently withdrew the previous motion.

**RECOMMENDED**



1. That the draft HRA budget proposals for 2014/15 be endorsed as set out.
2. That officers be requested to carry out an in-depth study to address the concerns of inequity in rents, during the course of the year.

(Cllr Murray requested that his vote against recommendation 2 be recorded)

CR/13/100 **Your Space 2 Project Update**

The Director of Improvement and Corporate Resources gave a presentation on the Your Space 2 Project as requested by the Committee at their meeting in December 2013.

Members attention was drawn to the key reasons for change that included a drive to reduce accommodation costs as outlined in the Medium Term Financial Plan and to exit the Bedford Borough area. The engagement that had been undertaken during the process and the feedback of staff was also highlighted.

In light of the presentation Members raised a number of concerns:-

- That need to address parking pressures at Priory House and Watling House. Of major concern were the dangerous parking practices and the difficulty of emergency vehicles gaining access to buildings. The Director of Improvement and Corporate Services advised that plans to increase the number of car parking spaces were in hand and further short terms measures to create spaces would be implemented, including the provision of car parking spaces near Creasey Park Football Club for staff.
- Expectations that staff should work in overcrowded conditions and whether the Council was in compliance with Health and Safety requirements. The Director of Improvement and Corporate Services assured Members that there was no breach in Health and Safety law. The Director agreed to arrange for a Health and Safety Officer to discuss this issue with Cllr Dr Egan. In light of these concerns a Member offered some suggestions to help alleviate some of the parking and accommodation pressures including meeting room availability that the Director of Improvement and Community Services agreed to investigate further.

**NOTED the update**

CR/13/101 **Work Programme 2013 - 2014 & Executive Forward Plan**

The Committee considered its current Work Programme and the latest Executive Forward Plan and added items relating to the Fees and Charges Policy and an overview of service level agreements.

**RECOMMENDED that** the Corporate Resources OSC work programme be amended subject to the addition of the items detailed above.

(Note: The meeting commenced at 10.00 a.m. and concluded at 12.25 p.m.)

Chairman.....

Date.....

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 08 April 2014  
**Subject:** Procurement of Specialist Professional Services  
**Report of:** Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Services.  
**Summary:** The report provides Members with an opportunity to comment on the attached Executive Report on proposal to implement a contract for the supply of specialist professional services which is available through the North East Procurement Organisation framework

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**Advising Officer:** Paul Meigh, Chief Procurement Officer  
**Public/Exempt:** Public but with an exempt appendix under category number 3 “information relating to the financial or business affairs of any particular person (including the authority holding that information)”.  
**Wards Affected:** All  
**Function of:** Council

**CORPORATE IMPLICATIONS** are as detailed in the attached Executive report.

**RECOMMENDATION(S):**

**The Committee is asked to consider the attached Executive Report (Appendix A) and provide appropriate comments to be considered by the Executive during their consideration of this item.**

**Appendices:**

Appendix A – Executive Report

Appendix B – Exempt.

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## Appendix A

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<b>Meeting:</b>	<b>Executive</b>
<b>Date:</b>	<b>22<sup>nd</sup> April 2014</b>
<b>Subject:</b>	<b>Procurement of Specialist Professional Services</b>
<b>Report of:</b>	<b>Cllr Maurice Jones Deputy Leader and Executive Member for Corporate Resources.</b>
<b>Summary:</b>	The report proposes to implement a contract for the supply of specialist professional services which is available through the North East Procurement Organisation framework.

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Advising Officer:	Deb Clarke, Director of Improvement and Corporate Services
Contact Officer:	Paul Meigh, Chief Procurement Officer
Public/Exempt:	Public but with an exempt appendix under category number 3 "information relating to the financial or business affairs of any particular person (including the authority holding that information)".
Wards Affected:	All
Function of:	Executive
Key Decision	Yes
Reason for urgency/ exemption from call-in (if appropriate)	N/A

### CORPORATE IMPLICATIONS

#### Financial:

1. The estimated total value for the contract is £4m per annum funded through existing revenue/capital budgets.
2. This change in the introduction of a new supplier will contribute to the delivery of the £1m procurement efficiency target as part of Medium Term Financial Plan 2014/15.

#### Legal:

3. The Council has no specific contract for spend in this area (although some of the spend in this sector has been managed for CBC by Carlyle Managed Solutions under a separate Agreement). This represents a new approach to the procurement of specialist professional services by Central Bedfordshire Council.

4. The value of this contract means that any contract award is subject to the European Procurement Directive and the Public Contract Regulations. In this instance, those requirements are met by a framework. The annual value of the contract exceeds £500K and therefore the expenditure must be approved by the Executive before Central Bedfordshire Council can award.

**Risk Management:**

5. The Council has an on going requirement for the supply of specialist professional services. The risks associated with not progressing this route are as follows:
- Procurement efficiencies targets in the medium term Financial Plan will not be achieved.
  - Alternative procurement for the service would need to be progressed resulting in:
    - Risks to service delivery and defer potential savings.
    - Inability to deliver priorities outlined in The Medium Term Plan: Delivering Your Priorities for Central Bedfordshire 2012 – 2016.
    - Greater risk of a lack of compliance to appropriate and auditable processes.
6. Risk have been considered and addressed with Directorates and if the recommended option is adopted, the following risks will also need to be managed:
- Change management risks.
  - Adverse impact on the existing supply chain.
  - Lack of engagement from suppliers.
  - Lack of engagement from service areas with revised processes.

**Staffing (including Trades Unions):**

7. No direct staffing implications. The Council has a continued requirement for the supply of specialist professional services.
8. The proposed changes includes a gatekeeper approach which will also ensure employees have access to relevant job opportunities and that the use of specialist professional service providers are used appropriately, is managed and in accordance with relevant legislation.
9. It's expected the gatekeeper would be the same individual managing the temporary staff contract. The purpose of the gatekeeper is to ensure that specialist professional services are properly sourced and that where there is in-house capability that this is used first. Also that spend only occurs when necessary.
10. The gatekeeper will also provide the day to contract management, invoice approval and will be the first point of contact for departments including dealing service issues. The role includes internal system administration and with training capability. To ensure benefits realisation, the role will gather management information and data and also deal with FOI responses for example. Should disputes arise from suppliers the gatekeeper provides a point of contact for their issue escalation.

**Equalities/Human Rights:**

11. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
12. Consideration is always given to the requirements of equality legislation as part of local authorities' procurement practices. There are no adverse equalities impacts associated with this proposal.

**Public Health**

13. This contract will provide a corporate wide service that would be used by the public health service at Central Bedfordshire Council.

**Community Safety:**

14. Not Applicable.

**Sustainability:**

15. Not Applicable.

**Procurement:**

16. The framework contract for specialist professional services is available through North East Purchasing Organisation (NEPO). A contract can be awarded directly under the framework contract to the single provider NEPRO. The framework has been tendered in accordance with the Council's Corporate Procurement Rules. The Council's Code of Procurement Governance provides that the Executive must approve expenditure before commencing any procurement over £500,000 per annum. The annual costs of the contract/s exceed that threshold. The procurement team are actively supporting this process.

**Overview and Scrutiny:**

17. This matter has been considered by Corporate Resources Overview and Scrutiny Committee on 08 April 2014.

**RECOMMENDATION(S):**

**The Executive is recommended to:**

- 1. Approve the implementation of the NEPO framework contract for the neutral provision of specialist professional services.**
- 2. Delegate authority to award the contract to the Director of Improvement and Corporate Services in consultation with the Executive Member for Corporate Resource, following presentations to assess organisational fit and best value.**

<i>Reason for Recommendation(s):</i>	<i>So that the Council can continue to source specialist professional services, as required, in a new and more commercially compliant way for the period of the framework which ends on 16<sup>th</sup> September 2015 and with the option to extend for a period of up to a further year. This will contribute to the delivery of Medium Term Financial Plan 2014/15.</i>
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### **Executive Summary**

18. The Council has a continued requirement for the supply of specialist professional services.

It is evident that despite overall reductions in spending on specialist professional services, there is still a need at CBC to source such work, with such professionals bringing a wealth of expert advice, knowledge and capability which may not be available in-house or would be expensive and/or inappropriate to retain on a permanent basis. Example procurements have included:

- Service reviews
- Gypsy travellers – needs assessment.
- Adult social care assessment.
- Strategic housing market assessment.
- Land study
- Specialist planning advice

19. As part of the Medium Term Financial Plan 2014/15 an efficiency target of £1m has been assigned to procurement activity. As part of this £155k is to be delivered through efficiencies generated via spend on specialist professional services.

