

Agenda

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Value and Performance Scrutiny Committee

Date: **Monday 12 September 2011**

Time: **6.00 pm**

Place: **St Aldate's Room, Town Hall**

For any further information please contact:

Alec Dubberley, Democratic Services Officer

Telephone: 01865 252402

Email: adubberley@oxford.gov.uk

Value and Performance Scrutiny Committee

Membership

Chair	Councillor Stephen Brown	Carfax;
Vice-Chair	Councillor Scott Seamons	Northfield Brook;
	Councillor Mohammed Abbasi	Cowley Marsh;
	Councillor Michael Gotch	Wolvercote;
	Councillor Rae Humberstone	Blackbird Leys;
	Councillor Bryan Keen	Cowley;
	Councillor Sajjad Malik	Cowley Marsh;
	Councillor Stuart McCready	Summertown;
	Councillor Mike Rowley	Barton and Sandhills;
	Councillor Gwynneth Royce	St. Margaret's;
	Councillor Oscar Van Nooijen	Hinksey Park;
	Councillor David Williams	Iffley Fields;

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AGENDA

Pages

- 1 APOLOGIES FOR ABSENCE AND AND SUBSTITUTIONS
- 2 DECLARATIONS OF INTEREST
- 3 **STANDING ITEM: WORK PROGRAMME**

1 - 10

Pat Jones, Principal Scrutiny Officer, Tel: (01865) 252191,
Email phjones@oxford.gov.uk;
Alec Dubberley, Democratic Services Officer, Tel: (01865) 252402,
Email: adubberley@oxford.gov.uk

Background information
The work programme needs to reflect the wishes and interests of the Committee. It is presented here and at every meeting to allow members to lead and shape their work.
Why is the item on the agenda?
To agree the lines of inquiry for forthcoming meetings and to take an overview of progress
Who has been invited to comment?
The Principal Scrutiny Officer, will present the work programme and answer questions from the Committee.
What will happen after the meeting?
The Chair and Vice-Chair will continue to monitor the Committee's work programme and report to future meetings.

- 4 **STANDING ITEM: REPORT BACK ON THE COMMITTEE'S RECOMMENDATIONS TO THE CITY EXECUTIVE BOARD AND ON MATTERS OF INTEREST TO THE COMMITTEE**

Verbal
Report

Contact Officer: Alec Dubberley, Democratic Services Officer
Tel: (01865) 252402, email: adubberley@oxford.gov.uk

Background information
This Committee made a number of comments to City Executive Board at the last meeting. The Chair reported these comments

verbally.
Why is the item on the agenda?
To report back on comments submitted to the Board on performance monitoring and outturn reports.
Who has been invited to comment?
The Democratic Services Officer will go through the outcomes and answer questions.
What will happen after the meeting?
Any further follow up will be pursued within the work programme.

5 TRADING STRATEGY

11 - 34

Contact Officer: Tim Sadler, Executive Director for City Services
 Tel: (01865) 252101, email: tsadler@oxford.gov.uk

Background information
The trading strategy report has been submitted as part of the Council 2012 programme. The report going to the Executive Board in September will propose methods to optimise income by charging for discretionary services.
Why is the item on the agenda?
The Committee agreed to pre-scrutinise this report along the following lines:- <ul style="list-style-type: none"> • To gain a proper understanding of risks to the council in legal, financial and reputation terms • To strike the right balance between service delivery and trading and recognising “pinch points” • Governance arrangements
Who has been invited to comment?
The Executive Board Member, Councillor Tuner, and the Executive Director have been invited to attend the meeting.
What will happen after the meeting?
A report will be submitted to the City Executive Board on 21 September. Any comments/recommendations from this Committee will be presented alongside that report.

6 RECONFIGURATION OF ENVIRONMENTAL DEVELOPMENT

35 - 48

Contact Officer: John Copley, Head of Environmental Development
Tel: (01865) 252486, email: jcopley@oxford.gov.uk

Background information
This item has been taken from the Forward Plan for pre scrutiny.
Why is the item on the agenda?
<p>As part of the ongoing drive to save money due to shrinking budgets Environmental Development has proposed a number of service changes in order to save money. This was agreed when the Council's budget was set earlier in the year. The committee agreed to focus on the following:-</p> <ul style="list-style-type: none">• The current range, status, cost and users of our services• Any links between these services and other targets and actions within the council• Options for reductions to meet the target• In particular what are the options for the noise nuisance service?• Communication and wind down plan
Who has been invited to comment?
The Member, Councillor Tanner, and Officers from Environmental Development have been invited to attend the meeting.
What will happen after the meeting?
A report will be submitted to the City Executive Board in the near future. Any comments/recommendations from this Committee will be presented alongside that report.

7 BRIEFING ON PARK AND RIDE OPERATION AND MANAGEMENT

To Follow

Contact Officer: Tim Sadler, Executive Director for City Services
Tel: (01865) 252101, email: tsadler@oxford.gov.uk

Background information
There have been changes in the way park and ride sites operate in the City resulting in the management of the Peartree, Redbridge and Seacourt sites returning to the City Council.
Why is the item on the agenda?

At the recently held work planning meeting this Committee decided to include this topic on their work programme. The following lines of inquiry were agreed:-

- What events have culminated in the breakdown of the current park and ride management arrangements?
- What are the budgetary implications for the council and how will these be managed?
- What are the service implications for the council and those using park and ride facilities?

Who has been invited to comment?

The Executive Director for City Services will brief the Committee. The Board Member, Councillor Cook, has been invited to attend.

What will happen after the meeting?

A report will be submitted to the City Executive Board on 21 September. Any comments/recommendations from this Committee will be presented alongside that report.

8 MINUTES

49 - 54

Minutes of the meeting held on 21 June 2011.

9 DATES OF FUTURE MEETINGS

21 November 2011
30 January 2012
26 March 2012

DECLARING INTERESTS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

Agenda Item 3

Value and Partnership Scrutiny Committee

Work programme debate outcomes

General Principles

After consultation with back-bench councillors the committee this year has decided to run its programme through a series of themes. Each theme will be led by a committee member sometimes supported by small group of colleagues.

The aim of the committee this year in setting themes is to approach its work in a more focused and searching way reducing the number of items on agendas allowing a “select committee approach” to be taken.

A Finance and Performance Panel has been set again this year to give a firm focus on budget delivery, performance and treasury management. Of particular interest to the panel this year will be the reform of council housing finance and the delivery of budget. The Panel will invite the attendance and views of a council tenant representative at appropriate times

The programme remains flexible and open to reorganisation by the committee. A complete review will be undertaken by the Chair and Vice Chair in January 2012

The information theta follows shows:

- The themed draft programme and focus
- Current nominations
- Projected agenda schedules
- Forward schedule for the Finance and Performance Panel

Value and Performance Scrutiny Committee

Draft Work Programme 11/12

Theme	Area(s) for focus	Likely Status of Inquiry	Nominated/interested councillors
Asset Management	Lines of inquiry not decided. Discussion with lead member underway	Select Committee Inquiry: Target meeting date: 21 st . November	Councillor van Nooijen
Benefits Service Fundamental Service Review	<p>Focused reporting on progress and outcomes around value for money principles Within all of these outcomes how we would compare nationally (if that is still possible)</p> <ul style="list-style-type: none"> • Economy - How the overall cost of the service to the local tax payer is being reduced. What the reduction target is, over what period and how we are performing against this. In considering this to see the full effect on our accounts split between subsidy, administration and debt provision • Efficiency - The target for the unit costs of the various process (new claims, change in circumstances etc) over what period and how we 	<p>Standing Panel. Report back to committee:</p> <p>Target dates: 30th. January and 26th. March</p>	<p>Councillors Brown, Royce, van Nooijen and Williams</p> <p>Lead Member: Councillor Brown</p>

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	<p>are performing against this</p> <ul style="list-style-type: none"> • Effectiveness - The output measures, but the committee would like to see additions to the normal internal measures and include others that customers might see as a "whole service" so: <ul style="list-style-type: none"> - Time taken to perform the various functions i.e. new claims and changes in circumstances - The number of appeals and success rates - Accuracy levels - Queuing times - Telephone response times - Abandoned call rate - Customer feedback on quality and attitudes of staff - Benefit take up measures with monetary targets <p>It is recognised that the "Economy Measure" above will be linked to the results of the analysis to determine the type of service we are to design. For the committee be told which service elements or outputs within the proposed service design are different from those generally delivered, why and the extra cost of these.</p>		
<p>Finance and Performance Panel</p>	<p>Standing Panel remit:</p> <ul style="list-style-type: none"> • Current year budget delivery • Performance against service and corporate 	<p>Standing Panel Agenda schedule below</p>	<p>Councillors Seamons, Rowley, Brown and Williams</p>

