

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

**This meeting  
may be filmed.\***



**Central  
Bedfordshire**

**please ask for** Rebecca Preen  
**direct line** 0300 300 4193  
**date** 9 October 2014

## **NOTICE OF MEETING**

### **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

Date & Time

**Tuesday, 21 October 2014 10.00 a.m.**

Venue at

**Room 14, 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 C F Chapman MBE, Mrs B Coleman, Dr R Egan, R W Johnstone,  
Mrs M Mustoe, N Warren and T Woodward

[Named Substitutes:

C C Gomm, J Murray, B Saunders, J A G Saunders and A M Turner]

All other Members of the Council - on request

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

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# 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 23 September 2014 and to note actions taken since that meeting.

Also attached for information purposes are the Minutes of the co-convened OSC meeting on 23 September 2014 at which Members discussed the proposed fees and charges schedule.

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	<b>Executive Member Update</b>  To receive a brief verbal update from the Deputy Leader and Executive Member for Corporate Resources.	* Verbal
10	<b>Council Tax support Scheme 2015/16</b>  For the Committee to review and comment on the Council's draft Council Tax Support Scheme for 2015/16	* 17 - 24
11	<b>Energy Procurement Report</b>  For the Committee to consider and comment upon the proposal to continue to use the current energy supplier for the period 2016-2020	* 25 - 30
12	<b>Work Programme 2014/15 &amp; Executive Forward Plan</b>  The report provides Members with details of the currently drafted Committee work programme and the latest Executive Forward Plan.  The Executive Forward Plan (can be viewed at any time on the Council's website) at the following <a href="http://www.centralbedfordshire.gov.uk/modgov/mgListPlans.aspx?RPId=577&amp;RD=0">link</a> :- <a href="http://www.centralbedfordshire.gov.uk/modgov/mgListPlans.aspx?RPId=577&amp;RD=0">http://www.centralbedfordshire.gov.uk/modgov/mgListPlans.aspx?RPId=577&amp;RD=0</a>	* 31 - 36



CR/14/26. **Chairman's Announcements and Communications**

Members were reminded that a co-convened meeting of all OSC's would be held after 1pm on Tuesday 23 September to discuss Fees and Charges. It was also noted that a briefing on the Review of Healthcare Services in Bedfordshire and Milton Keynes was scheduled for Monday 20 October at 2pm in the Council Chamber at Priory House.

CR/14/27. **Petitions**

None

CR/14/28. **Questions, Statements or Deputations**

None

CR/14/29. **Call-In**

None.

CR/14/30. **Requested Items**

None

CR/14/31. **Executive Member Update**

The Executive Member for Corporate Resources advised the Committee that due to the abolition of the Standards Committee it would be necessary to implement a new process for reviewing Member standards. Recently the level of complaints, particularly from Parish Councils, had risen sharply and were very costly. In light of this challenge the Committee commented it may be necessary to establish a Task Force in order to review the matter in more detail.

**RECOMMENDED that the Committee consider the use of a Task Force to scrutinise the Council's approach to responding to complaints from Town and Parish Councils.**

CR/14/32. **Asset Management Strategy**

The Chief Assets Officer delivered a presentation to the Committee which set out the Corporate Asset Management Plan and explained the Council's approach to managing and developing its land and property assets. The presentation provided a framework and interim plan and would be supplemented in due course with a full strategy.

In light of the presentation the Committee discussed the following issues in detail:-

- The importance of keeping Members informed of decisions on parcels of land, as often Parish Councils and Ward members received queries to which they could not readily respond. The Director for Improvement and Corporate Services agreed that ongoing and improved communication

would be beneficial. Clarification that assets would not be looked at in isolation when there were several assets in close proximity to one another. The Chief Assets Officer agreed that a holistic approach to asset management would be beneficial and agreed to ensure this took place at CBC. Pressures and ongoing costs to the Town Council for maintaining Downs Rd, Dunstable. The Chief Assets Officer confirmed that Downs Road was under review and plans were in place to address the issues raised.

- Reassurance that the process for valuation of all assets was robust. The Chief Assets Officer verified that more than one independent valuer was used, which was a very reliable guide to accuracy.

**NOTED the presentation**

CR/14/33. **Budget Strategy and Medium Term Financial Plan**

The Chief Finance Officer introduced the report, which provided the Committee with an opportunity to comment upon the Medium Term Financial Planning Framework for 2015-16 through to 2018-19.

In light of the report the Committee queried the impact of a rise in interest rates and whether this would lead to a possible decline in property values. In response the Chief Finance Officer explained that although the risk of a rise in interest rates was unlikely to materialise for some time it was prudent for the Council to prepare for an eventual increase and with that in mind the department were looking carefully at Treasury Management. Declining property prices were more likely to affect the public than the Council but any impact upon the residents of Central Bedfordshire could place additional pressure on the Council's resources.

Members also expressed concerns regarding the ability to make further substantial savings and queried whether it was possible to plan further ahead. The Chief Finance Officer explained that the Council had a strong track record of achieving savings and senior officers were confident this would continue. It was difficult to plan too far in advance as Central Government only announced funding from one year to the next. The Medium Term Financial plan did however allow for a four year projection with any alterations as necessary.

**RECOMMENDED that the report be endorsed**

CR/14/34. **Q1 Budget Monitoring**

The Chief Finance Officer delivered a presentation, which highlighted the Councils forecast outturn position as at June 2014 was over budget by £0.7m of which the main forecast overspend was in Children's Services. It was also noted that the capital position was much closer than in previous years.

**NOTED the presentation.**

CR/14/35. **Work Programme 2014/15 & Executive Forward Plan**

The Committee considered its current Work Programme and the latest Executive Forward Plan.

**RECOMMENDED that the Corporate Resources OSC work programme be agreed.**

(Note: The meeting commenced at 10.05 a.m. and concluded at 11.30 a.m.)

Chairman.....