20. Alternative procurement options have been explored including the creation and use of traditional frameworks.

21. Based on the financials gains and the outcome of a full risk assessment exercise, the recommendation is to call off from the NEP framework and implement the full NEPRO model with an implementation roll out immediately following Executive Approval.

### **Background**

22. In September 2012, NEPO (North East Purchasing Organisation) awarded a single-source (Neutral Vendor) contract for the supply of Specialist Professional Services (SPS). That solution is called “NEPRO”.
23. The contract is available to all public sector bodies across the UK via associate membership of NEPO. Bath & North East Somerset Council are an associate member.



24. Since launching in January 2013 ,the following Council's have taken up the NEPRO solution:
  - South Tyneside
  - Northumberland County
  - Durham County
  - Wirral
  - Cheshire East
  - Liverpool City
  - Bedford Borough
  - Herefordshire
  - London Borough of Havering
  - Bath & North East Somerset
  
25. The LGA have also partnered with NEPRO as their recommended compliant route for members to procure professional services / consultants in the Adult Social Care field.
  
26. The volume of spend on specialist professional services exceeded £3.6M in 12/13. This level of spend has continued through 13/14 and the requirement for services of this type is expected to continue in 14/15 and beyond.
  
27. Some of the spend in this sector has been managed for CBC by Carlisle Managed Solutions (CMS) acting as a neutral vendor under a separate Agreement. The renewal of the CMS service requirement is the subject of a separate paper which also provides the opportunity to consider the full range of spend related to specialist professional services.
  
28. NEPRO is a Neutral Vendor model to centrally and compliantly procure, contract and performance manage specialist professional services. It is the only model of its kind currently available via call-off to the public sector.
  
29. It is evident that despite overall reductions in spending on specialist professional services , there is still a need at CBC to source such work, with such professionals bringing a wealth of expert advice, knowledge and capability which may not be available in-house or would be expensive and/or inappropriate to retain on a permanent basis.

## Options Considered

30. There are currently three recognised models of SPS providers available and identifiable; these being:
  - Multi-disciplined professional service and /or consultancy organisations that offer a wide range of specialisations at strategic, operational and tactical levels of service delivery and organisational with a global presence.
  - SMEs specialising in a particular market sector or field of expertise.
  - Stand-alone or Sole Trader SPS agencies focus on specialist and technical consultancy and professional advice around a particular field, function or industry.
31. In 2012 the North East Procurement Organisation ('NEPO') developed a procurement strategy for Specialist Professional Services on behalf of its members and the wider public sector work (the Pro 5).
32. Many options were considered, from traditional frameworks (ESPO or Consultancy 1), Dynamic Purchasing Systems through to fully managed service providers and each area was assessed on its own merits. The conclusion was that a Neutral vendor, service led approach with enabling technology, was the best option for managing this complex category.
33. The Neutral Vendor model has been use successful at CBC for managing agency spend. Prior to the Pro5 group recommended a Neutral Vendor partner, a robust market test was conducted, including an open call for interest and a series of supplier engagement sessions. The Pro 5 met with significant players within the field including Matrix SCM, Comensura and Adecco Beeline and all suppliers had differing levels of maturity within the field – from simple concepts through to advanced models (either in theory or practice). After a through selection process NEPRO were awarded the contract by NEPO in September 2012 after an OJEU compliant competitive tender process.
34. In adopting the NEPO model which selected NEPRO the Neutral Vendor partner (NEPRO) would act as a single point interface between CBC and the supply base and offers many benefits, for example:
  - A reduction in administrative processes, supported for instance by channelling activity via a central web based application.
  - Improved transparency, reporting and audit of all activity associated with professional and consultancy services.
  - Efficiency savings through the elimination of transactional activity resulting in the volume of invoices and processes being minimised as contact and contracts sits with one vendor.
  - Quick, simple and compliant procurement processes for all values of spend.
  - Use of a single monthly invoice paid to NEPRO who are then responsible for fee distribution.
  - Improved capacity in procurement as the need to utilise traditional procurement methods is reduced allowing increased focus on key priorities.
  - Increased exposure to, and use of, local SMEs.
  - Ensure IR35 compliance

35. NEPRO supports market led outcome based pricing, relying on well-defined briefs with outcomes, aims, objectives, deliverables and milestones formulated. NEPRO leads the implementation of processes and controls that will encourage a shift in attitude as to how, why and where CBC utilises Specialist Professionals.
36. The solution provides an alternative model to using traditional frameworks but the solution was not set up to compete with them. The key differences are highlighted in the table below:

NEPRO	Framework
Authority has a single contract with NEPRO which in turn contracts with the Suppliers.	Authority contracts with each Supplier often on their terms.
Can favour local SMEs and has no limit on accredited suppliers.	Suppliers are limited to those on the Framework.
Controls spend and therefore provides accurate MI.	Call off is for individual engagements only.
Can run mini-competitions without public sector restrictions.	Tender processes run by the Authority and can incur expensive cost especially for higher value procurements and particularly above OJEU.
Provides a system to govern demand, contract and performance management.	Frameworks do not offer this.
Payment for providers is subject to performance.	Payment terms are different for every contract and are often on rate card only.
Benchmarks data and drives savings by greater and more open competition, and demand management.	Frameworks offer increased value for money especially if mini-competitions are run, but on a piecemeal basis.

37. The benefit of a more proactive management regime to centrally procure, contract and performance manage specialist professional services has been shown to deliver financial savings in a range 7.5 –15%.

**ISSUES:**

**Why do CBC need this approach? There are risks to which the Council is currently exposed:**

38. **Business Case Process** – CBC currently has no corporate policy or procedure for the use of SPS apart from the procurement procedures, with many requests/ requirements not being visible at a senior level or having Director level sign-off.
39. **Spend data** – whilst the Council has better vision of spend, SPS may be included within a variety of cost headings, making it harder to achieve a full overview of activity.

40. **Performance Management** – there is currently no mandated process for managing the performance of SPS providers once appointed and poor performance may not be captured, with the risk of ultimately providers being paid whether or not they actually deliver.
41. **Scope creep** – this is currently dependent on local management of the contract with no comprehensive process to mitigate for this.
42. **Collaboration** - the Council has no formal means to collaborate with other regional authorities and share business cases, IP etc.
43. **IR35** - the Council contracts directly with many contractors via their Ltd companies. The Council is therefore putting itself at financial risk by enabling potential tax evasion. Many authorities have recently been caught out by this issue and it is a matter of “when not if”, unless mitigating action is taken. Using the NEPRO solution/ route to market, this issue would be mitigated against.
44. **Local providers** - there needs to be a compliant way to increase the use of local SMEs without breaking EU procurement laws.
45. **Spend** – needs to be reduced through a mixture of centralised demand management, supplier engagement and better overall control/management.

#### **How can NEPRO specifically support this?**

46. **Business Case Process** - NEPRO would provide a process and template policy and procedure documents for managing business cases and authorisations together with an automated governance system to centrally manage the process online.
47. **Compliance** – as NEPRO are a private sector organisation they are not subject to EU procurement rules. NEPRO can therefore manage direct appointments or run mini competitions as required and for any level of spend.
48. **Spend data** – NEPRO would perform a diagnostic as part of the implementation and as the spend would be centrally controlled, spend data will thereafter be available in real time.
49. **Performance Management** – the process requires all providers of services to the council to produce monthly highlight reports, before invoicing is approved. The NEPRO system automates this process but the overarching principle is that providers only get paid on the agreement that the outputs within the milestones as detailed in the original business case have been met.
50. **Scope creep** – suppliers only get paid for the work as was approved in the business case, with any additional work having to be approved in the same way.
51. **Collaboration** - the process captures business cases and outputs which can be shared amongst any authorities if appropriate.

52. **IR35** - All NEPRO contracts are for output based services not input driven interims. Providers are treated as consultants and not interim members of staff therefore mitigating this risk. Payment is on performance only.
53. **Local providers** - NEPRO can positively discriminate in favour of local SMEs and will engage in regional and local supplier engagement as part of their implementation. NEPRO can operate a tiered approach whereby, where possible, 3 quotes for each requirement are obtained from the local and (then) regional supplier base.
54. **Spend** – closer management / control over the appointment of providers will drive down spend by improving demand management (buying only what Council needs), and driving best value from suppliers.