	<p>targets</p> <ul style="list-style-type: none"> • To act as the “responsible body” within the CIPFA code for the Treasury Management Strategy and service • To understand and review the business planning and treasury management strategy set to meet the reform of council housing finance • To review budget proposals and Medium Term Financial Strategy 		Lead Members: Councillor Seamons
Environmental Services	<p>Reconfiguration of Environmental Health Services to reduce costs</p> <ul style="list-style-type: none"> • The current range, status, cost and users of our services • Any links between these services and other targets and actions within the council • Options for reductions to meet the target • In particular what are the options for the noise nuisance service • Communication and winded down plans <p>Houses in Multiple Occupation Licensing:</p> <ul style="list-style-type: none"> • Targets within the extended scheme are met • Cost and charging base is controlled and reasonable 	<p>Committee Inquiry</p> <p>Target date: 12th. September</p> <p>Committee Inquiry</p> <p>Target date: 26th. March</p>	All committee members
Equalities	Service Delivery	Select committee inquiry	Councillor Royce

	<p>To understand the agreed equality objects and outcomes expected from these. To monitor direction of travel and change ? There are 9 of these linked to our corporate priorities does committee want to focus on a few in particular</p> <p>Oxford City Council as an employer</p> <p>No lines of inquiry agreed. Discussion with lead member underway</p> <p>Corporate Performance</p> <p>Outcome from the corporate assessment to achieve level 2 of the Equalities Framework for Local Government</p>	Target date: 30 th . January	
Leisure contact performance	<p>To scrutinise outcomes to target from the Fusion Leisure Services Contract across:</p> <ul style="list-style-type: none"> • Value for Money • Increased participation • Improvements in quality of service • Outreach work • Carbon Management <p>The committee this year is particularly interested in outcomes from outreach programmes and interaction with partners around public health issues</p>	<p>Committee inquiry</p> <p>Target date: 21st. November</p>	All committee members
Additional	Briefing to allow pre scrutiny:	Committee inquiry	All committee

<p>item called from the Forward Plan</p> <p>Return of Park and Ride facilities to City Council management and operation</p>	<ul style="list-style-type: none"> • What events have culminated in the breakdown of the current park and ride management arrangements • What are the budgetary implications for the council and how will these be managed • What are the service implications for the council and those using park and ride facilities 	<p>Target date: 12th. September</p>	<p>members</p>
<p>Additional item called from the Forward Plan</p> <p>Trading Strategy</p>	<p>To pre-scrutinise the proposed strategy for trading our services outside the council. The 10/11 committee interest in particular lay in:</p> <ul style="list-style-type: none"> • A proper understanding of risks to the council in legal, financial and reputation terms • Striking the right balance between service delivery and trading and recognising “pinch points” • Governance arrangements 	<p>Committee inquiry</p> <p>Target date: 12th. September</p>	<p>All committee members</p>

Value and Performance Scrutiny Committee Agenda Schedules

Dates	Slots and Items
21 st . June	<ol style="list-style-type: none"> 1. Destination Management Organisation – Business Plan 2. Performance against target – outcome for 10/11 3. Provisional budget outturn 10/11 4. Fusion leisure contact – outturn against targets <p>Meeting full</p>
12 th . September	<ol style="list-style-type: none"> 1. Trading Strategy 2. Reconfiguration of Environmental Services 3. Park and Ride operation and management (briefing) <p>Meeting full</p>
21 st . November	<ol style="list-style-type: none"> 1. Asset Management – Select committee meeting 2. Leisure Contract Performance <p>Meeting Full</p>
30 th . January	<ol style="list-style-type: none"> 1. Equalities – Select committee meeting 2. Benefits fundamental service review progress and Panel view 3. Budget Report – Finance and performance Panel <p>Meeting Full</p>
26 th . March	<ol style="list-style-type: none"> 1. Benefits fundamental service review progress and Panel view 2. Houses in Multiple Occupation Licensing progress 3. Vacant slot 4. Vacant slot

Finance and Performance Panel

Members: Cllrs. Seamons (Lead member), Brown (VAP Chair), Rowley and Williams

Officers for this meeting: Pat Jones, Nigel Kennedy, Anna Winship, Tim Power, Jane Lubbock

Meeting Date:
16th. September at 2.00pm – papers deadline: morning of the 6th. September

Officers for this meeting: Pat Jones, Nigel Kennedy, Anna Winship, Tim Power, Jane Lubbock

Agenda Item	CEB link	Comment	
1. 1 st . Qtr. Spending	21st. Sept Absolute deadline 13 th Sept (papers published)	The Panel want to report their comments and recommendations to the CEB meeting on the 21 st . Sept	
2. 1 st . Qtr Performance – to include reporting of service level targets			
3. Treasury management performance 10/11			Tenant representative not invited for item 5.
4. Treasury Management performance 1 st . Qtr. Including issues for 11/12 strategy			
5. Reform of Housing Finance			
6. Budget prospects 11/15			

Date: To be arranged (October/November)

Panel only meeting to agree budget review outline

Date:
29th. November at 5.30pm – papers deadline: morning of the 25th. November

Officers for this meeting: Pat Jones, Nigel Kennedy, Anna Winship, Tim Power(possibly), Jane Lubbock

Agenda Item	CEB link	Comment
1. 2 nd . Qtr. Spending 2. 2 nd . Qtr. Performance– to include reporting of service level targets	7th. Dec Absolute deadline 29 th . Nov (papers published)	The Panel will want to report their comments and recommendations to the CEB meeting on the 7 th . December
3. 2 nd . Qtr. Treasury Management Performance including issues for 11/12 strategy		The Consultation Budget and MTFS will be taken as part of the Budget Review Group. Lead Member to agree a timetable for discussion with the Board Member
4. Reform of Housing Finance (progress)		Invite a tenant representative for item 4

Dates to be agreed

Budget Review October/November to February – dates and outline to be agreed by the Lead Member

Key dates as understood currently:

MTFS – 7th. December CEB

Consultation Budget – 7th. December CEB

Scrutiny Budget report complete by 27th. January

Budget proposals from CEB to Council – 8th. February

Council agrees budget – 20th. February

Reserved meetings – CEB and Council 23rd. February

All based on published schedule

Date:
3rd. February at 2.00pm – papers deadline: morning of 27th. January

Officers for this meeting: Pat Jones, Nigel Kennedy, Anna Winship, Tim Power(possibly), Jane Lubbock

Agenda Item	CEB link	Comment
1. 3 rd . Qtr. Spending 2. 3 rd . Qtr. Performance– to include reporting of service level targets 3. 3 rd . Qtr. Treasury Management performance 4. Treasury Management Strategy 12/13 5. Final comments on “firm” budget proposals 6. Reform of Housing Finance	8th. February Absolute deadline 31 st . January (papers published)	The Panel will want to report their comments and recommendations to the CEB meeting on the 8 th . Feb Invite a tenant representative for item 6

To: Value and Performance Scrutiny Committee and City Executive Board

Date: 12 September and 21 September 2011

Report of: Executive Director City Services

Title of Report: Income Generation through service supplies to public sector bodies and Charging for Discretionary Services

Summary and Recommendations

Purpose of report: To provide an update on the approach proposed to take forward the proposal contained in the Council 2012 strategy that the Council seeks to optimise income, thereby reducing net costs to the Council through trading.

Key decision? No

Executive lead member: Cllr Bob Price

Approved by: Jeremy Thomas (Legal) and Jackie Yates (Finance)

Policy Framework: Efficient, Effective Council

Recommendation(s):

City Executive Board is recommended to:

(a) Approve the overall framework for charging third parties for discretionary services as outlined in this report;

(b) Approve the overall framework for the supply of goods and services to other public bodies as outlined in this report;

(c) Delegate the decision on whether to enter into arrangements with private sector bodies under which the Council would charge for services provided within or outside the City but within Oxfordshire to the relevant director, provided that the value of such arrangements do not exceed £100,000.

(d) Delegate the decision on whether to enter into arrangements with other public bodies under which the Council would provide goods and/or services to such other public bodies within or outside the city but within Oxfordshire to the relevant director, provided that the value of such arrangements do not exceed £100,000.

Appendix 1	Legal implications of Charging and Trading.
Appendix 2	Risk Assessment
Appendix 3	Equalities Impact Assessment
Appendix 4	Charging & Trading Hierarchy of Risk diagram

1 Introduction

The Council has been charging for discretionary services, quite legitimately, for many years. Obvious examples include trade waste collections, pest control and more recently charging for planning advice.