Date.....

**CENTRAL BEDFORDSHIRE COUNCIL**

At a meeting of the **CO-CONVENED OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House on Tuesday, 23 September 2014.

**PRESENT**

**Children's Services Overview & Scrutiny Committee**

Cllrs: Barker (Chairman), Duckett and McVicar

Also Present: Mr Chapman (PGR co-optee), Mr Court (PGR co-optee) and Ms F Image (Diocesan representative)

Substitutes: Cllrs Berry (substitute for Cllr Costin) and B Saunders (substitute for Cllr G Clarke)

**Corporate Resources Overview & Scrutiny Committee**

Cllrs: Duckett (Chairman), Sparrow (Vice-Chairman), Chapman and Coleman

Substitutes Cllr B Saunders (substitute for Cllr Johnstone)

**Social Care, Health & Housing Overview & Scrutiny Committee**

Cllrs: Drinkwater (Chairman), Berry, Duckett and Goodchild

Substitutes Cllrs McVicar (substitute for Cllr Gomm) and Sparrow (substitute for Cllr Sheppard)

**Sustainable Communities Overview & Scrutiny Committee**

Cllrs: McVicar (Chairman), Bowater, Matthews, B Saunders, Shadbolt and Williams

Substitutes Cllr Chapman (substitute for Cllr Gomm)

Apologies for Absence: Cllrs A R Bastable  
Mrs G Clarke  
N B Costin  
Dr R Egan  
C C Gomm  
Ms A M W Graham  
Mrs D B Gurney  
Mr T Hodey  
P Hollick  
R W Johnstone  
D Jones  
Mr D Morton  
Mrs M Mustoe  
R B Pepworth  
N J Sheppard  
M A Smith  
N Warren  
T Woodward



addition it was highlighted that charges would take effect either from 01 January 2015 or 01 April 2015.

In addition to discussing the specific fees and charges Members commented that the report did not clearly demonstrate which of these were statutory and where there was flexibility to amend proposals. It was suggested that future reports identify the level of service use as a means of providing context for these charges, for example in relation to waste collection it was proposed to increase the charge by £1.00 but it was not clear the extent of the impact of this change. Additionally it was suggested that a more consistent approach to setting the fees and charges was required, for example some directorates provided a 2014/15 comparison and others did not. Members also commented that in the future it was necessary to have appropriate officers in attendance at OSC meetings to discuss the proposed charges and to be able to respond to queries on the nature of specific charges.

In light of the report the Committee discussed the detailed proposed fees and charges and commented as follows:-

- Social Care, Health & Housing (Appendix A1)

Clarity was sought in relation to proposed fees and charges for telecare monitoring services for those who met eligibility criteria and whether VAT had been applied appropriately to these charges. Members also queried whether costs relating to domiciliary care were per hour for each carer.

Members also queried fees and charges for guest rooms and whether it would be appropriate to increase the proposed charge in light of the comparative costs of rooms elsewhere. The Social Care, Health and Housing OSC considered a recommendation to increase the proposed charge but it was considered inappropriate to amend the proposed fee at the current time. It was however agreed that it be reviewed for 2016/17 following a review of the standard of these facilities.

Members queried the nature of immigration survey requests and what these entailed. In light of responsibilities being added to the role of the Council it was proposed and agreed by the Social Care, Health and Housing OSC that this charge be reviewed with a view to the Executive considering whether the proposed charge was sufficient.

Members also queried whether it was necessary to refer to a 'renewal' of a blue badge and whether the weekly price per care home bed for other local authorities was high enough in comparison to our own prices.

**RECOMMENDED by the Social Care Health and Housing OSC to Executive that the comments detailed above be considered and that whilst the Committee supports the proposed fees and charges in Appendix A1 in light of the additional responsibilities on the Council relating to immigration surveys the associated charge be reviewed to ensure they were set at an appropriate level for 2015/16.**

- Children's Services (Appendix A2)

Members noted the charges relating to schools transport and in addition sought clarity in relation to the charges for the music service and the means by which schools could use the pupil premium to fund music lessons. Members also sought clarity in relation to the charges for out of county and non-LEA schools, specifically why there was not a 40 minute lesson for out of county schools and why costs were not increasing for 2015.

**RECOMMENDED by the Children's Services OSC to Executive that the proposed charges in Appendix A2 be supported subject to further clarity being provided in relation to music service charges for out of county and non-LEA schools to ensure that these charges were set at an appropriate level for 2015/16.**

- Community Services (Appendix A3)

Members sought clarity in relation to the purpose of 'definitive statements'. Members also queried why the charges for granting a sex shop/cinema license were the same and whether the fee for granting of a sexual entertainment venue was sufficient. In relation to charges for the Licensing Act 2003 Members queried in general terms whether these fees were high enough.

Members queried the proposed weekly rate for off-street parking in Flitwick and whether it would be appropriate to provide a discount. In response the Executive Member commented this charge was presently being reviewed and further information would be provided at the Executive meeting.

Members queried the proposed charges for Hackney Cabs and Private Hire Licences and sought clarity as to why these fees had not increased. It was agreed that further clarity would be provided at the Executive meeting.

Members also queried whether it was necessary to agree a charge in relation to licensing mobile food vans. The Executive Member agreed to review this charge and whether it was necessary to include a charge, following a consistent approach to the recommendation of a charge for sex shop licences. The Executive Member was also asked to consider whether the charge for collecting fridges and freezers from domestic premises should be reduced or remain at the 2014/15 rate in order to deter fly tipping.

**RECOMMENDED by the Sustainable Communities OSC to Executive that the proposed charges in Appendix A3 be supported but that further clarity be provided in light of the comments detailed above at the relevant Executive meeting.**

- Regeneration & Business Support (Appendix A4)

Members queried why the proposed charges for 2015/16 had been held at 2014/rates. The Executive Member agreed to review the charges prior to the Executive meeting to consider whether it was appropriate to apply a 2% increase.