In addition to the above NEPRO will drive efficiency savings by reducing back office costs and reducing risk for the Council.

Published spend data will show spend via NEPRO Ltd. NEPRO is perceived as a NEPO initiative who are a member of the Pro5.

### **Impact of Change**

55. Moving the spend to a new supplier will have an associated 'cost of change' that will impact the Central Bedfordshire Council stakeholders and users. It is anticipated that the change in provider would require a three month implementation period.

### **Conclusion and Next Steps**

In summary, the recommendation is:

1. To call off from the NEPO framework and implement the full NEPRO model with an implementation roll out immediately following Executive Approval.
2. Implement the mechanisms to deliver the agreed services and specified services.

### **Appendices:**

**Appendix B** – Financial and other options (Exempt)

**Background Papers:** (open to public inspection) None



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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 8 April 2014  
**Subject:** Corporate Asset Management Strategy & Plan (CAMSAP)  
**Report of:** Cllr Maurice Jones, Executive Member for Corporate Resources  
**Summary:** The CAMSAP sets out the Council's strategic objectives for the management of its property and land assets for the period 2014-2018

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**Advising Officer:** Deb Clarke, Director of Improvement and Corporate Services  
**Contact Officer:** David Cox, Chief Assets Officer  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

1. Because the CAMSAP is about the provision of operational and non operational property for the Council as a whole and has implications for capital and revenue income and expenditure in addition to service provision, all the below are impacted:
  - Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.
  - Improved educational attainment.
  - Promote health and wellbeing and protecting the vulnerable.
  - Better infrastructure – improved roads, broadband reach and transport.
  - Great universal services – bins, leisure and libraries.
  - Value for money – freezing council tax.

### **Financial:**

2. The CAMSAP has implications for both capital and revenue income and expenditure.

### **Legal:**

3. Because the CAMSAP covers each and every Council property, it has implications for a full range of property related matters.

### **Risk Management:**

4. The risks associated with an out of date, or misaligned CAMSAP could impact on revenue and capital budgets and adversely affect service delivery.

### **Staffing (including Trades Unions):**

5. Not Applicable

**Equalities/Human Rights:**

6. Because the CAMSAP covers each and every Council property, it has implications for a wide range of equalities and human rights issues.
7. The Council manages a range of assets such as community and service facilities, early years, schools and specialist care facilities. Effective management of such assets can greatly support regeneration and help meet the changing needs of local communities.
8. Equality Impact Assessment not appropriate

**Public Health**

9. Because the CAMSAP covers each and every Council property, it has implications for a wide range of Public Health issues.

**Community Safety:**

10. Because the CAMSAP covers each and every Council property, it has implications for a wide range of community safety issues.
11. The Council has a statutory duty under section 17 of the Crime and Disorder Act 1998 to do all that it reasonable can, across all of its functions, to reduce crime and disorder in its area. Because the CAMSAP covers each and every Council property, it has implications for a wide range of community safety issues.

**Sustainability:**

12. Because the CAMSAP covers each and every Council property, it has implications for a wide range of sustainability issues. The CAMSAP will help deliver the schools carbon reduction programme and corporate carbon management plan and will also have a key role to play in delivering the Council's wider regeneration priorities.

**Procurement:**

13. Not applicable.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

1. **Note and comment on the CAMSAP and its direction of travel.**

**Introduction and Iteration 1**

14. The Asset Management Plan in place for 2012 to 2016 had not aged well and needed a mid-term refresh. The approach adopted was that of evolution rather than revolution and to move forward incrementally. The start position was a reworking and updating of the current AMP.
15. Informed by feedback there was support for the development of a regional strategy, together with a farms strategy

16. It was also considered helpful to incorporate community health as an additional strand in each of the regional Four Town Plans.

**Iteration 2**

17. The CAMSAP is on a journey that will take up to 18 months.
18. The Town based strategies are being developed sequentially and there is a framework within the developing CAMSAP to develop the Farms Strategy.
19. As a helpful bi-product, it also presents the opportunity for a sharper more commercially focused approach.
20. In order to move forward, however there will need to be full engagement of all stakeholders, particularly in relation to Service Plans and Member aspirations.
21. Further iteration of the CAMSAP will also necessarily include property maintenance and investment properties and consideration of the Corporate Landlord function.

**Appendices:**

Appendix A – Power point

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# **Corporate Asset Management Strategy & Plan Corporate Resources Overview & Scrutiny Committee**

**8 April 2014**

## **A Great Place to Live and Work**

**“To promote cross directorate collaboration to achieve the best use of the Council’s assets for service delivery, deliver an optimum return from our commercial and agricultural investment estate and facilitate regeneration and development”**

## **Five Core Services**

- **Children's Services (including schools)**
- **Community Assets**
- **Care Properties (including BUPA)**
- **Council Housing**
- **Investment Properties**

# Document Structure – 3 Parts

1. Asset Management Objectives
2. Asset Management Strategy
3. Regional Asset Plans



# **Asset Management Objectives**

- **Vision and Values**
- **Corporate Objectives**
- **MTFP**
- **Core Service Strategies**
- **Corporate Objectives**

# Asset Management Strategy

1. 7 Stars - principles e.g. service focus, asset group approach
2. Scope and Benefits – specific service delivery benefits e.g. co-location, optimum building use
3. Governance – Members and Officers
4. Asset Management Performance
5. Operating Model
6. Stakeholders
7. Risk Management

# Regional Asset Plans

- Biggleswade and A1 Corridor
- Flitwick and Ampthill
- Dunstable Area
- Leighton Buzzard Area