What is proposed in the “Council 2012” strategy sees this rather opportunistic largely historically based approach being developed into a focused strategy determined to raise income for the Council to offset the current cost of services. With this switch and increased opportunity comes increased risk.

This report sets out how officers intend to minimise and manage that risk and make the most of the opportunities to increase income.

Whilst it is unlikely that the “Localism Bill” will provide any relaxation of the rules around trading, the intent is to derive income within the existing powers and legal constraints without setting up an “arms length” company specifically to trade.

This means that our focus will be on charging for discretionary services on a cost recovery basis but charging on a cost recovery plus basis with other public sector bodies.

2 Legal implications

The Corporate Management Team recently reviewed the legal implications of trading with the attached paper from the Head of Law and Governance (Appendix 1). This shows that we need to be careful when using the term trading as what we are intending, at least in the short to medium term, is to extend our charging for discretionary services and provision of services to other public sector bodies.

3 Financial implications

No specific sum has been placed in the budget to be attained through trading. However, the expectation clearly exists.

The overall intent is to maximise the benefit to the Council and residents by generating income predominantly from the use of surplus capacity thus reducing unit overhead costs and therefore the cost of services.

Raising income does bring with it risk. The main risks are not covering costs in prices charged and contractual risks.

It is therefore proposed that charging only takes place where:

- There is a clear understanding of direct costs

- Proposed charges cover direct costs and make a contribution to overheads
- Proposals to enter into contracts for the provision of services have a sound business case which has had input from Finance and Legal and been approved by the relevant director and, for major projects (i.e. over £100k), CEB.

It is important that the risk is understood and managed and a risk analysis is given in Appendix 2. However, it is also important to give service managers sufficient scope within an appropriate framework to set charges to meet the particular circumstances and therefore key delegations are sought to enable officers to operate effectively.

4 Approach to Income Generation

There is a clear hierarchy of complexity and risk associated with trading which is represented in the diagram at Appendix 4.

This starts with the lowest risk – ensuring that where the Council has competency and capacity all internal work is carried out by the Council’s own workforce. This though must be subject to a test that such internal supply provides value for money in the same way that it applies to all of the Council’s services. Essentially this is achieved through benchmarking, market intelligence and service reviews..

The second level is recovering costs from the “public” for the provision of discretionary services. This is an area where we are currently expanding income generation eg green waste, and pest control. Areas where we might want to expand further include, tree maintenance for the public, gas servicing and electrical testing in the private rented sector. This work would be carried out under the provisions of s93 Local Government Act 2003. Services provided under these provisions must comply with fairly strict accounting provisions, under which income should equal expenditure over a three year period..

The third area is “trading” with other public sector bodies. This work would be carried out under the provisions of s1 Local Authorities (Goods and Services) Act 1970. At one extreme this is trivial eg the one off servicing of a vehicle for the County Council. At the other is a complex business proposition regarding taking on additional resources or transfer of assets and staff. Such a proposition would need careful evaluation of the business case and proper approval in accordance with our constitution and financial regulations.

At this stage we are not proposing to move into the more risky and costly to set up “commercial” trading area which would necessitate the Council setting up an arms length trading company (n.b. activities where we have a duty to provide services to the private sector e.g. trade waste do not require this separate trading entity to continue)

Management control over legal, financial and commercial risks would be exerted primarily through an assessment matrix. See Appendix 5. For “trading” to proceed this would need to be authorised in accordance with the Council’s constitution and financial regulations.

5 Geographical Constraints

The intent is that the overwhelming majority of services are provided inside the City boundaries, but in certain circumstances it may be that working or partnering with other public bodies who are outside the City is desirable. Equally there could be very practical reasons where provision outside City boundaries (e.g. Trade Waste route optimisation) is sensible. Relaxation of the geographic constitutional constraint to Oxfordshire rather than just Oxford City would allow for trading with neighbouring authorities and all other likely scenarios.

6 Staffing implications

The intent is that chargeable services are provided initially predominantly from the surplus capacity that exists inside the current infrastructure and management capacity. A requirement to increase resources to satisfy demand would be subject to scrutiny by the Corporate Management Team through the Employment Control Form process and via the business case. However, if this strategy is successful it may well provide opportunities for the expansion of employment opportunities including apprenticeships and work experience.

Surplus capacity within the organisation would only be maintained where direct costs could be covered and a contribution to overheads achieved, otherwise surplus capacity would be reduced.

7 Climate Change / Environmental Impact

It is not expected that provision of additional chargeable services by the council would have a negative environmental impact as these services would in any event have been demanded but satisfied by other providers.

If we expanded operations significantly, this might have a notable impact on Oxford City Council’s overall carbon footprint. This would have to be considered in the business case.

8 Equalities Impact

No significant impacts have been identified. An Equalities Impact Assessment is attached as appendix 3. However, in increasing employment opportunities we would take the opportunity to attempt to enhance the ethnic mix of our

workforce to match the community we serve and provide opportunities through apprenticeships and the like. We would also reflect on the Council's charging strategy in setting fees and charges and consider whether concessions are appropriate for particular services when provided direct to individuals.

9 Financial Summary

The aim of the Council 2012 strategy in this respect is to increase income and therefore reduce the overall cost of services provided by the Council. We would seek to ensure financial performance through approval and monitoring of business cases. The majority of activities are likely to fall within the remit of the Direct Services Board who will review contracts and financial performance. The officers intend to review the financial regulations to ensure that they reflect the approach recommended in this report and give adequate guidance and protection to officers and the Council.

Name and contact details of author:-

Name:	Tim Sadler
Job title:	Executive Director City Services
Service Area / Department:	Chief Exec
Tel: 01865 252101 e-mail:	tsadler@oxford.gov.uk

List of attachments:

Appendix 1	Legal implications of charging and trading.
Appendix 2	Risk assessment
Appendix 3	Equalities impact assessment
Appendix 4	Charging and Trading hierarchy of risk diagram
Appendix 5	Potential Customers and Services Matrix.
Version number:	3.0

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Appendix One

The Local Authorities (Goods & Services Act) 1970

This contains a very wide power that enables local authorities to enter into agreements with other local authorities or public bodies. There are many organisations that have been designated as public bodies, through other Statutes or Orders under the Goods and Services Act, including health bodies, schools, housing associations and community organisations.

It is permissible to make a profit under this legislation and many Authorities have made considerable use of the powers, securing economy of scale by providing services to each other. The power can be used for the purposes of:-

- supplying goods or materials
- administrative professional technical services
- the use of vehicles plant or apparatus
- works of maintenance in connection with land or buildings

Case law and particularly the YPO case (R v Yorkshire Purchasing Organisation ex parte British Educational Supplies Limited ([1998] ELR 195) confirmed that the power could be widely used and that there was no implied limitation which only permitted trading where surplus capacity was used. It also put beyond doubt that local authorities can trade for profit.

Charging for Discretionary Services - Section 93 Local Government Act 2003

Section 93 gives a specific power to charge for discretionary services where "the Authority is *authorised*... to provide a service" but not under a duty to provide it and the person receiving the service has agreed to its provision.

If an authority wishes to make a charge under section 93 it will also be necessary to identify the power to provide the service as well. The power is available to any Best Value Authority as defined in the Local Government Act 1999, and to any Welsh improvement authority, parish council, parish meeting of a parish which does not have a separate parish council, and community council. Classic examples of where this power can be used relate to leisure services, parks and countryside facilities, museums, galleries, theatres and concert halls. It could also be used to provide advisory services, for example in relation to business advice, planning advice or additional support to elderly residents or young families. The well being power in the Local Government Act 2000 can also be helpful in making a link between a specific statutory power and section 93.

Calculating the Charges

There is a restriction on the amount of charge which can be paid, to the effect that taking one financial year with another, income should not exceed the cost of provision. Although the recovery period has been recognised as three years, there is flexibility in the legislation about how the costs are calculated.

Costs would normally be assessed in accordance with best value accounting methods and Government guidance but can include all overheads including corporate and democratic core costs and the cost of assets required to deliver the service. It is also worth remembering that charges could be set at different levels for different people. It would be quite lawful to charge nothing for some beneficiaries of the service and a higher charge for others.

This is therefore an extremely useful power which can be used flexibly. Before embarking on this route, an authority needs to ask itself:

- What is its power to undertake the activity?
- Is another charging power available? If so reliance cannot be placed upon section 93.
- Is there a prohibition on a charge being levied?