**RECOMMENDED by the Sustainable Communities OSC to Executive that the proposed fees and charges in Appendix A4 be reviewed to determine whether it was appropriate to apply a 2% increase for 2015/16.**

- Corporate Resources (including registration) (Appendix A5)

The Committee received an update in relation to the proposed fees and charges for the registration service in light of Bedford Borough Council's decision to apply an uplift of 3-3.5%. In light of this increase Members agreed it would be appropriate for Central Bedfordshire Council to negotiate these charges with a view to agreeing a similar uplift to Bedford Borough Council.

In addition Members queried the rationale for not increasing charges in relation to land charges, which it was confirmed was due to the Council not being permitted to make a profit in relation to this service. Members also sought clarity in relation to the charges associated to Freedom of Information requests and the time taken to compile a request.

**RECOMMENDED by the Corporate Resources OSC to Executive that the proposed fees and charges in Appendix A5 be supported subject to a review of the proposed fees and charges for the registration service to bring them in line with the proposed charge for Bedford Borough Council.**

- Building Control (Appendix A6)

**RECOMMENDED by the Sustainable Communities OSC to Executive that the proposed fees and charges in Appendix A6 be reviewed to determine whether it was appropriate to apply a 2% increase for 2015/16.**

- Planning Services (Appendix A7)

**RECOMMENDED by the Sustainable Communities OSC to Executive that the proposed fees and charges in Appendix A7 be reviewed to determine whether it was appropriate to apply a 2% increase for 2015/16.**

- Minerals & Waste (Appendix A8)

**RECOMMENDED by the Sustainable Communities OSC to Executive that the proposed fees and charges in Appendix A8 be reviewed to determine whether it was appropriate to apply a 2% increase for 2015/16.**

- Photocopying (Appendix A9)

**RECOMMENDED by the Corporate Resource OSC to Executive that the proposed fees and charges in Appendix A9 be supported.**

- Marriage fees (Appendix A10)

NOTED the statutory fees and charges proposed in Appendix A10.

- Charges to Schools and Academies (Appendix C)

Members sought further clarity on the process for making schools aware of the proposed charges in relation to statutory and traded services to schools and academies. Members also sought clarity in relation to the process by which these proposed charges were scrutinised before they were implemented. It was also requested that the proposed charges for the following academic year be provided to schools in a timely way so they were aware of charges prior to setting their budget for the following year.

In addition Members queried the costs of psychologists and requested that these be reviewed to determine whether the charges were appropriate. It was also commented that the charges in relation to the music service did not appear to correspond with those included in Appendix A2. Further clarity was also required in relation to the charges for the schools secure network costs.

**RECOMMENDED that further clarity be sought from the Director for Children's Services and the Executive Members to ascertain the process for scrutinising these proposed charges before they were implemented.**

(Note: The meeting commenced at 13.10pm and concluded at 15.35pm)

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**Meeting:** Corporate Resources Overview and Scrutiny Committee  
**Date:** 21 October 2014  
**Subject:** Council Tax Support Scheme  
**Report of:** Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources  
**Summary:** The report summarises the Council's draft Council Tax Support scheme for 2015/16.

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**Advising Officer:** Charles Warboys, Chief Financial Officer  
**Contact Officer:** Gary Muskett, Head of Revenues & Benefits  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

#### **CORPORATE IMPLICATIONS**

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

1. By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Council Tax Support (CTS) scheme should be designed to support the Council's Medium Term Plan priorities of :
  - Promoting health and wellbeing and protecting the vulnerable.
  - Improved educational attainment.

##### **Financial:**

2. The 2013-14 financial year was the first full year of the Council Tax Support Scheme. For 2013-14 the Council was fully responsible for the Council Tax Support discount awarded, and Government provided, as part of the overall Revenue Support Grant and Retained Business Rates, a notional element of funding in respect of Council Tax Support. This was reduced nationally by 10% compared to the previous Council Tax Benefit provided.
3. In 2014/15 the Government confirmed that the local Council Tax Support funding will no longer be separately identified and will form part of the overall funding available to local authorities, leaving it entirely up to local authorities to decide how much they are prepared to spend on Council Tax Support.
4. The gross Council Tax Support discount awarded within Central Bedfordshire in 2014/15 is presently £14,107,372 on an annualised basis.
5. The Council's Medium Term Financial Plan assumes that the current scheme will continue with no additional savings planned to be met from scheme changes in 2015/16.

6. It is not anticipated that the proposed changes to the CTS scheme for 2015/16 (see paragraphs 30 – 31 below) will have any material impact on the total value of Council Tax collected, as the increased discount will be offset by a reduced number of claimants.

**Legal:**

7. The Local Government Finance Bill 2012 states that for each financial year, Councils must consider whether to revise their Council Tax Support scheme or replace it with another scheme and that such decisions need to be made by 31 January in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not make a Council Tax Support scheme by 31 January 2015, a default scheme will be imposed on the Council which will be effective from April 2015.

**Risk Management:**

8. The transfer from Council Tax Benefit to localised Council Tax Support means the impact of increased demand and cost will be a risk for all preceptors.
9. The Council and its precepting partners, the Police and Fire authorities, will need to monitor closely local social and economic changes and ensure there is a consideration of the impact of possible future shortfalls in funding. This may mean that the scheme designed needs to allow for these risks by providing for savings in excess of the currently known reduction in funding.

**Staffing (including Trades Unions):**

10. The introduction of a local CTS scheme has led to a significant increase in the number of residents who have contacted the Council. These contacts have mainly been to the Revenues and Benefits teams and Customer Services.

**Equalities/Human Rights:**

11. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
12. A full equality assessment was conducted as part of the approval process for the 2013/14 Council Tax Support Scheme to ensure that due regard was given to the impact of the scheme on the Council's residents, particularly those who are vulnerable and hard to reach.