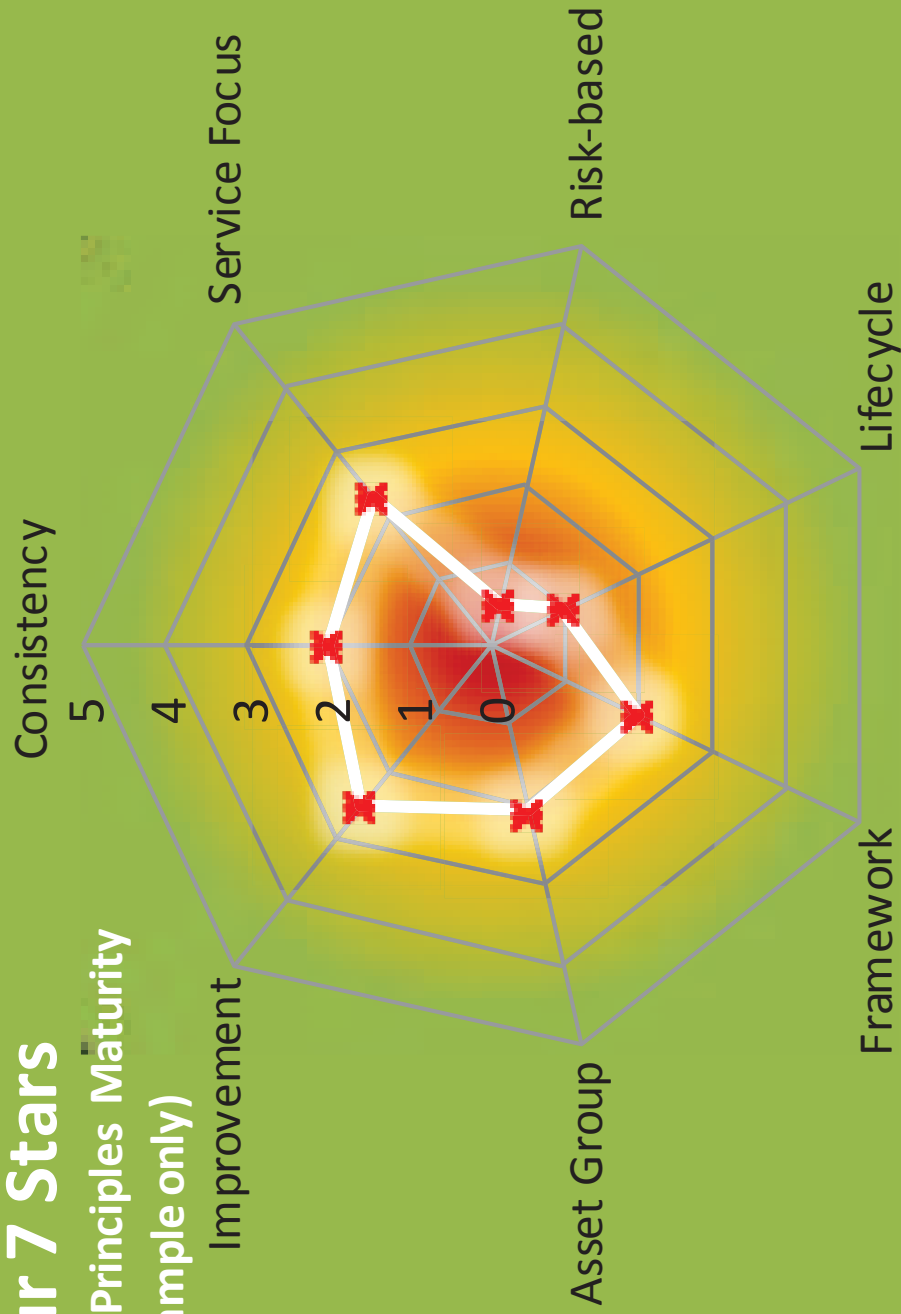
# Appendices

- KPIs
- Roles and Responsibilities
- Financial Targets
- Risk Management
- Service Asset Strategies

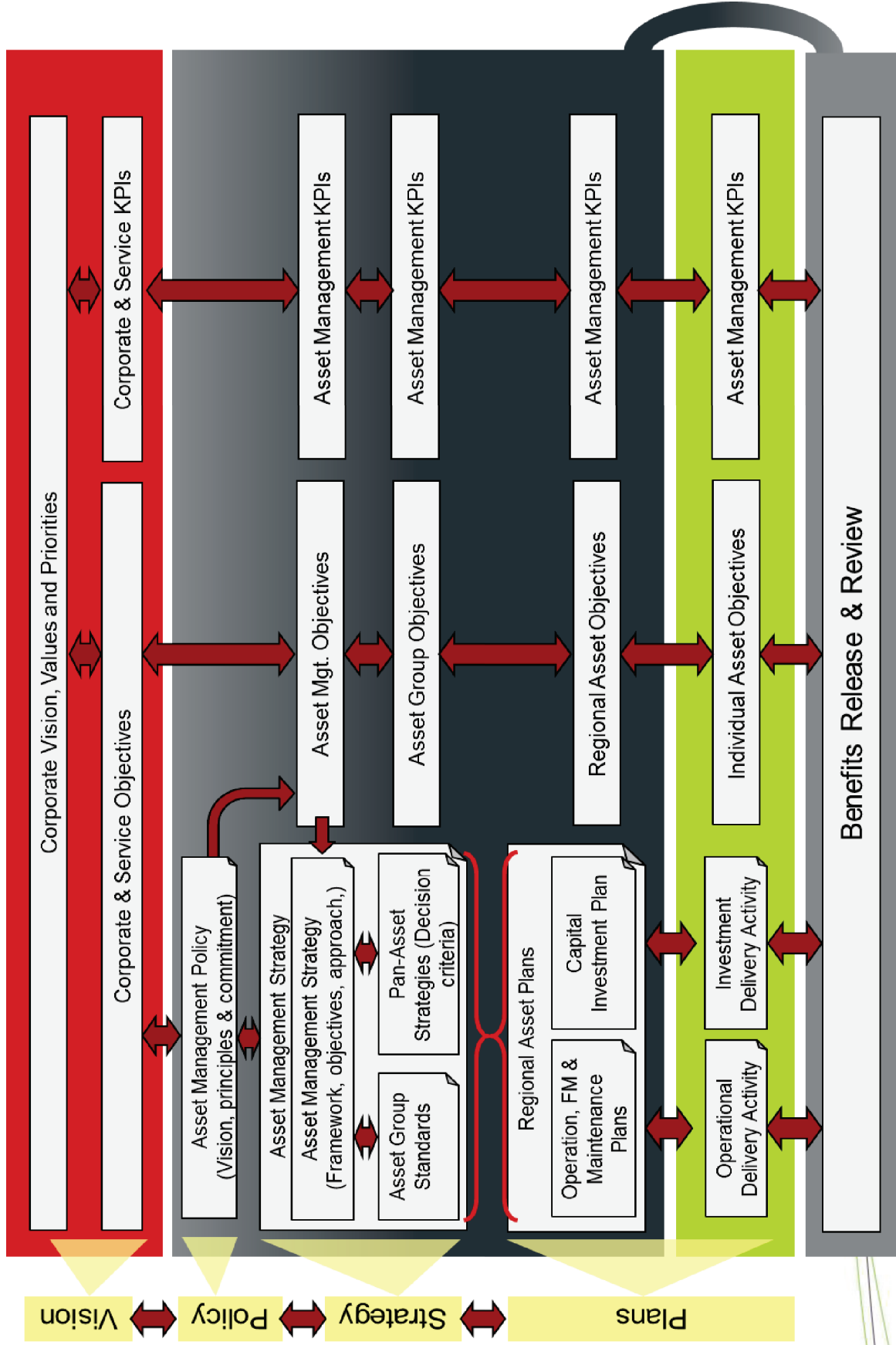
# Maturity Assessment

## Our 7 Stars

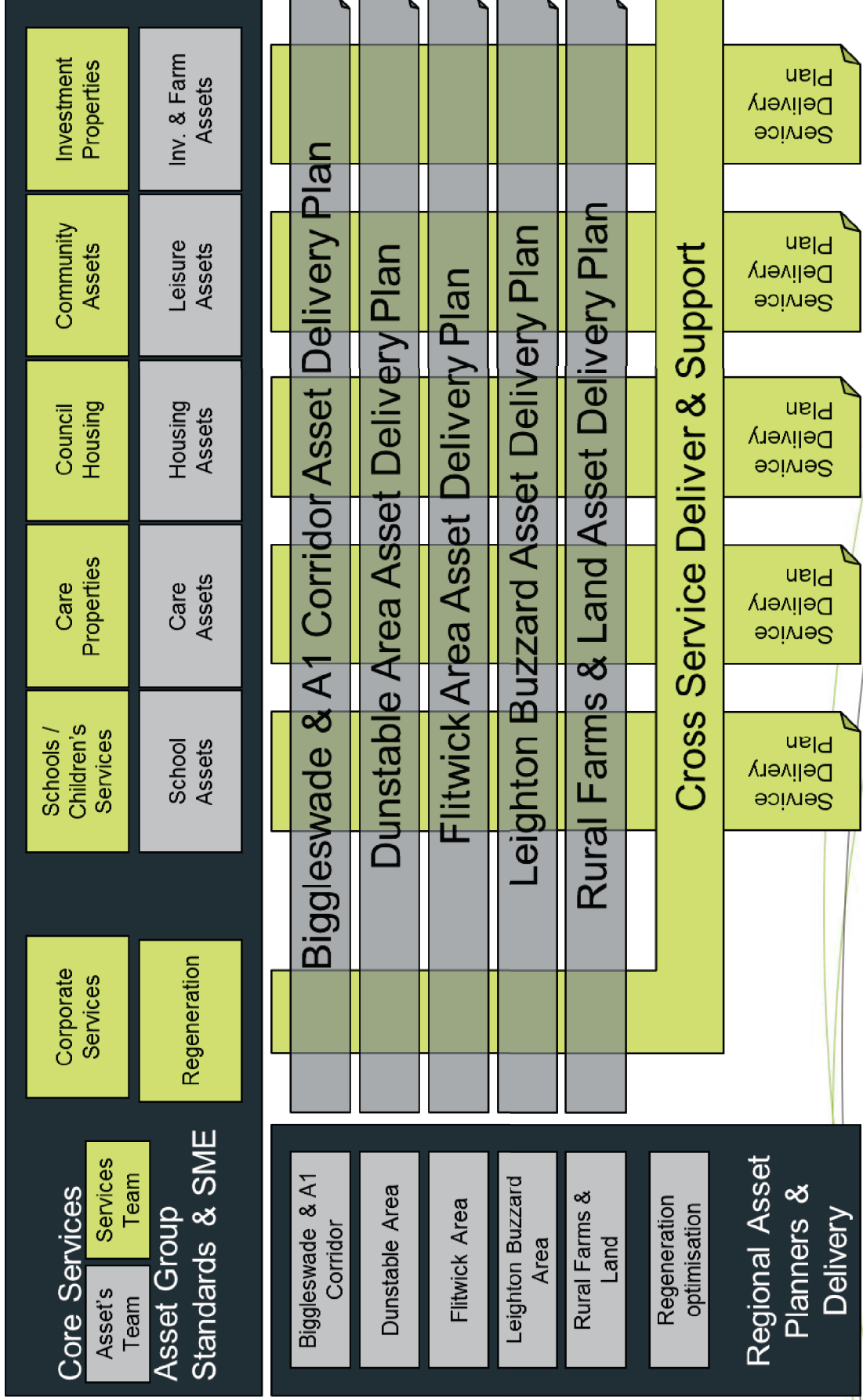
AM Principles Maturity  
(example only)