Commercial Trading - Section 95 Local Government Act 2003

Section 95 enables the Secretary of State to authorise Best Value Authorities to do "for a commercial purpose" anything which they are authorised to do for the purpose of carrying out any of their ordinary functions. This is done under a "Trading Order". A local authority must have the power to undertake the activity before deciding whether or not to trade. The trading power cannot be used where a local authority is required to do something (ie has a duty to do something) for example the provision of education services where they have to be provided free of charge. Nor can it be used where a commercial activity is already authorised, for example the sale of spare computer capacity under s38 Local Government (Miscellaneous Provisions Act) 1976. Trading activity can only be undertaken through a company regulated under the Local Government and Housing Act 1989.

Where a company is set up it will have to comply with the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 and these set out propriety controls which include transparency in respect of accounting arrangements, providing information to the local authorities' internal and external auditors and making minutes of meetings available.

Summary

Power	Profit/Cost Recovery	Public Bodies	Private Bodies
Goods and Services Act 1970	Profit	Yes	No
Charging – S93	Cost Recovery	Yes	Yes

Trading – S95 – only through a company	Profit	Yes	Yes
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Jeremy Thomas
Head of Law and Governance
Oxford City Council
Town Hall
Oxford

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Risk Register.

Risk ID	Risk						Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 6		I	P	I	P	I	P		
CEB-001-DS	Council Service Reputation	T	Customer dissatisfaction with the level of service provision.	Poor service planning and delivery	Loss of future business. Damaging to aspiration for World-Class service provision	19/05/11	6		1	3	3	1	3	1	JR	01.12.11
21 CEB-002-DS	Low demand for services	T	Not enough external income is achieved to meet budgetary requirements	Poor financial consideration, estimating and planning. Uncompetitive pricing. Legal constraints	Spare capacity not utilised. Income not achieved	19/05/11	6		3	3	3	2	3	2	JR	01.12.11
CEB-003-DS	Political	T	Charging for discretionary services - adverse opinion of Council from members of the public	Not clearly communicating the differentials of Statutory Services and Discretionary Services	Assumption that Council is charging when provision is all encumbering in Council taxation	19/05/11	2		2	4	2	3	2	4	JR	01.12.11
CEB-004-DS	Service based on Ability to Pay	T	Socioeconomic accusations towards the Council	Some citizens able to afford extra service, others not	Discontent among communities. Accusations of unfairness	19/05/11	2		2	4	2	2	2	2	JR	01.12.11

Risk Action Plan

Risk ID	Risk Title	Action Owner	Accept, Contingency, Transfer, Reduce or Avoid	Details of Action	Key Milestone	Milestone Delivery Date	Date Reviewed
CEB-001-DS	Council Service Reputation	J. Ridgley	Reduce	Robust marketing plan Market assessment for all target areas of potential Business. Quick, sustained levels of query response and resolution. Commercially capable staff to lead on service delivery with ongoing monitoring of performance. Robust operational management protocols.	Marketing Plans in place; Market assessments for relevant opportunity; Monthly Performance review meetings with service providers; Review processes for customer focus.	July 2011 Annual & monthly	19/05/11
CEB-002-DS	Low demand for services	J. Ridgley	Reduce	Market USP's; Expand existing (doing more of what we are good at); F2F customer liaison; Maintain business successes	Learn from early wins Trade Waste expansion/increase recycling Additional MOT provision	July 2011	19/05/11
CEB-003-DS	Political	J. Ridgley	Reduce	Communication depicting Council offering choice; Communication is consistent and clearly define differences of Statutory and Discretionary; Clear communication on budgetary position	Consistent message from corporate centre on relevant press releases; Consistent script flow in contact centres	Monthly & Quarterly	19/05/11
CEB-004-DS	Service based on Ability to Pay	J. Ridgley	Reduce	Clear communication on budgetary position; Communication depicting Council offering choice; Offering individual income related concessions where possible	CRM System interfaced with Benefits systems; Consistent message from corporate centre on relevant press releases; Consistent script flow in contact centres	May 2011 Monthly & Quarterly	19/05/11

CEB-005-DS	Failure to recover costs through charges	J Ridgley	Reduce	Understand direct costs; good market information re demand and price elasticity; monitoring and adjusting price accordingly	Proposal sheet for each service line to be charged for signed of by Fianance and legal	July 2011, monthly reviews	3/6/11
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Form to be used for the initial assessment

Service Area: Direct Services	Section: Business Development	Key person responsible for the assessment: Ian Bourton	Date of Assessment: 19/05/2011	
Is this assessment in the Corporate Equality Impact assessment Timetable for 2008-11?			Yes	No
Name of the Policy to be assessed: Charging for Services			Is this a new or existing policy	New
1. Briefly describe the aims, objectives and purpose of the policy		<ul style="list-style-type: none"> • To exercise the Powers contained in various Acts of parliament to charge for discretionary services. • Charging for discretionary services to generate income to spread service overheads • It is not anticipated that individual consumers will be a 'target customer' for charging purposes. It is expected that Direct Services would market opportunities from other public bodies or private businesses and provide a source of choice for the individual consumer. 		

2. Are there any associated objectives of the policy, please explain	<ul style="list-style-type: none"> • Direct Services to levy a charge public bodies and their agents for services as opportunities arise, within Oxfordshire • Direct Services to levy a charge for discretionary services where there are specific powers to charge for goods and services, within Oxfordshire • Delegation of decision making on charging opportunities in the Private Sector from EB to relevant Director 		
3. Who is intended to benefit from the policy and in what way	<p>Oxford City Council is facing a significant reduction in central government funding over the next four years that cannot be met through efficiency savings alone. By developing our ability to charge for agreed discretionary services, and thus meet budget targets, citizens benefit by definition that current Statutory service levels are at least maintained.</p> <p>Minimises any staff losses buy utilising spare capacity on labour and machinery to optimum effect</p>		
4. What outcomes are wanted from this policy? <ul style="list-style-type: none"> • Council to be in a position to meet budget targets by servicing areas of opportunity where they are legal and requested by citizens and businesses • To be in a position provide a swift response to opportunities that arise for generating revenue • Support and embed a robust marketing and business strategy for targeted discretionary services 			
5. What factors/forces could contribute/detract from the outcomes?	<ul style="list-style-type: none"> • Little or no spare capacity • Uncompetitive in service provision/pricing • Changes in legislation • Strong USPs • Service providers performance 		
6. Who are the key people in relation to the policy?	<ul style="list-style-type: none"> • OCC as the employer • Discretionary Service providers (Managers and staff) 	7. Who implements the policy and who is responsible for the policy?	OCC as the employer Relevant Director

<p>8. Could the policy have a differential impact on racial groups?</p>	<p>Y</p>	<p>N</p>	<p>No differential impact anticipated. Analysis does not indicate a risk of any racial groups being disproportionately affected by this policy – however, some consideration will have to be given to each specific service line.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>			
<p>9. Could the policy have a differential impact on people due to their gender?</p>	<p>Y</p>	<p>N</p>	<p>No differential impact anticipated. Analysis does not indicate a risk of either men or women being disproportionately affected by this policy– however, some consideration will have to be given to each specific service line.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>			
<p>10. Could the policy have a differential impact on people due to their disability?</p>	<p>Y</p>	<p>N</p>	<p>No differential impact anticipated– however, some consideration will have to be given to each specific service line..</p> <p>Clear communication will be provided to staff to take account of any known disability before service delivery is commenced.</p> <p>The option of provision of services by the Council as a trusted contractor for matters such as disabled facilities grant building work may be welcomed.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>			
<p>.Existing take up of Direct Services for disabled facilities grant work</p>			

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11. Could the policy have a differential impact on people due to their sexual orientation?	Y	N	No differential impact anticipated. Analysis does not indicate a risk that the sexual orientation people will lead to a negative impact– however, some consideration will have to be given to each specific service line.
What existing evidence (either presumed or otherwise) do you have for this?			
12. Could the policy have a differential impact on people due to their age?	Y	N	No differential impact anticipated. Analysis does not indicate a risk that the age of people will lead to a negative impact– however, some consideration will have to be given to each specific service line. The option of provision of services by the Council as a trusted contractor for matters such as disabled facilities grant building work may be welcomed.
What existing evidence (either presumed or otherwise) do you have for this?			
Requests from elderly persons to carry out works. Evidence from Handy Man scheme.			
13. Could the policy have a differential impact on people due to their religious belief?	Y	N	No differential impact anticipated. Analysis does not indicate a risk that the religious belief of people will lead to a negative impact– however, some consideration will have to be given to each specific service line.
What existing evidence (either presumed or otherwise) do you have for this?			