**Public Health**

13. None

**Community Safety:**

14. Not Applicable.

**Sustainability:**

15. Not Applicable

**Procurement:**

16. Not applicable.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

- 1. Review and comment on the Councils draft Council Tax Support scheme for 2015/16.**
- 2. Make any recommendations to Executive arising from this review**

**Background**

17. The Welfare Reform Act 2012 abolished Council Tax Benefit. Under the Local Government Finance Act 2012 local authorities had to design their own Local Council Tax Support (LCTS) scheme for working age customers and administer the national Council Tax Support scheme for pensioners.
18. In January 2014 Council approved a Council Tax Support scheme for Central Bedfordshire for the financial year 2014/15. The scheme remained the same as that for 2013/14 and mirrored the previous entitlement under old Council Tax Benefit system for all claimants except for:
  - All working age claimants who do not fall into one of our vulnerable protected groups are required to make a 25% payment of their Council Tax liability
  - The removal of the Second Adult Rebate
  - The rate of allowances and premiums were frozen at the 2012/13 levels.
  - The rate of Non-dependant deductions increased.

Pensioners have not seen any change to the support they receive.

19. The intention of the Central Bedfordshire Council scheme was to reduce the amount of Council Tax Support discount awarded from that paid under the previous Council Tax Benefit scheme to take into account the reduction in funding from central government. The current scheme ensures that every Council Tax payer pays at least 25% of their Council Tax bill unless they are a pensioner or they fall within one of our protected groups of claimants.
20. In the last year there have been three national reports relating to Council Tax Support schemes, these being:
  - National Audit Report (NAO) – Council Tax Support (December 2013)
  - Public Accounts Committee (PAC) 48th report 2013/14 – Council Tax Support March 2014.
  - DCLG Localising Support for Council Tax – Vulnerable people (key local authority duties) February 2014.
21. The NAO and PAC reports both highlight the need to assess how schemes support the wider policy on work incentives and protection of vulnerable groups.

22. The NAO report highlighted the following key facts:
- a) Of the 326 schemes introduced in 2013/14, 230 required some payment ranging from 5% to 33%.
  - b) 133 of the schemes offered no additional protection for vulnerable groups. This did not include the Central Bedfordshire scheme.

23. The national picture for other authorities' CTS schemes in 2014/15 can be summarised as follows:

86% of the 326 authorities reduced entitlement, 14% made no change to their initial 2013/14 scheme.

Of the 326 authorities that introduced changes:

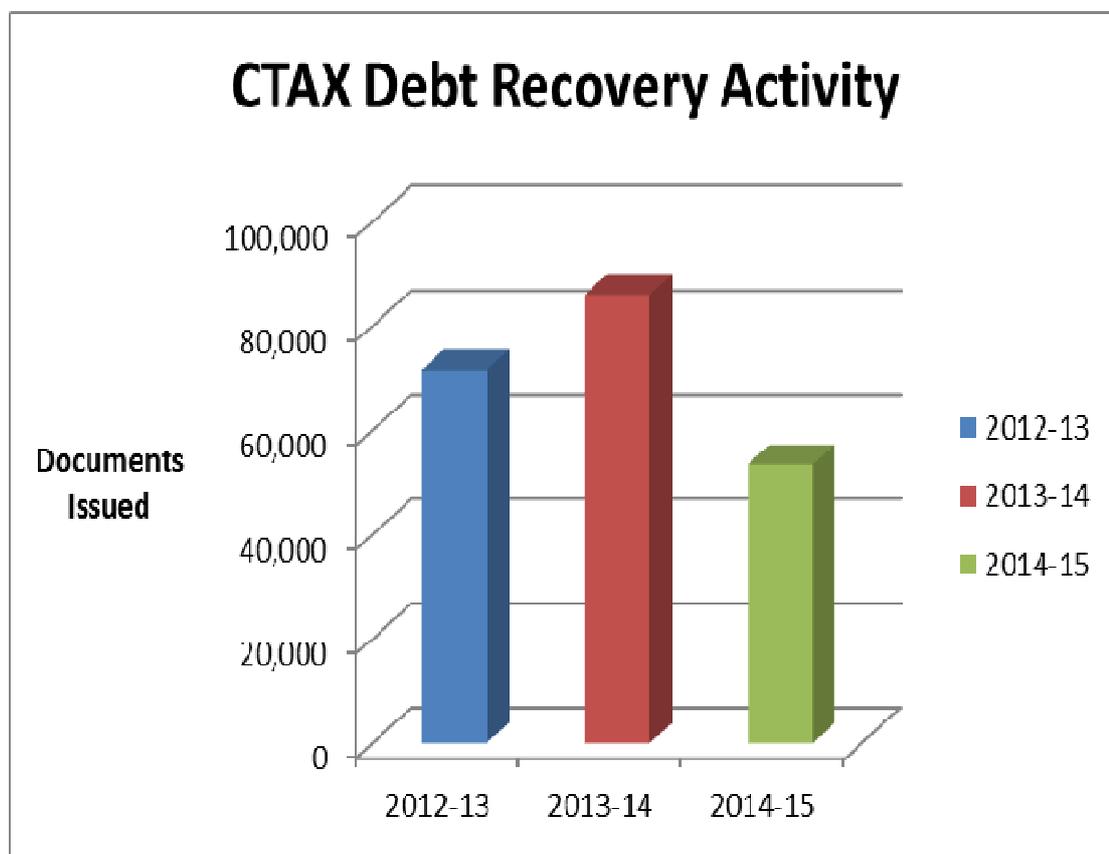
- 15% introduced a minimum payment.
- 24% opted for a 10% cut in the discount awarded.
- 36% opted for 11% to 20% cut in the discount awarded.
- Remainder are at 20% +.
- 34% introduced a discretionary fund.