# Performance Cascade



# Operating Model



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**Meeting:** Corporate Resources Overview and Scrutiny Committee

**Date:** 8 April 2014

**Subject:** Fees & Charges Policy

**Report of:** Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources

**Summary:** The report accompanies a proposed revised Fees & Charges Policy (Appendix A). This Policy was last updated in 2010/11

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Advising Officer: Charles Warboys, Chief Finance Officer

Public/Exempt: Public

Wards Affected: All

Function of: Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

1. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 5 Council priorities.

### **Financial:**

2. The financial implications will be determined by any changes to the Policy.

### **Legal:**

3. None.

### **Risk Management:**

4. None.

### **Staffing (including Trades Unions):**

5. None.

### **Equalities/Human Rights:**

6. This is covered within the Policy.

### **Public Health:**

7. None.

### **Community Safety:**

8. None.

### **Sustainability:**

9. None.

**Procurement:**

10. None.

**RECOMMENDATION:**

**The Committee is asked to:-**

- 1. Consider and comment on the attached Fees & Charges Policy (Appendix A) and proposed Fees & Charges review.**

**Executive Summary**

11. The Fees & Charges policy was last updated in 2010/11. The Policy should be reviewed at least every three years. A proposed updated Policy is attached at Appendix A along with a proposal to undertake a full review of Fees & Charges.

**12. Fees & Charges (F&C) – Current Position**

13 The Fees & Charges policy was last updated in 2010/11. This Policy has been reviewed within Finance, and is still considered to be fit for purpose with a few amendments to reflect organisational structure changes that have taken place within the Council since the Policy was last revised.

14 The draft report incorporates tracked changes so that the Committee can review the proposed changes made to the 2010/11 Policy paper.

15 The Council charges for c.600 services covering aspects of all Directorates.

16 Prices of services are reviewed annually via the Scrutiny process of the Medium Term Financial Plan (MTFP) before being recommended by Executive and finally approved by Council as part of the MTFP approval in February each year.

17 Budgeted Income from Fees & Charges in 2013/14 is £35m and for 2014/15 is £36.4m.

18 Currently the capture of numbers of service transactions accessed by the public (volumes), is problematic as F&C are billed by various departments within the Council, and consistency of approach needs to be tested.

19 Charges to Schools are not currently captured via the MTFP process and are dealt with separately with no Member or committee overview.

20 We do not currently charge for any services provided by Public Health.

**21 Next Steps**

22 A detailed review of F&C is overdue and it is proposed that this review, conducted during April – June 2014, should investigate the following:

- Revenues and volumes for each service provided.
- If volumes are not currently captured, how do we ensure that they are captured in future?
- Confirm which services are statutory / discretionary.
- Determine if discretionary but not commercially viable for the Council to provide, are there other private sector providers that we could signpost?
- Should we propose to cease to provide discretionary services that are not commercially viable (will depend on nature of the service and consequences).
- Test billing arrangements (do we charge for what we should?).
- Are there services that we don't charge for but could (eg. Public Health?).
- What should be the budget monitoring/reporting processes going forward?
- Are services fully cost reflective, and do they contribute to the Council financially?
- Benchmark charges with neighbouring authorities.
- Do we charge a market rate and are there opportunities to increase income from F&C?
- Incorporating Schools charging into the F&C MTFP process?

### **Appendices**

Appendix A – Proposed Fees & Charges Policy – 2014/15 – 2016-17

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Formatted Table



**Central Bedfordshire Council  
Charging Policy**

**2014/15 – 2016/17**

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3. Statutory Background

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4. General Principles

6

Key Principles:

5. Which services should the Council charge for?

6

6. How should the amount levied be determined?

7

7. Which service users should receive a subsidy?

8

8. How will any surplus income be used?

9

9. How this policy will be implemented?

10

**1. The Council's Charging Policy – Executive Summary.**

1.1 It is the Council's policy that service users should make a direct contribution to the cost of providing services (both discretionary and statutory) at their point of use unless:

- it is not legal to do so.
- circumstances arise where the service in question is delivered to all

residents or householders equally and which could therefore be considered to be funded from Council Tax. This will mainly apply where there is no discretion as to use of the service on the part of the householder.

- circumstances arise where the administrative costs associated with making a charge would outweigh any potential income.
- circumstances arise where making a charge would be directly contrary to achieving the Council's corporate objectives as expressed in agreed strategies.

1.2 The charge levied should, in general, be such that it covers the full economic cost of providing the service (including support services). The level of charge will, however, have regard to:

- any relevant Council strategies or policies (e.g. Equality Scheme, Anti-Poverty Strategy, Sports and Physical Activity Strategy etc.) and any subsidy or concessions which may be appropriate market conditions and prices charged by competitors and/or other local authorities
- the need to avoid any potential distortion of the market which might otherwise occur from pricing services below the levels charged by private sector concerns for similar services
- the need for all charges imposed by the Council to be reasonable, given the Council's objectives, whilst retaining the flexibility to charge commercial organisations a fair price
- the need to avoid any exploitation of customers who have no option but to use the Council's services
- the desirability of increasing usage of a given service
- the possibility of increasing income to the Council.
- the views of service users and Council taxpayers in levying new or revised charges

**Comment [DG1]:** These may need updating

- the need to change user/consumer behaviour, e.g. for health or environmental reasons.
- whether it is economic to apply any fee or charge.

1.3 It is the policy of the Council that when charges are reviewed concessions should be considered for the following groups:

- young people under 16 years of age 4 (affordability)
- full time students (affordability)
- people with a disability (access)
- people in receipt of means tested benefits (affordability)
- senior citizens (affordability)

1.4 It is not appropriate to fix a level of concession in this policy as this removes all discretion

1.5 Fees and charges income will be credited to the appropriate service during the course of the year. Any modest and incidental surplus generated from charging shall be seen as a corporate resource to be used where need is greatest. This will not apply where a service is under a duty to break even over a rolling 3 year period, i.e. Building Control, Albion Archaeology, or is operating a trading entity.

1.6 Proposals for 'reinvesting' any additional income raised from charging in the expansion and development of a particular service will need to be considered as part of the annual review of charges. Each proposal will therefore be considered on its own merits at that time.

**Comment [DG2]:** Better to consider as part of the budget review process.

1.7 Subject to any requirements imposed by the Council's standing orders, charges for individual services may be varied 'in year' at the discretion of the responsible Director following discussion with the AD Financial Services Chief Finance Officer and the appropriate Portfolio Holder.

1.8 All fees and charges will be reviewed annually and adjusted as necessary in line with this policy. The AD Financial Services Chief Finance Officer will provide services with guidance each year as to the maximum inflation rate that may be applied.

1.9 All fees and charges should be reviewed on a more fundamental basis at least every 3 years, where it will be necessary to examine all the factors set out below in accordance with good practice guidance i.e. the CIPFA Practical Guide for Local Authorities on Income Generation (Fully revised



~~2013/2008~~). This is so that Members may make informed choices on any revised level of charge to be set. The result of such review should be included in the annual fees and charges report in that year, in order that Members are able to ensure that charges are fair, appropriate and comparable to local alternatives. This should include an accompanying financial statement to demonstrate that, taking one year with another, the income from charges does not exceed the cost of provision. The review should include an equalities impact assessment.

- 1.10 The Policy simply sets out the general principles by which the Council will operate, it is not an exhaustive list that seeks to cover every eventuality and where circumstances arise outside the parameters of the Policy, it is expected that Members will be consulted and the policy updated accordingly.

Comment [DG3]: Exec or Council?