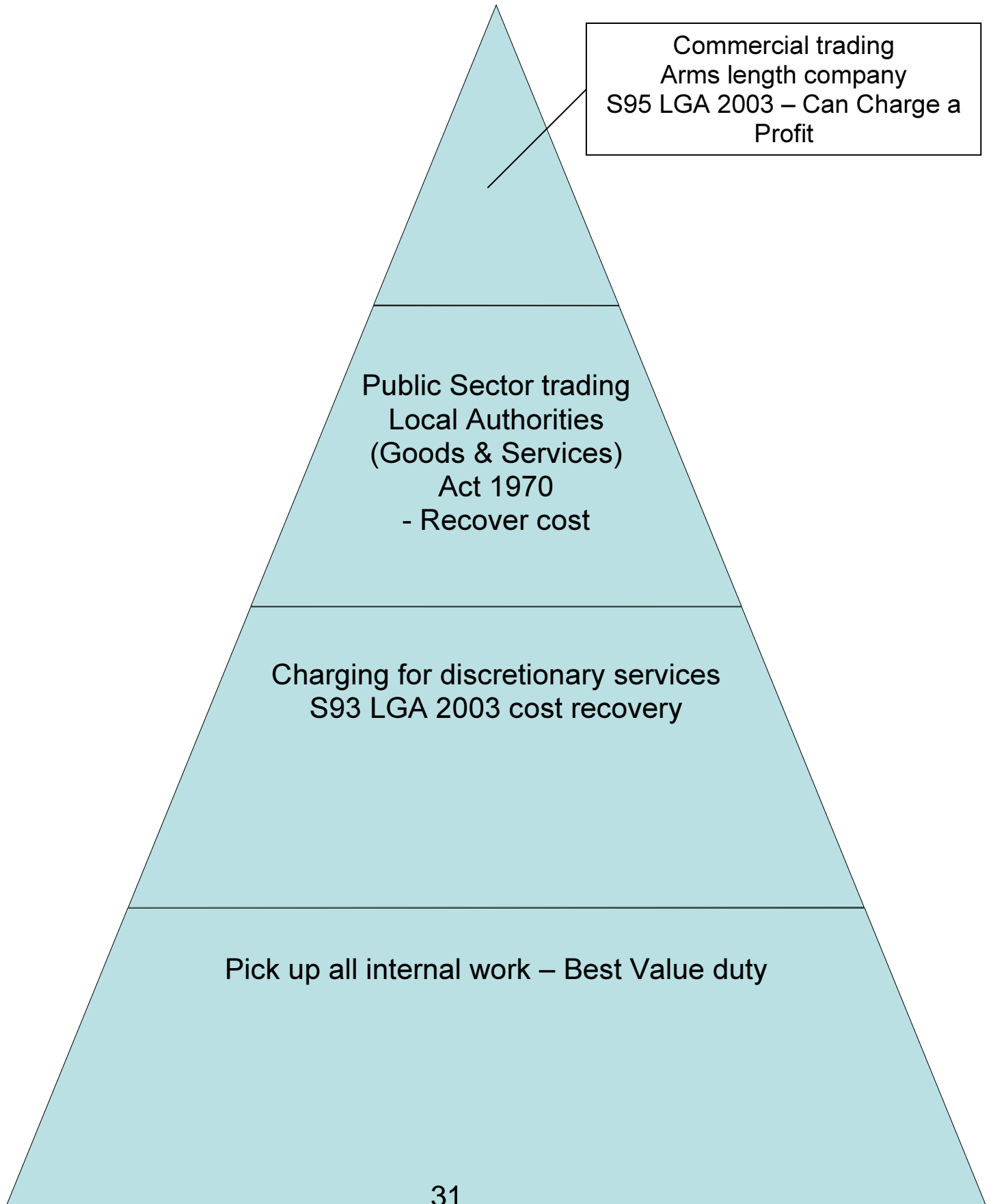
14. Could the negative impact identified in 8-13 create the potential for the policy to discriminate against certain groups?	Y	N	Please explain A robust marketing strategy will be in place with clearly defined reasoning for target customers complete with marketing assessments and viability. An analysis of the outcomes will be ongoing to ensure that no equalities groups with protected characteristics under the Equality Act 2010 will be adversely or negatively affected and to determine that the Council continues to prioritise and invest in diverse opportunities for all.				
15. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason	Y	N	Please explain for each equality heading (question 8-13) on a separate piece of paper N/A				
16. Should the policy proceed to a partial impact assessment	Y	N	If Yes, is there enough evidence to proceed to a full EIA	Y	N		
			Date on which Partial or Full impact assessment to be completed by				
17. Are there implications for the Service Plans?	YES	NO	18. Date the Service Plan will be updated	Next cycle	19. Date copy sent to Equalities Officer in Policy, Performance and Communication	19/05/2011	
20. Date reported to Equalities Board:			Date to Scrutiny and EB		21. Date published		

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Signed (completing officer)_ Ian Bourton_

Signed (Lead Officer) _____

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To: Value & Performance Scrutiny Committee

Date: 12 September 2011

Report of: Head of Environmental Development

Title of Report: Service Reconfiguration – Forthcoming Changes to Low Priority Service Request Handling.

Summary and Recommendations

Purpose of report: To outline to the Scrutiny Committee the proposed changes to service delivery to implement the savings agreed by Council

Report Approved by: Tim Sadler, Executive Director

Policy Framework: An efficient and effective Council

Recommendation(s): To comment upon the proposed changes prior to the City Executive Board sign-off of detail in October.

Background

1. Council has approved a series of savings in response to national public sector budget reductions. One saving for the years ahead is a £162k staffing reduction in the revenue budget for Environmental Development, phased over the 3 years 2012/13 to 2014/15. This saving will give rise to a service reconfiguration which will affect the handling of low priority service requests.

Service Request Prioritisation

2. The attached table sets out the services provided by Environmental Development and these are colour coded, either in green, orange or yellow. Green refers to the category of call which will be unaffected by these changes, whereas the orange category (the low priority) will be subject to change. The yellow refers to optimal services which are not currently provided but are shown for completeness of the table.

3. It can be seen from the table that the low priority service requests relate to matters that are not statutory duties for the Council and, on which the Council therefore has no obligation to intervene and in some cases no locus to become involved. Many other councils do not provide these discretionary services and Council has decided that in response to the budget pressures we need to minimise expenditure on these areas.
4. Medium and high priority service requests will continue to receive the same response as is presently delivered. These include calls about protecting the environment and people from significant forms of pollution, safeguarding health and safety via mechanisms including licensing, ensuring food is safe, that infectious disease is contained, that essential repairs and improvements are made to homes, businesses and places of work; and ensuring public health burials are properly arranged. Likewise, calls about loans and grant aid to ensure essential repair, or arrange aids and adaptations for disabled applicants, will continue to receive a full response.
5. In addition, programmes that greatly contribute to the Council's corporate priorities, such as internal carbon management, energy resource management, Low Carbon Oxford and flooding are similarly protected.

Planned Changes

6. Low priority service requests will continue to receive a response but this will be delivered by Customer Services as part of the Customer Relations Management regime (CRM). This response will be limited to advice, guidance and referral. In many instances, in practice the service will be similar to the front end service currently provided by Environmental Development, though in some cases there will be a service reduction in terms of specific individual attention that enquirers currently receive.
7. The attached diagrams compare two typical low priority service requests as handled by the current system and as planned following the change.

Achieving the Saving

8. Service requests fluctuate from month to month but there has been an overall approximate 4% rise in the number of service requests received in the last two years. At present over 70,000 service requests per annum in total are handled by Environmental Development.
9. In a typical year, around 14-15,000 service requests are low priority and to process these equates on average to 4 full time officer posts. Deletion of these 4 posts will provide the saving of £162k.

Impact of the Saving

10. Since this affects future service users and the nature of their calls is as yet unknown, the impact cannot be easily defined. However, based upon previous experience and assuming a similar distribution of calls to the last year, it is probable there will be three categories of impact.
11. In the first category, will be callers who experience little change in the actual service and therefore minimal impact. The second category will be where callers need to make private arrangements or take private action to secure the outcomes that would have been delivered by the Council and in this category the impact will be limited to the time and costs involved. Finally, in the third category there may be a minority of cases where the service user does not have the time nor the resources to resolve the problem which therefore may remain.
12. Environmental Development does not ask service users to reveal their financial standing when making a service request. The only exception to this is where means tested services are being provided and it should be noted that these are not part of the proposed changes. In view of this, it is not possible to provide any numerical analysis of probable impact upon parts of the community. An equalities impact assessment is attached.