24. The current legislation states that Council Tax Support schemes must be reviewed by Members each financial year and approved no later than the 30<sup>th</sup> January preceding the start of the new financial year.
25. If there are changes to the current scheme, legislation states that these changes must be consulted upon. Minor changes such as uprating of premiums and applicable amounts would be exempt from this consultation process.

### **Impact of Council Tax Support scheme on collection rates**

26. A Council Tax collection rate of 97.65% in year was achieved for 2013/14, which was a 0.24% reduction on 2012/13 levels. Collection rates for the first 5 months of the 2014/15 financial year have shown a slight improvement on the same period in 2013/14. The small reduction in the collection rate cannot be attributed entirely to the introduction of the CTS scheme, although this will have been a factor.
27. The average decrease in collection rates for Unitary authorities was 0.6% year on year and the average collection rate for Unitary authorities was 96.7% in 2013/14. Central Bedfordshire therefore performed better than average on both measures.
28. In 2013/14 a total of 84,232 debt recovery documents were issued which was a 20% increase on 2012/13 levels. 9,620 magistrates court summonses were issued in 2013/14, an increase of 850 on 2012/13 levels. There was also a 20% increase in correspondence received from residents regarding their Council tax liability and 50,000 phone calls were dealt with by our Revenues team. Not all of the increased debt recovery action can be attributed to the introduction of the CTS scheme, although this will have been a factor.

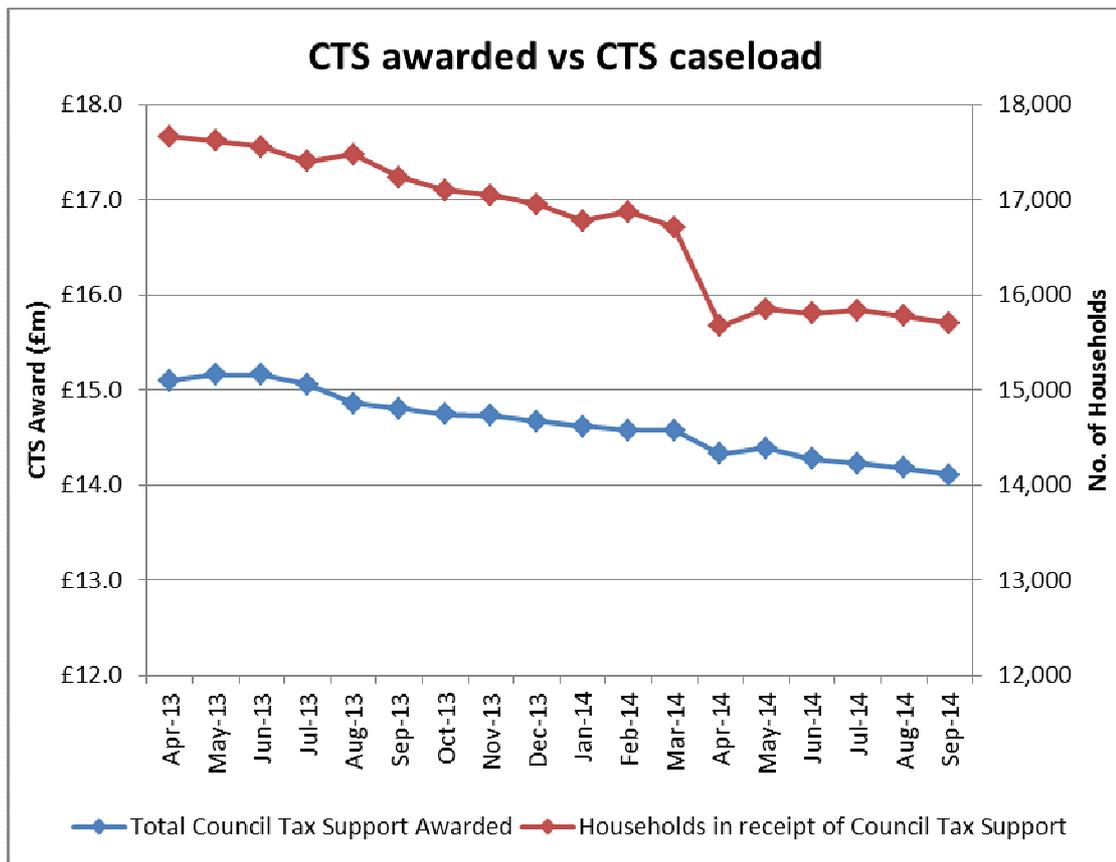
29. The chart below illustrates the level of Council Tax debt recovery activity for 2012/13, 2013/14 and the position as of September 2014.