## Supporting information and further guidance to the Charging Policy

### 2 Introduction

- 2.1 In recent years there has continued to be increasing pressure on local authorities to make best use of the positive potential of charges and to recognise the importance of recovering costs by charging for discretionary services.
- 2.2 The purpose of this document is to set out the policy that Central Bedfordshire Council wishes to use -invoke in setting fees and charges -for 2010/11 and the years beyond.

This Policy is not intended to be over-prescriptive, but rather to provide a framework for how Central Bedfordshire Council approaches the question of charging for its services. The application of this policy should bring greater clarity to the process of setting charges and will therefore assist the Council achieve its corporate objectives. It is also intended to help guide the process of reviewing charges for existing services and setting charges for any new services that may be introduced in the future.

- 2.3 The decision on whether to make a charge (and its level) is not always within the control of the Council. But where it is, it is important that the implications of the charging decisions being taken are fully understood and that Members have the appropriate information they need to make informed choices.
- 2.4 ~~This Policy is not intended to be over-prescriptive, but rather to provide a framework for how Central Bedfordshire Council approaches the question of charging for its services. The application of this policy should bring greater clarity to the process of setting charges and will therefore assist the Council achieve its corporate objectives. It is also intended to help guide the process~~

~~of reviewing charges for existing services and setting charges for any new services that may be introduced in the future.~~

### 3. Statutory background

3.1

~~The general power of competence is a new power available to local authorities in England to do “anything that individuals generally may do”. It was provided for in the Localism Act 2011 and replaces the well-being powers in the Local Government Act 2000. It was brought into force for local authorities on 18 February 2012.~~

~~The Local Government Act 2000 gave local authorities a wide power to act for the economic, social and environmental well-being of their areas. The general power to charge for discretionary services was included in the Local Government Act 2003.~~ This remains the key legislation for most authorities and its important features are summarised below:

3.2 Authorities are under a duty to secure that, taking one year with another, the income from charges do not exceed the cost of provision.

3.3 Authorities must already have the power to provide the service and the recipient of the discretionary service must have agreed to its provision and to pay for it. Conversely, the Act does not override any provisions which either expressly prohibits the charging for the service or confers a power to charge.

3.4 Charges may be set differentially, so that ~~different~~ people are charged different amounts depending on circumstances. Authorities are not required to charge for discretionary services and may provide them free if they so decide.

### 4. General Principles

4.1 An Audit Commission report in 2008, entitled “Positively Charged” highlighted a number of issues in respect of fees and charges, however, for the purpose of setting a policy there are 3 areas of significance; the use of charging to influence behaviour, (i.e. as in congestion charging), the importance of consultation, and the equality and diversity issues arising.

Comment [DG4]: Still valid

4.2 This policy document will recognise those issues.

4.3 In general terms, it is the Council's policy that unless there is good reason why an exception should be made, a charge should be levied for all statutory and discretionary services in accordance with this charging policy.

~~4.4 With regard to statutory services, where the Council has control over whether a charge should be levied, and there are no good reasons why an exception should be made, it is the Council's policy that a charge should be made.~~

4.5 It is recommended that the Council's charging policy should remain in the existing Policy Framework, as defined within the Council's constitution. This would, in effect, mean that any subsequent changes to this charging policy will require the approval of the Council as a whole.

4.6 The authority will comply with good practice requirements as set out in the CIPFA Practical guide for Local Authorities on Income Generation (Fully revised 2<sup>nd</sup> edition 2008).

4.7 Since the policy document is intended to provide a framework by which the Council will operate it is not by definition an exhaustive document covering every eventuality. Where particular circumstances arises outside of the policy it is expected **Members** will determine the outcome and the policy be updated accordingly.

**Comment [DG5]:** Exec or Council – also para 4.5

## 5. Key Principles – Which services should the Council charge for?

5.1 As referred to in section 4.3, charges should be made for all discretionary services. Additionally, services should be reviewed periodically to establish whether charges could be introduced where these are not already implemented.

5.2 However, it is recognised that there will be important exceptions that will make charging inappropriate in a number of cases. These include:

- where it is not legal to do so
- circumstances where the service in question is delivered to all residents or householders equally and which could therefore be considered to be funded from Council Tax. This will mainly apply where there is no discretion (or choice) as to use of the service on the part of the householder.
- circumstances where the administrative costs associated with making a charge would outweigh any potential income
- circumstances where making a charge would be directly contrary to achieving one of the Council's corporate objectives as expressed in any agreed strategies or statutory requirements. ~~Though many are yet to be determined for Central Bedfordshire as a new authority,~~ these could include documents such as the Equality Scheme, Equal Opportunities policy, Anti-Poverty Strategy, Leisure Strategy or Environmental policy

5.3 It is, therefore, the Council's policy that in general, service users should make a direct contribution to the cost of providing services at their point of use. When charges for services are reviewed it will be against this background and it will be necessary to consider in each case if exceptions such as those outlined above make charging inappropriate.

5.4 Where a market rate is appropriate to charge that is what should be levied,

unless by doing so the Council is in profit, in which case the charge should be lowered accordingly. Where this impacts on local businesses, the Council should question whether it needs to provide the service at all. This will be a balanced judgement dependent on local economic factors at any one time.

## 6. Key Principles – How should the amount levied be determined?

6.1 Where the Council controls the level of charge to be made for a given service, it is the Council's policy that the charge should, in general, be such that it covers the actual cost of providing the service (including support services).

6.2 It is however recognised that this will not be appropriate in all circumstances and the actual amount of charge proposed will need to be a reflection of:

- any relevant Council strategies or policies and any subsidy or concessions given (*note: the question of appropriate concessionary groups and the level of concession is dealt with in detail in section 7*)
- market conditions and prices charged by competitors and/or other local authorities (*see 5.4 above*)
- the need to avoid any potential distortion of the market which might otherwise occur from pricing services below the levels charged by private sector concerns for similar services
- the need for all charges imposed by the Council to be reasonable, given the Council's objectives, whilst retaining the flexibility to charge commercial organisations a fair price
- the need to avoid any exploitation of customers who have no option but to use the Council's services
- the desirability of increasing usage of a given service
- the possibility of increasing income to the Council.
- the need to influence the behaviour of service users, *i.e. for health or environmental impact reasons*

6.3 One of the aims of this policy is to ensure that establishing the 'right' price for a service should not be simply a case of adding an agreed inflationary increase to last year's charge. It is therefore a requirement that at least every 3 years charges are fundamentally reviewed where it will be necessary to undertake an analysis which includes an examination of all the factors set out above in order that **Members** may make informed choices on any revised level of charge to be set.

Comment [DG6]: Council?

The result of such review should be included in the annual fees and charges report, in order that **Members** are able to ensure that charges are fair, appropriate and

Comment [DG7]: Council?

comparable to local alternatives. This should include an accompanying financial statement to demonstrate that, taking one year with another, the income from charges will not exceed the cost of provision.

6.4 None of the above requirements will preclude any service from adding, amending, or deleting any fee or charge, following a report to ~~M~~members, at any time. Nor should it preclude members from requesting a review by the service of any Fee or Charge at any time.

Comment [DG8]: OSC?

6.5 The Council will use established consultation networks with both Council taxpayers and service users to seek out views whenever new or completely revised charges are introduced following a review and service managers should ensure that proper timescales are given to such consultation prior to recommending any new or revised charges to ~~M~~Members.

Comment [DG9]: Council

6.6 In setting charges the Council will apply overheads following guidelines set out in CIPFA's Best Value Accounting Code of Practice. For the purpose of calculating any fee or charge the Council will use a standard overhead recovery rates as advised by the ~~AD Financial Services~~Chief Finance Officer up to and including full overhead cost recovery.

6.7 It is not expected of any service to levy a fee or charge where it is clearly uneconomic to do so. ~~The raising of Sundry Debtor invoices should be avoided if at all possible and are not recommended for amounts under £25; where pre-payment should be the preferred choice. Billing arrangements should be appropriate for the service in question.~~

## 7. Key Principles – Which service users should receive a subsidy?

7.1 In some circumstances it may be appropriate to consider offering an 'across the board' subsidy to all users of a particular service where this is consistent with achieving the Council's objectives. It is also recognised that offering concessions for certain key user groups may help achieve some of the Council's high level objectives.

7.2 For example, as part of the Council's commitment to equal opportunities it will attempt so far as is possible to provide equal access to all its services and to all its activities. Concessions are clearly one of the ways in which the Council can fulfil this commitment.