Conclusion

13. Due to the number and diversity of service requests received, this will be a complex saving to deliver. However, officers are confident that provided all parties are clear about what services will be delivered, and this is maintained by officers and Members alike, all savings can be achieved.
14. Environmental Development will keep under review the impact of the changes. It is likely that some enquirers will be disappointed with the service and this will be tracked through the corporate complaints system and reported to Members in due course.
15. Members of Value & Performance Scrutiny may have views on the detail of where the line is drawn between services to be retained and reconfigured. In the context of the Council's budget it is important that Members understand the need to balance this to achieve the saving.

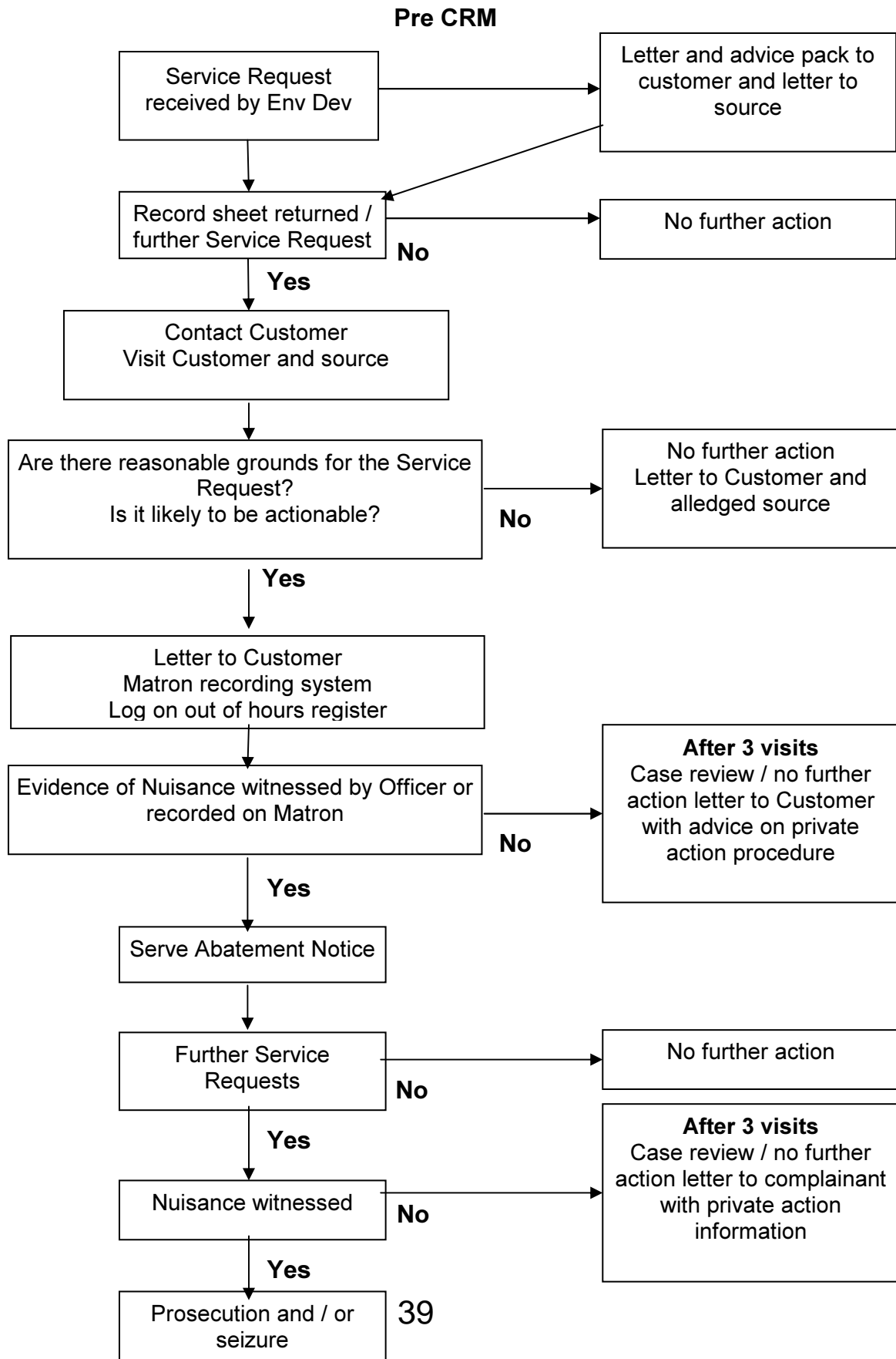
Name and contact details of author: John Copley

Version number: 1

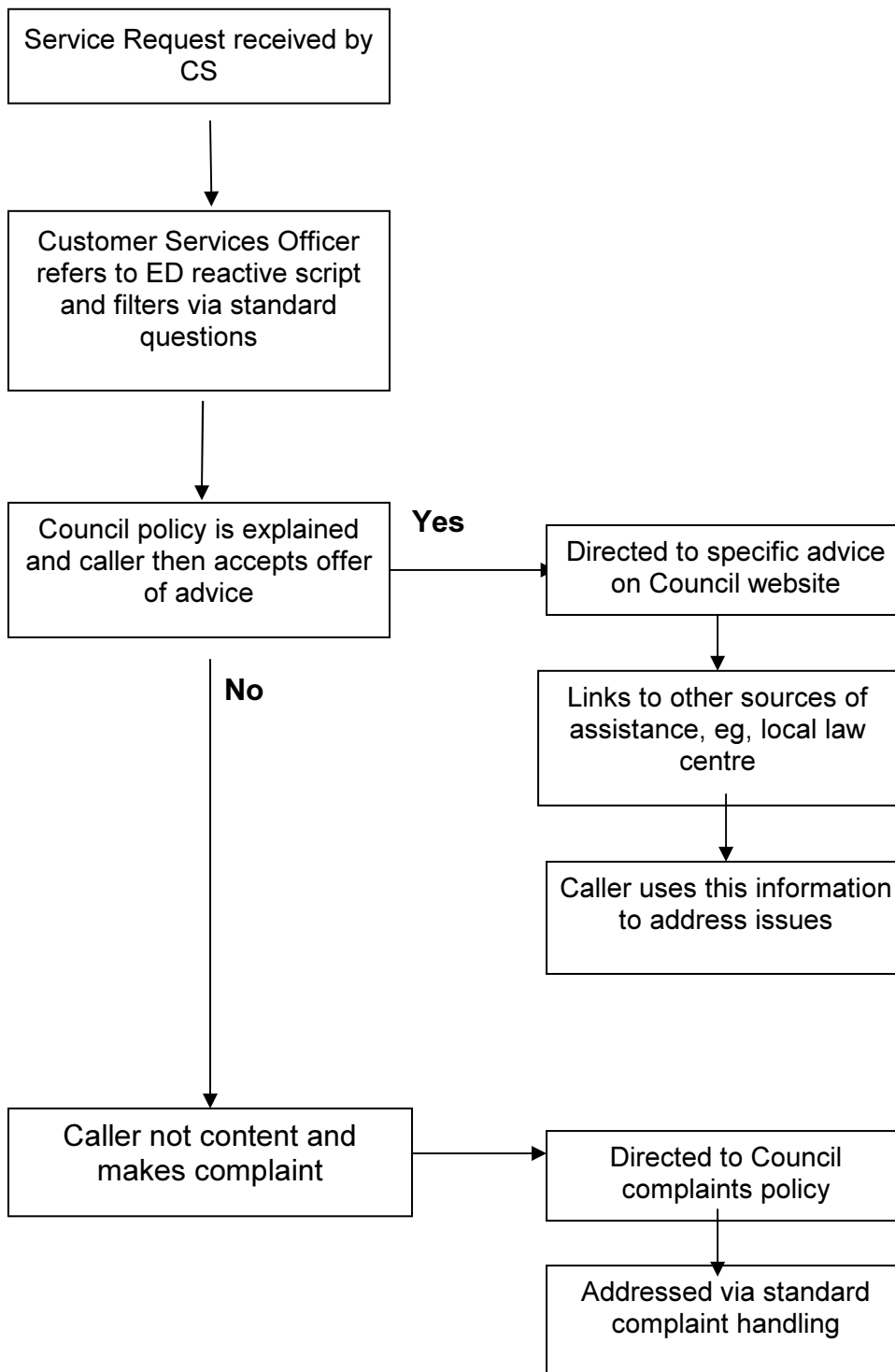
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Appendix One

Procedure for dealing with Neighbour Noise Service Requests – (e.g, customer complains about their next door neighbour playing loud music)