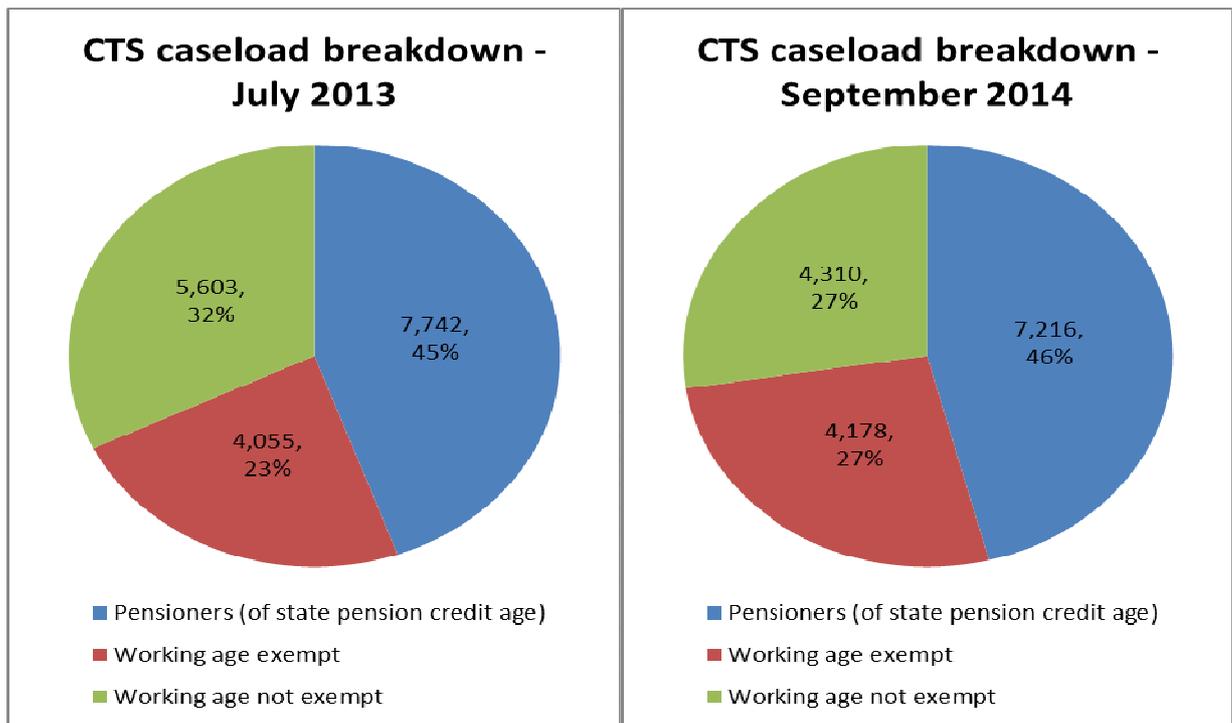
30. The debt recovery activity for 2014/15 is following a very similar pattern to 2013/14 with almost an identical number of documents issued at the end of September 2014 compared to September 2013.
31. In 2013/14 Council Tax totalling £151,755,116 was collected compared to £145,943,456 in 2012/13 which was an increase of £5,811,663. This reflects the growing tax base (number of households) and the introduction of the CTS scheme.

### The Current Central Bedfordshire Council Scheme

32. Since the introduction of Council Tax Support the number of Central Bedfordshire Council claimants receiving CTS has dopped by 11% or 1,963 claimants, from 17,667 in April 2013 to 15,704 in September 2014.
33. The amount of CTS awarded has dropped by 6.6% or £995,064, from £15,102,436 in April 2013 to £14,107,372 in September 2014.
34. The chart below illustrates the reduction in claimants and the total award.



35. The caseload decreased in March/ April 14 as claimant's income from state benefits increased by 1% but the personal allowances in our CTS scheme remained the same. For some claimants, a marginal increase in their income will result in a complete loss of their CTS entitlement.
  
36. Our case load can be separated into three distinct categories of claimants , Pensioners, Protected working age claimants and Non Protected working age claimants who are required to pay a minimum of 25% of their Council Tax liability. The two charts below illustrate how the number of claimants in these categories has changed since our scheme was introduced.



### The proposed Scheme for 2015/16

37. It is proposed that the current scheme be readopted for 2015/16 with minor changes being proposed, which are explained below. These minor changes will be financially advantageous to the claimant.
38. Each year state benefits for working age people are increased by the Government which, unless adjusted for in our scheme, result in a reduction in the amount of support provided by the Council Tax Support scheme. In 2014/15 we did not adjust our scheme for this inflationary increase which has resulted in all our non protected working age claimants being slightly worse off.
39. Therefore in order to bring our levels of entitlement for working age claimants in line with other state benefits our scheme will need to be adjusted to reflect changes in state benefit levels (commonly referred to as “uprating”). This will mean an increase of about 3% in the premiums and allowances built into our CTS scheme.
40. The forecast cost of uprating our scheme in line with national changes in 2015/16 is £x *(A verbal update will be provided at the meeting)*.
41. The reduction in our case load and the overall level of Council Tax Support discount awarded will mitigate the expense of uprating.

### Conclusion and Next Steps

42. Approval is being sought to keep the local Council Tax Support scheme unchanged for 2015/16 other than an uprating of premiums, allowances, and annual changes to the national pension age scheme, which need to be reflected in the local working age scheme.

**Appendices:**

None

**Background papers and their location:** (open to public inspection)

DCLG – Localising Support for Council Tax – A Statement of Intent

DCLG – Localising Support For Council Tax - Funding arrangements consultation

DCLG – Localising Support for Council Tax – Vulnerable people – key local authority duties

DCLG – Localising Support for Council Tax – Taking work incentives into account

DCLG – Local Government Finance Act 2012: Localising support for Council Tax updated impact assessment

DCLG – Localising Support for Council Tax – A statement of Intent on information sharing and powers to tackle fraud

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**Meeting:** Corporate Services Overview and Scrutiny Committee  
**Date:** Date of meeting  
**Subject:** Procurement of Future Electricity and Gas Contracts  
**Report of:** Cllr Maurice Jones, Executive Member for Corporate Resources.  
**Summary:** The report proposes that the Council continues to use the LASER flexible energy contracts for electricity and gas supplies to Council buildings and Street lighting for the period 1 October 2016 - 30 September 2020

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**Advising Officer:** Deb Broadbent-Clarke, Director of Improvement and Corporate Services  
**Contact Officer:** Paul Meigh, Chief Procurement Officer  
**Public/Exempt:** Public  
**Wards Affected:** None  
**Function of:** Executive

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The recommended approach supports the Council's priority of Value for money – freezing council tax.

### **Financial:**

1. The cost of ongoing electricity and gas supplies for properties (including Schools) is approximately £3.7m per year. The charges for using the recommended procurement approach work out at around 0.5% of total energy spend. The anticipated savings over market rates for using the recommended approach are 2.7%-4.7% so this represents an overall saving. Whilst the approach cannot protect the Council from the likely rises over time of energy cost it will insulate the Council from the risks of large fluctuations in the wholesale cost of energy.