7.3 Similarly the Council will wish to ensure that low income is not a barrier to peoples' ability to use Council services.

7.4 Recognising this broader agenda, it is the policy of the Council that when charges are reviewed concessions should be considered for the following groups:

- young people under 16 years of age

- full time students
- people with a disability
- people in receipt of means tested benefits
- senior citizens
- Armed forces?

7.5 It is not appropriate to fix a level of concession in this policy as this removes all service discretion. ~~However, a concession of up to 50% of the full charge should be appropriate in most cases. The level of concession should that appropriate to the circumstances.~~

7.6 It is recognised that in some circumstances concessions may not be appropriate and that it will be necessary to consider carefully the impact on income before introducing concessions to service areas that do not currently offer them. However, an assessment of the desirability of offering concessions (and the financial implications) needs to form part of the evaluation of an appropriate charge for any given service.

7.7 An equality impact assessment should be carried out by each service setting fees and charges to ensure there is no adverse effect on vulnerable groups. The authority will undertake to carry this out on a programmed basis over the period 2014/15 – 2016/17 such that all will have had an assessment in the 3 year period leading up to the setting of fees and charges in 2017/18.

## 8. Key Principles – How will any surplus income be used?

8.1 The way in which the Council prepares its budgets is such that income derived from charging for services is used to offset the cost of providing the service in question. This is consistent with the current accounting code of practice. Any modest and incidental surplus which may arise is then returned to the Council's General Fund, except for trading services such as Building Control, where there is a requirement to break even over a 3 year period taking one year with another.

8.2 The advantage of such an approach at a high level is that it enables resources generated through charging to be used wherever the highest priority exists – i.e. for a corporate view to be taken regarding the use of the available resources.

8.3 It is therefore the Council's policy that any surplus generated from charging shall be seen as a corporate resource to be used where need is greatest, provided this is not prohibited by other statutory requirements or government guidance. To be determined as part of the budget process.

8.4 However, it is acknowledged that the ability to use charges to deliver the targets set by Members requires a degree of freedom to experiment and

Comment [DG10]: Council?

corporate controls (as expressed through this policy) need to avoid imposing unnecessary restrictions. Therefore, proposals for 'reinvesting' any additional income raised from charging in the expansion and development of a particular service will need to be considered as part of the budget process annual review of charges. Each proposal will therefore be considered on its own merits at that time.

8.5 It is also recognised that in some special circumstances (such as Building Control) the approach to the use of surplus may be influenced by Government Guidance.

8.6 It is also the Council's policy that, subject to any requirements imposed by the Council's standing orders, charges for individual services may be varied "in year" at the discretion of the responsible Director following discussion with the ~~AD Financial Services~~ Chief Finance Officer and appropriate Portfolio Holder.

**Comment [DG11]:** Is this Services or Corporate?

## 9. How will this policy be implemented?

9.1 Charges are subject to annual review as part of the Council's budget setting process. In future, the review of existing charges will be undertaken having regard to the guidelines set out within this policy.

9.2 It will also be necessary for each Director, as part of the preparation of annual service plans, to consider if services currently provided free should be subject to a charge or if good reasons exist for maintaining a free service.

9.3 In circumstances where a charge is being introduced for the first time (or being substantially increased) it will be necessary for the public to be informed of the reasons for the Council's decision.

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# **Corporate Resources Overview & Scrutiny Committee Financial Results for Q3 2013/14 8<sup>th</sup> April 2014**

Slide 1

# Q3 2013/14 General Fund Revenue

- The 2013/14 forecast outturn is to overspend by £0.4m, 0.2%.
- The main pressures impacting the forecast outturn are in Children's Services (£2.6m overspent) and relate to:
  - Children in Care and Care Leavers (£546k)
  - Intake and Family Support (£327k)
  - Fostering and Adoption (£989k)
  - Transport (£581k)
  - DSG contributions to central overheads (£848k).
- The overspend in Children's Services is after the use of £3.8m of Earmarked Reserves brought forward from 2012/13. Had the pressure for the Directorate not been managed in year by reserves set aside from the 2012/13 financial year the overspend would be £6.4m.
- Public Health are forecasting to underspend by £0.6m. An element of the Public Health funding will be used to make a contribution to offset the cost of the relevant Council overheads. As this was unbudgeted it shows up as a forecast underspend in our finances.

# Q3 2013/14 General Fund Revenue

- The overall Year to Date spend is £3.3m below budget.
- Currently on balance cost saving opportunities outweigh cost pressure risks by £0.25m.
- December non current debt excluding House sales and Grants (i.e. debt that is more than 14 days from date of invoice) is £11.7m which is £6.2m higher than the previous month.
- This increase in debt is mainly due to a number of large invoices raised between SCHH and the NHS and Bedfordshire Clinical Commissioning Group. We also see a month on month increase in debt each quarter due to raising quarterly invoices. All debt is under active management.
- A more detailed explanation of the forecast outturn and YTD variances is available in the Executive Report for which a link has been provided to Committee members.

Slide 4

# Revenue Year to Date & Forecast outturn (December Q3)

Table 1

Directorate	Year to Date - December P09			Full Year			Rest of Year Variance £m
	Budget £m	Actual £m	Variance £m	Budget £m	Outturn £m	Variance £m	
ASCHH	49.5	48.8	(0.7)	65.9	65.2	(0.7)	(0.0)
Childrens Services	29.4	31.0	1.5	39.2	41.8	2.6	1.1
Community Services	25.8	25.6	(0.2)	35.8	35.5	(0.3)	(0.1)
Regeneration	5.5	4.7	(0.8)	8.0	7.6	(0.4)	0.4
Public Health	0.0	(1.3)	(1.3)	0.0	(0.6)	(0.6)	0.6
Improvement & Corporate Services	17.8	17.3	(0.5)	23.9	24.1	0.3	0.8
Corporate Resources	3.6	3.3	(0.3)	5.2	5.1	(0.1)	0.1
Corporate Costs	7.4	6.6	(0.8)	11.0	10.6	(0.4)	0.4
<b>Total Exc HRA</b>	<b>139.0</b>	<b>136.0</b>	<b>(2.9)</b>	<b>189.0</b>	<b>189.3</b>	<b>0.4</b>	<b>3.3</b>
Schools	0.0	0.1	0.1	0.0	0.0	0.0	(0.1)
HRA	0.0	(0.4)	(0.4)	0.0	0.0	0.0	0.4
<b>Total</b>	<b>139.0</b>	<b>135.7</b>	<b>(3.3)</b>	<b>189.0</b>	<b>189.3</b>	<b>0.4</b>	<b>3.6</b>

Note: Any minor rounding differences are due to linking to detailed appendices.

# Treasury Management (as at Q3)

- **Borrowing**

The Council's total borrowing was £311.1m. Of this amount, £297.6m was with the Public Works Loan Board (PWLB), £13.5m was Market Debt.

The Council is expecting its total borrowing to fall to £308m by the end of the financial year compared to £315.5m at the beginning of the year, which will result from repaying £7.5m in maturing debt.

- **Investments and Deposits**

The Council had £8.4m of its internal investments, in call accounts and Money Market Funds which equates to 20.6%, (compared to 63.4% this time last year).

The main reason for the reduction is that the actual return payable in these accounts has fallen significantly (in some cases by more than half) so the Council has made the decision to hold money in notice accounts and varying fixed term deposits so that it has access to money throughout the year.

- **Cash Management**

Daily cash movements have ranged between net payments of £13.5m and net income of £13m, over the first half of the year. Cash held by the Council has fallen by £27.5m year on year.

The average balance the Council holds is considerably lower than other benchmarked authorities. The average for the Council was £74.6m compared to a benchmark average of £147.2m.

Slide 5

# Capital Position

## Key points to note:

- Forecast is to spend £81.5m, below budget by £24m. Of that variance, £3.4m is overspend and £27.4m is proposed to be deferred to 2014/15.
- Year to date gross spend of £53.3m compares to a forecast outturn of £81.5m. This is 65% of the forecast spend with three months left to the end of the financial year.
- To achieve the forecast will require the average monthly spend to increase from £5.9m to £9.4m per month for the remaining three months. Note, outturn spend in 2012/13 was £64m, this is £17m less than the current year forecast. YTD at December 2012 was £46.4m (£6.9m below current year).
- The final three months spend in 2012/13 was £17.6m compared to a required spend of £28.2m rest of year in 2013/14 to achieve forecast outturn. This could indicate that the current forecast outturn may be optimistic.
- Year to date Capital receipts are £1.2m. The full year forecast is £1.9m vs budget of £6.7m.