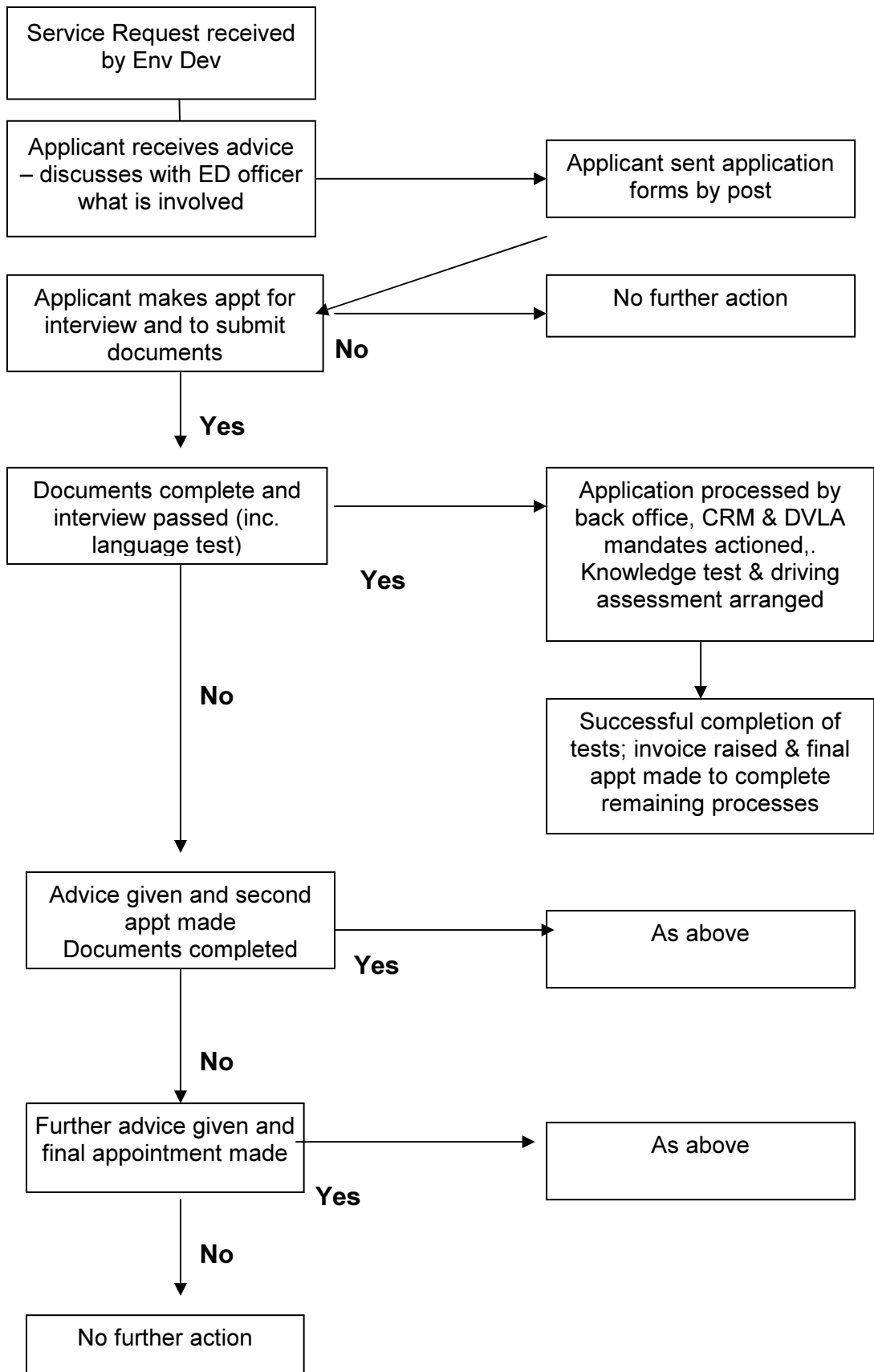


Post CRM

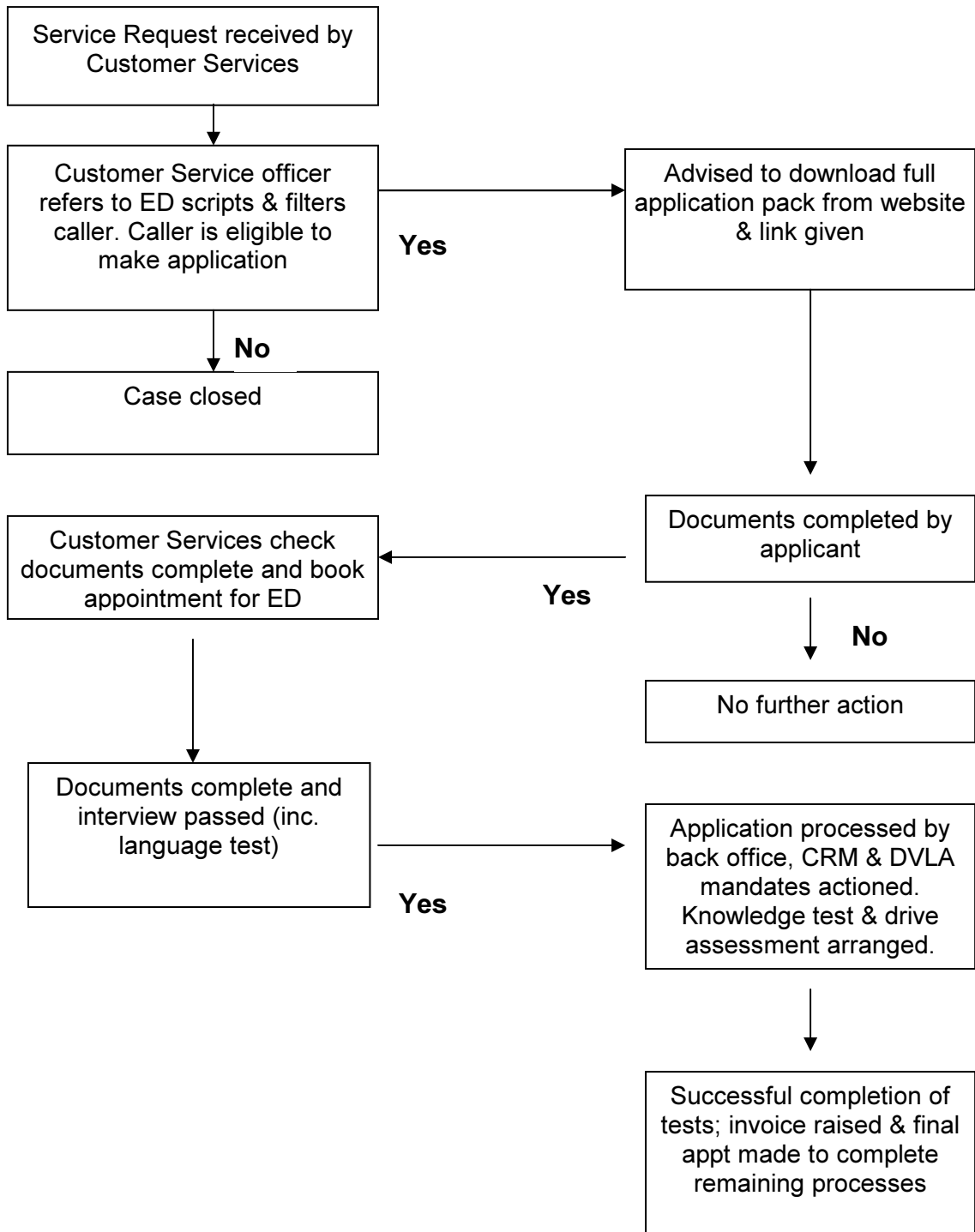


Procedure for dealing with a service request for a new Taxi Driver Licence

Pre CRM



Post CRM





Form to be used for the initial assessment

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Service Area: Environmental Development	Section: n/a	Key person responsible for the assessment: John Copley	Date of Assessment: 25/8/11	
Is this assessment in the Corporate Equality Impact assessment Timetable for 2008-11?			n/a	
Name of the Service/Policy to be assessed: CEB/SMD report: Environmental Development Service Reconfiguration – forthcoming changes to low priority service request handling.		Is this a new or existing policy		New
1. Briefly describe the aims, objectives and purpose of the policy	The aim is make changes to service delivery to implement the savings agreed by Council.			