### **Legal:**

2. The flexible energy contract frameworks have been procured in an OJEU compliant manner. Contracting Authorities that act as Central Purchasing Bodies, need to comply with EU Procurement Regulations. Where the EU rules have been followed by the Central Buying Consortium, as in this case, this Council may use the Framework Agreement as long as they have been included in the OJEU Notice.

**Risk Management:**

3. The flexible procurement of energy through a public sector buying organisation minimises the financial risk and enhances the control of expenditure in a volatile market.

**Staffing (including Trades Unions):**

4. Not Applicable

**Equalities/Human Rights:**

5. There are no implications for equality or human rights.

**Public Health**

6. This will not have any implication on public health and wellbeing in the area.

**Community Safety:**

7. Not Applicable

**Sustainability:**

8. Whilst there are sustainability implications from the use of energy (greenhouse gases, pollution etc), the route to market for the procurement of energy has no implications on sustainability.

**Procurement:**

9. See body of report.

**RECOMMENDATION(S):**

**The Committee is asked to:-**

**Endorse the proposal that Central Bedfordshire Council continues to use the Central Buying Consortium's flexible energy contracts for electricity and gas supplies to Council buildings and street lighting for the period 2016-2020, and continues to make these contracts available for schools to use should they wish.**

## Introduction

10. The Council procures electricity and gas to supply corporate and service buildings (offices, libraries, day centres, residential homes etc) and electricity for street lighting. The annual cost of these supplies is around £1.5m. The Council also makes these contracts available for schools to use, bringing the total annual contract value to about £3.7m. Schools are charged a small administrative fee for use of the contracts. Because of the value, these contracts must be fully compliant with European (“OJEU”) procurement rules.
11. To Secure best value for the Council we use a Central Purchasing Body to aggregate the volume of energy we require with other authorities and to set up the frameworks for the contracts we require.
12. The Central Purchasing Body we use for our gas, street light electricity and our main electricity contracts is LASER. This organisation is part of Kent County Council Commercial Services (the name LASER was originally derived from “Local Authorities South East Region”). LASER have been dedicated to buying energy for the public sector since 1989 and currently buy energy for over 120 local authorities and other public-funded bodies and manage contracts in excess of £350m.
13. Central Bedfordshire Council has been using LASER since 2009 as both Kent County Council and CBC are members of the Central Buying Consortium.
14. Our main contracts on the LASER frameworks will expire on 30 September 2016. LASER are looking for commitment from customers by the end of December 2014 for supply contracts post October 2016. The reasons for requiring such early commitment are explained below.
15. We have a smaller electricity contract which is on an ESPO (Eastern Shires Purchasing Organisation) contract. This contract also terminates 30 September 2016, and the intention would be to incorporate these supplies within the approach to be taken for the main contracts post September 2016.

## Flexible Supply Contracts

16. Since September 2009 we have been using LASER’s flexible supply contracts. This means that instead of tendering for fixed supply prices at a point in time, we use a flexible procurement approach that is designed to minimise the risk of fixing prices in volatile market conditions. Flexible procurement means that ‘blocks’ of energy are bought at varying times before (and sometimes within) the supply period. The arrangement removes the risk of settling an authority’s requirement on a single day. Aggregating the volumes of members within the arrangement enables effective market hedging. This means that Laser will take advantage of the market by buying more blocks when prices are relatively low and fewer blocks when prices are high. This is illustrated on the diagram below.

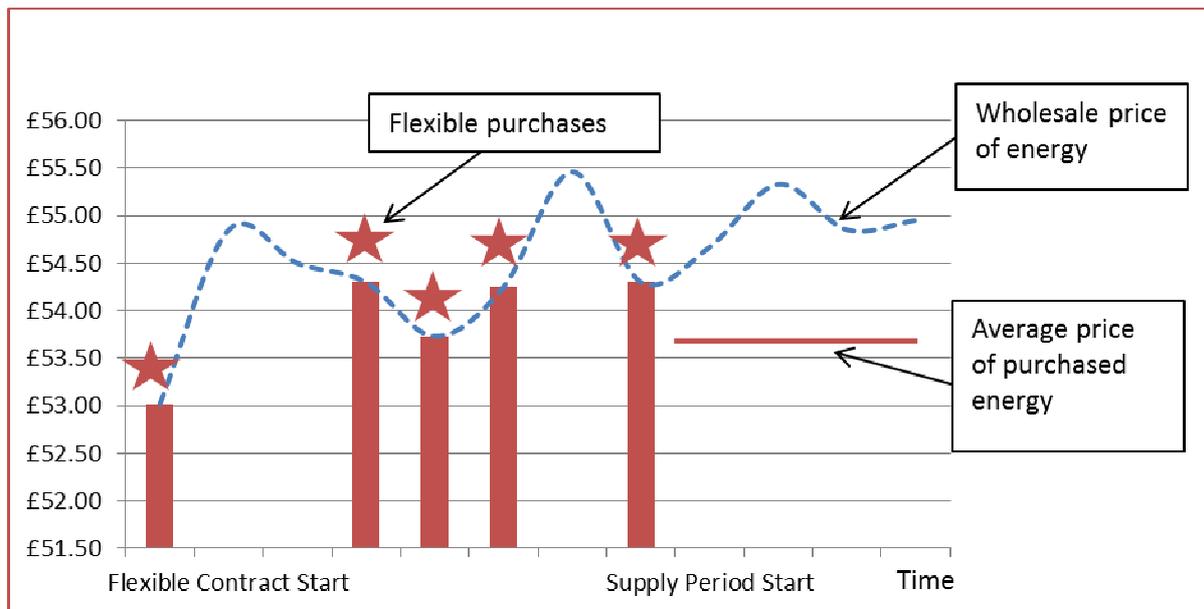


Diagram: Illustration of flexible energy purchasing

17. The dotted line represents the wholesale price of energy as it changes over time from the start of the commitment to the flexible contracts to the start of the supply period. In the context of this report, the flexible contract start is early 2015 following Executive approval, the supply period start date is October 2016 and the first supply period end date is September 2017.
18. Prior to the supply period, at times considered to be the most opportune moments (represented on the diagram by star shapes) purchases of energy are made (represented by the solid bars). These purchases are aggregated and the average price for the supply period is determined (the solid line on the right hand side of the diagram). This is the price that is charged for the period.
19. In the flexible approach to energy procurement it is the purchasing body (in this case LASER) which make the decisions to purchase, not the energy supplier. The role of the supplier is to provide access to the wholesale markets, to deliver the energy (only a licenced supplier can do this) and administer the billing.
20. This explains why LASER are looking for early commitment to the post October 2016 supply period: the earlier LASER can begin to make flexible purchases on behalf of customers, the more scope they have to take advantage of good buying opportunities and therefore the lower the supplied price may be.

