

**Law and Governance**

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Central Number: 01865 249811

To Members of the City Executive Board

19 September 2011

Our ref:

Your ref:

Dear Councillor

**CITY EXECUTIVE BOARD - WEDNESDAY 21 SEPTEMBER 2011**

I attach the following report which was not available when the main agenda was dispatched. Please bring these documents to the meeting. Please note that a limited number of hard copies will be available at the meeting.

**Agenda No    Item**

4.     **Scrutiny Committee Reports (Pages 1 - 4)**

Yours sincerely

Alec Dubberley,  
Democratic Services Officer  
Encs

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**To:** City Executive Board  
**Date:** 21 September 2011  
**Report of:** Value and Performance Scrutiny Committee  
**Title of Report:** Trading Strategy

## **Summary and Recommendations**

**Purpose of report:** To present the recommendations of the Value and Performance Scrutiny Committee on the proposed Trading Strategy.

**Key decision?** No

**Scrutiny Committee Chair:** Cllr. Stephen Brown

**Executive lead member:** Cllr. Bob Price

**Policy Framework:** Efficient, Effective Council

**The City Executive Board is asked to consider the conclusion and recommendations of the scrutiny committee and say if it agrees or disagrees.**

**Recommendation(s):**

- 1. Should the Council wish to go beyond the arrangements already in existence to reconsider the governance arrangements proposed within the strategy.**
- 2. When considering the use of spare capacity to undertake trading activities the relative options, risks and returns need to be fully documented in order to make an informed decision.**
- 3. To provide a report in years time showing**
  - The services sold or traded**
  - The amount of money raised**
  - The effects of this within our budget identifying specifically, if possible, where this has allowed us to reduce the costs of services within our budget**

## **Introduction**

1. The Value and Performance Scrutiny Committee pre-scrutinised the Trading Strategy at their meeting on 12<sup>th</sup>. September. The committee would like to thank Councillor Tanner and Tim Sadler for their support in this debate.
2. The committee had noted the intention of the Council expressed in the budget to increase focus in this area and wanted to be clear within a strategy that:
  - A proper understanding of risks to the council in financial, legal and reputation terms is considered
  - The right balance between service delivery and trading is ensured
  - Sound governance arrangements exist

## **Conclusions**

3. It was clear from answers to questions that it was not the intention at this stage to move much beyond the activities that are already undertaken. Instead the focus was on extending these and other like opportunities in an effort to reduce overheads and therefore reduce the cost of services to the public. As these opportunities are already governed by current delegated powers the committee is happy that adequate governance arrangements exist. Should the intention in the future be to move beyond this into areas of greater risk then the committee would want reconsideration of the governance arrangements that stand.
4. The report mentions the use of spare capacity in services to raise income (section 3). The committee recognised that spare capacity comes in a number of forms and for a number of reasons but would want to see a sound financial and risk match between trading services and reducing capacity.
5. In order to take a view on success within this strategy the committee would ask to see a report in a years time showing:
  - The service sold or traded
  - The amount of money raised
  - The effects of this within our budget identifying specifically, if possible, where this has allowed us to reduce the costs of services within our budget

## **Financial Implications**

6. None arising specifically from this report.

## **Legal Implications**

7. None arising specifically from this report.

## **Comments from the Board Member and Director**

8. Comments at the meeting

<b>Name and contact details of author:-</b>
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**List of background papers: Report on the City Executive Board agenda  
for 21 September 2011 - item 11**

**Version number: 1**

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