# Capital Outturn

Table 2

Directorate	Year to Date P9			Full Year		
	Gross Budget £m	Gross Actual £m	Gross Variance £m	Gross Budget £m	Gross Forecast Outturn £m	Gross Variance £m
CS	13.2	13.5	0.2	27.4	21.9	(5.5)
Community Service	19.8	18.2	(1.6)	33.6	24.9	(8.7)
Improvement & Corporate Improvement	10.4	6.2	(4.2)	14.4	12.6	(1.8)
Regeneration	3.0	6.6	3.6	8.9	9.1	0.2
ASCHH	5.4	3.4	(2.0)	10.3	5.2	(5.1)
<b>Total Exc HRA</b>	<b>51.9</b>	<b>48.0</b>	<b>(3.9)</b>	<b>94.6</b>	<b>73.7</b>	<b>(20.9)</b>
HRA	4.9	5.3	0.4	10.9	7.8	(3.1)
<b>Total</b>	<b>56.8</b>	<b>53.3</b>	<b>(3.5)</b>	<b>105.5</b>	<b>81.5</b>	<b>(24.0)</b>

This gross position reflects the level of activity to deliver the Councils capital programme.

Note: Any minor rounding differences are due to linking to detailed appendices

Slide 7

# HRA Revenue / Capital Position

- Revenue year to date (YTD) – positive variance of £0.418m.
- Forecast outturn surplus of £7.282m compared to budget of £4.806m – will be transferred to reserves.
- Projected savings on interest (£0.940m), increased income (£0.592m), reduced cost of maintenance (£0.219m) and reduced contribution to capital (£0.995m).
- Interest charge on self financing debt for 2013/14 forecast at £3.968m (2.40% average) against budget of £4.908m (2.97%).
- Capital YTD overspend (£0.406m) due to out of profile spend on Priory View, forecast outturn at £7.775m - underspend of £3.120m (Sheltered Housing Re-Provision £2.125m, Housing Asset Management Strategy approach to capital programme £0.995).
- Galliford Try Partnerships awarded contract for development of Priory View, construction works to commence in new year.





# **Corporate Resources Overview and Scrutiny Committee 8 April 2014**

# **Budget Monitoring Q3 – December 2013/14**



# Revenue –Corporate Resources Directorate

Key points to note (see full reports for details):

- The 2013/14 forecast outturn is to underspend by £212K.
- The Year to Date spend is £1,525K behind budget profile.
- December outstanding debt (over 30 days) £426K.

# Revenue Budget- Full Year Forecast

Quarter 3, 2013/14	Full Year				
	Budget	Forecast	Variance	Use of reserves	Variance after use of reserves
Improvement and Corporate Services	23,851	24,461	610	-323	287
Chief Executive and Finance	5,188	5,075	-113	0	-113
Corporate Costs	11,012	10,627	-386	0	-386
<b>Total- Corporate Resources Directorate</b>	<b>40,051</b>	<b>40,163</b>	<b>111</b>	<b>-323</b>	<b>-212</b>

- **Significant items contributing to variances:**
- ICS- Legal Services £533k pressure largely as a result of Children's cases.
- Assets- £426k underspend as a result of one off benefits within the Farms estate and additional income from the estate partly offset by consultancy costs.
- Finance- £113k underspend largely as a result of additional Welfare Reform grant, partly offset by an insurance pressure due to reduced schools' buy back.
- Corporate Costs- £386k underspend resulting from lower than budgeted interest payments and Minimum Revenue Provision (MRP) due to lower capital spend (£617k) partly offset by unachievable efficiencies (£230k).

# Capital Budget- Full Year Forecast

Forecast variance for the year £456K overspend, with £2,291k proposed slippage into 14/15 predominantly within Assets.

Year to date variance £4,157K behind budget profile - the main variances being within Assets.

	Full Year Budget £000's	Forecast £000's	Expected Slippage to 14/15 £000's	Variance £000's	Budget YTD £000's	Actual £000's	YTD Variance £000's
<b>Service</b>							
Assets	9,411	7,511	1,953	53	7,117	3,545	-3,572
Info Assets	2,481	2,343	338	200	1,434	1,287	-147
Others	2,511	2,714	0	203	1,853	1,415	-438
<b>Totals</b>	<b>14,403</b>	<b>12,568</b>	<b>2,291</b>	<b>456</b>	<b>10,404</b>	<b>6,247</b>	<b>-4,157</b>

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**Meeting:** Corporate Resources Overview & Scrutiny Committee  
**Date:** 08 April 2014  
**Subject:** Work Programme 2013 – 2014 & Executive Forward Plan  
**Report of:** Chief Executive  
**Summary:** The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.

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**Contact Officer:** Paula Everitt, Scrutiny Officer  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

The work programme of the Corporate Resources Overview & Scrutiny Committee will contribute indirectly to all 5 Council priorities. Whilst there are no direct implications arising from this report the implications of proposals will be details in full in each report submitted to the Committee.

#### **RECOMMENDATION(S):**

1. **that the Corporate Resources Overview & Scrutiny Committee**
  - (a) **considers and approves the work programme attached, subject to any further amendments it may wish to make;**
  - (b) **considers the Executive Forward Plan; and**
  - (c) **considers whether it wishes to add any further items to the work programme and/or establish any Task Forces to assist it in reviewing specific items.**

#### **Overview and Scrutiny Work Programme**

1. Attached is the currently drafted work programme for the Committee.
2. The Committee is now requested to consider the work programme attached and amend or add to it as necessary.

#### **Overview and Scrutiny Task Forces**

3. In addition to consideration of the work programme, Members may also wish to consider how each item will be reviewed i.e. by the Committee itself (over one or a number of Committee meetings) or by establishing a Member Task Force to review an item in greater depth and report back its findings.

**Executive Forward Plan**

4. Listed below are those items relating specifically to this Committee’s terms of reference contained in the latest version of the Executive’s Forward Plan to ensure Members are fully aware of the key issues Executive Members will be taking decisions upon in the coming months. The full Executive Forward Plan can be viewed on the Council’s website at the link at the end of this report.

Ref	Issue	Indicative Exec Meeting date
08	Procurement of Professional Services	22 April 2014
09	Provision of Recruitment Services for Temporary Agency Staff	22 April 2014
10	Outline Planning - Thorn Turn	22 April 2014
11	Biggleswade Medical Centre	22 April 2014
12	Customer Service Strategy	22 April 2014
19	Discretionary Housing Payment (DHP) Policy	15 July 2014
<b>Non Key Decisions</b>		
32	Quarter 4 Performance Report	?

**Conclusion**

- 5 Members are requested to consider and agree the attached work programme, subject to any further amendments/additions they may wish to make and highlight those items within it where they may wish to establish a Task Force to assist the Committee in its work. This will allow officers to plan accordingly but will not preclude further items being added during the course of the year if Members so wish and capacity exists.

**Appendix – Corporate Resources Overview and Scrutiny Work Programme.**

**Background reports:**

Executive Forward Plan (can be viewed at any time on the Council’s website) at the following link:- <http://www.centralbedfordshire.gov.uk/modgov/mgListPlans.aspx?RPId=577&RD=0>

## Appendix A

### Work Programme for Corporate Resources Overview & Scrutiny Committee 2014 – 2015

Ref	Indicative Overview & Scrutiny Meeting Date	Report Title	Issue to be considered	Comment
1.	13 May 2014	Executive Member Update	To receive a brief verbal update from the relevant Executive Member.	
		Architecture Review	Update	
		Data Protection	New Member Protocol	
		Customer Service Strategy	To consider and comment on the Customer Service Strategy action plan	
2.	24 June 2014	Executive Member Update	To receive a brief verbal update from the relevant Executive Member.	
		Draft Discretionary Housing Payment Policy	Members to consider and comment on the report to include a summary of the public consultation on the draft policy and an update on the recommended policy	Exec 15 July 2014
		Knowledge Strategy	To consider the draft Knowledge Strategy	

Ref	Indicative Overview & Scrutiny Meeting Date	Report Title	Issue to be considered	Comment
		Performance Monitoring System	To receive a demonstration of the new Performance Monitoring System	