### Contract Performance

21. It is extremely difficult to benchmark energy contract prices due to the number of variables involved. Amongst other things, prices are determined by the date the energy is purchased on the wholesale market, the patterns of consumption for the supplies being purchased, the length of the contract, the payment terms, the distribution costs in force at the time, etc.

22. LASER have released performance information which indicates that over the period 2009-2013 they beat the market average wholesale gas price by 2.7% and the average wholesale electricity price by 4.7%. LASER estimate that this performance, plus the benefits from aggregating the spend and other factors, has reduced the energy spend of the Council and schools by £290k per year. Use of the flexible contracts has also protected the Council and schools from the risk of potentially having to secure energy contracts at times of peak market prices.

### **Costs**

23. The energy rates will not be known until the supply period (commencing 1 October 2016). Because LASER are undertaking constant management of the purchase of energy and operate on a commercial footing they need to recover their costs. Laser charges work out at around 0.5% of total energy spend and are therefore covered by the savings over market average prices previously demonstrated. There may also be some additional value that LASER can provide on bill checking and consolidation which could reduce costs going forward.

### **Alternatives**

24. LASER are not the only public sector Central Purchasing Body. Both CCS (Crown Commercial Services) and ESPO operate similar flexible contract frameworks to LASER. Both claim to offer savings achieved by aggregating demand and achieving better than market average rates. However it is not possible to determine which PSBO has or will achieve the best rates. The Council has a good track record of using LASER, who are the largest provider of energy procurement services to local authorities in the UK. Laser provide services to most of the Councils in the Central Buying Consortium and to 120 councils and 45 other public sector bodies in total.
25. There are also private sector companies who offer this service. In order to use one of these we would either need to undertake a full OJEU tender (which would require time and resources) or use a OJEU-compliant framework contract. For example "Procurement for Housing" have such a framework which can be used by local authorities for contracting with private sector energy brokers. We have no experience of using this framework and there is no evidence that use of such a framework would reduce our costs compared to the PSBO frameworks.

26. We would not be able to operate flexible contracts alone without a broker or Central Purchasing Organisation because we do not require sufficient volumes of supply to offset the administrative costs. We could tender our own energy contracts on a fixed price basis. This would be both expensive to do, as we would need to buy-in the expertise, and would not have the benefits that accrue from combining volumes to obtain better prices. It would not be the best practice approach.

### **Conclusion and Next Steps**

27. As a member of the Central Buying Consortium, the Council has been using LASER flexible energy contracts since 2009. A review of alternatives has not identified a more preferable option. Therefore the Committee is asked to endorse the recommendation to seek Executive approval to commit to use of the LASER flexible contracts for the period 1 October 2016 – 30 September 2020. The Council Procurement Team will work with LASER to explore opportunities for any additional value that can be added through bill validation and consolidation.

### **Appendices:**

None

### **Background Papers: (open to public inspection)**

None

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**Meeting:** Corporate Resources Overview & Scrutiny Committee  
**Date:** 21 October 2014  
**Subject:** Work Programme 2014 – 2015 & 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: Rebecca Preen, 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
1.	Electricity and Gas Supply Contracts - To consider and approve the approach to the Council's energy contracts for the period post October 2016.	9 December 2014
2.	West of A1 Stotfold - Approval to dispose of land including selection of appropriate methodology.	9 December 2014
3.	Stratton Business Park Phases 4 & 5 - Disposals and Development Opportunities -	9 December 2014
4.	NNDR Discretionary Relief Policy - To approve the NNDR Discretionary Relief Policy.	13 January 2015
<b>Non Key Decisions</b>		
5.	Council Tax Support Scheme	9 December 2014
6.	Quarter 2 Budget Monitoring	9 December 2014
7.	Quarter 2 Performance Report	13 January 2015
8.	Draft Budget 2015/16	13 January 2015
9.	Budget 2015/16	10 February 2015
10.	Treasury Management Strategy	10 February 2015
11.	Quarter 3 Budget Monitoring	10 February 2015
12.	To consider the quarter 3 performance report.	31 March 2015

### 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>

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## Appendix A: Corporate Resources OSC Work Programme (2014/15)

OSC Date	Report Title	Description
16 December 2014	NNDR Discretionary Relief Policy	To receive a report on NNDR Discretionary Relief Policy
16 December 2014	2015 Budget Consultation and Residents Survey	To receive a report on the responses to the budget consultation and results of the residents' survey
27 January 2015	Draft Budget 2015/16	To consider the draft budget for 2015/16
27 January 2015	Quarter 2 Budget Monitoring	To receive the quarter 2 budget monitoring reports for the revenue, capital and housing revenue account
27 January 2015	Treasury Management Strategy	To consider the Treasury Management Strategy
17 March 2015	Quarter 3 Budget Monitoring	To receive the quarter 3 budget monitoring reports for the revenue, capital and housing revenue account
17 March 2015	Provision of recruitment services for temporary agency staff	To receive details on the new contract in the first three months of implementation
16 June 2015	Quarter 3 Performance Monitoring	To receive the quarter 3 performance monitoring reports

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