<p>2. Are there any associated objectives of the policy, please explain</p>	<p>To ensure consistent handling of service requests falling within this category.</p>		
<p>3. Who is intended to benefit from the policy and in what way</p>	<p>The City Council and its service users through the reprioritised use of resources.</p>		
<p>4. What outcomes are wanted from this policy? The Council achieves the sought budgetary saving. Low priority service requests are handled in a uniform and consistent manner.</p>			
<p>5. What factors/forces could contribute/detract from the outcomes?</p>	<p>Due to the number and diversity of service requests received this will be a complex saving to deliver. All parties including officers and Members will need to be clear about what services will be delivered so as to achieve the target savings.</p>		
<p>6. Who are the key people in relation to the policy?</p>	<p>All staff in Customer Services and in Environmental Development. All service users making calls in this category.</p>	<p>7. Who implements the policy and who is responsible for the policy?</p>	<p>Helen Bishop – implementing officer John Copley – responsible officer</p>

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<p>8. Could the policy have a differential impact on racial groups?</p>		<p><u>NO</u></p>	
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>		
<p>9. Could the policy have a differential impact on people due to their gender?</p>		<p><u>NO</u></p>	
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>		
<p>10. Could the policy have a differential impact on people due to their disability?</p>		<p><u>NO</u></p>	
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>		
<p>11. Could the policy have a differential impact on people due to their sexual orientation?</p>		<p><u>NO</u></p>	
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>		

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<p>12. Could the policy have a differential impact on people due to their age?</p>		<p><u>NO</u></p>			
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>				
<p>13. Could the policy have a differential impact on people due to their religious belief?</p>		<p><u>NO</u></p>			
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>The mix of service users is expected to be unchanged from those currently accessing services.</p>				
<p>14. Could the negative impact identified in 8-13 create the potential for the policy to discriminate against certain groups?</p>		<p><u>n/a</u></p>	<p>Please explain No negative impact identified,</p>		
<p>15. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason</p>		<p><u>n/a</u></p>	<p>Please explain for each equality heading (question 8-13) on a separate piece of paper No, no adverse impact identified.</p>		
<p>16. Should the policy proceed to a partial impact</p>		<p><u>NO</u></p>	<p>If Yes, is there enough evidence to proceed to a full EIA</p>	<p>Y</p>	<p>N</p>

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assessment			Date on which Partial or Full impact assessment to be completed by			
17. Are there implications for the Service Plans?	<u>YES</u>		18. Date the Service Plan will be updated	For 2012/13	19. Date copy sent to Equalities Officer in Policy, Performance and Communication	25/8/11
20. Date reported to Equalities Board:	N/A		Date to Scrutiny and EB	12/9/11	21. Date published	

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Signed (completing officer): Michelle Green Signed (Lead Officer) John Copley.

Please list the team members and service areas that were involved in this process:

John Copley, Head of Environmental Development.

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VALUE AND PERFORMANCE SCRUTINY COMMITTEE

Tuesday 21 June 2011

COUNCILLORS PRESENT: Councillors Brown, Seamons (Vice-Chair), Abbasi, Gotch, Keen, McCready, Rowley, Royce, Sanders, Sinclair, Van Nooijen and Williams.

OFFICERS PRESENT: Alec Dubberley (Democratic Services Officer), Helen Bishop (Head of Customer Services), Michael Crofton-Briggs (Head of City Development), Simon Howick (Head of People and Equalities), Hagan Lewisman (City Leisure) and Tim Sadler (Executive Director for City Services)

1. ELECTION OF CHAIR FOR 2011/12 COUNCIL YEAR

Councillor Brown was elected as Chair for the 2011/12 Council year.

2. ELECTION OF VICE-CHAIR FOR 2011/12 COUNCIL YEAR

Councillor Seamons was elected as Vice-Chair for the 2011/12 Council year.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Councillors Humberstone and Malik.

Councillors Sanders and Sinclair attended as substitutes.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made.

5. STANDING ITEM: REPORT BACK ON THE COMMITTEE'S RECOMMENDATIONS TO THE CITY EXECUTIVE BOARD AND ON MATTERS OF INTEREST TO THE COMMITTEE

The Committee noted the recommendations made to the Executive Board and the response received.

6. DESTINATION MANAGEMENT ORGANISATION - BUSINESS CASE

The Head of City Development submitted a report (previously circulated, now appended) presenting the business case for the Destination Management Organisation set up to manage the tourism offer in Oxfordshire.

Michael Crofton-Briggs introduced the report reminding the Committee that the City Council had seconded its Tourist Information Centre staff to the new venture for a period of two years. The following points were raised in discussion:-

- It was noted that core funding from the City Council would reduce by 10% over the next four years and that the company would not be forecasting to make a due to its status as a not for profit company.
- The figures quoted in the business plan are best assumptions as there is no baseline data to enable an accurate forecast.
- The County Council and other Oxfordshire districts were also providing core funding although the exact amounts were still the subject of negotiations. There was no financial commitment from the City Council beyond the 4th year of the venture.
- The risk to the City Council, beyond the initial grant investment, was small with no further liability placed on the City Council. Seconded staff would return to being employed by the City Council should the venture fail.
- Buy in from the Oxfordshire tourism trade was progressing well although as the venture becomes more established, with a demonstrable track record, buy in should naturally increase.

Resolved to:-

- 1) Note the content of the business plan and financial information
- 2) Request that a progress report on the venture is brought before the Committee in one year.

7. PERFORMANCE REPORTING

The Head of Business Improvement submitted a report (previously circulated, now appended) which contained non-financial performance monitoring information for Quarter 4 of the last financial year as well as the full year results.

Also submitted was a report from the Head of People and Equalities giving information on staff days lost to sickness during the some period.

Councillor Price presented the report highlighting the following information:-

- 82% of targets were met or exceeded most notably the number of days lost to sickness and reduced household waste sent to landfill.
- Targets that were not achieved included the percentage of household waste that was recycled and number of affordable homes provided. It was recognised that the affordable homes target would be very difficult to achieve and the authority deliberately set an ambitious target. A flats recycling officer had been employed on the hope of increasing the recycling rate right across the City.

The Committee was disappointed that target CP16.10, customers getting through first time on the telephone, was not achieved despite the allocation of extra resources. The Head of Customer Services explained that demand for the call centre had consistently increased over the past year with an extra twenty

thousand calls relating to the new recycling scheme being taken as well as spikes in demand during the cold winter weather. Measures to improve the performance had been taken including staff training and alterations to shift patterns, improved call handling technology. Further improvements were expected following the merging of two call centres into one. Another way to improve performance was to make more services available online which would be happening soon.

Resolved to note the report in particular the overall pleasing performance levels across the Council.

8. PROVISIONAL OUTTURN REPORT 2010/11

The Head of Finance submitted a report (previously circulated, now appended) setting out the forecast outturn position for the Council's Capital and Revenue budgets for the year ended 31st March 2011 compared to the approved budget. In addition it provided explanations for variances from the outturn reported as at 28 February 2011.

The Head of Finance introduced the report highlighting that the general fund had a more favourable than expected surplus resulting in an additional transfer to severance and HR reserve. He added that a one of income of recovered VAT of approximately £800,000 was paid during the year. Other reasons for pressure on the budget included slippage as a result of the appointed contractor for the Old Fire Station project going into administration.

Members thanked the Head of Finance for presenting the information in an easy to understand format. The Committee expressed some concern in the following areas:-

- A high level of unachieved savings seemed to account for a large amount of the overspend in some areas
- There was a particularly high level of underspend in Housing and Communities which would not be repeated in future years once staff posts were filled.
- There was an apparent underspend on the staff training budget.

Resolved to note the report and pass the above comment to the meeting of the City Executive Board on 22 June.

9. PROGRESS ON LEISURE MANAGEMENT CONTRACT 2010/11

The Head of City Leisure submitted a report (previously circulated, now appended) providing a performance update for the leisure management contract.

Councillor Coulter, Board Member for Leisure, picked out the following points from the report:-

- Participation at all sites had increased, particularly at Barton where the most vulnerable members of the community were getting access to leisure provision.
- A reduced subsidy per user and an increase in customer satisfaction had been recorded as well as an overall reduction in Carbon emissions.
- The level of staff satisfaction at leisure centres was of concern.

In response to this the Committee raised the following points:-

- For future reports, a breakdown of subsidy per user per site would be useful to ascertain the true cost of the services provided. This was also true for levels of carbon emissions.
- Concern was expressed regarding the government's decision to withdraw free swimming for children. Take up of the free sessions provided locally had fallen since the national scheme was abolished.
- In response to a question about increased fees in response to a VAT rise, it was explained that although leisure admission charges were not subject to VAT, goods and services paid for at leisure centres were. This resulted in higher operating costs which unfortunately had to be passed on to leisure users.
- The Committee asked for the graphs to be presented in a more uniform way so that trends could be more easily identified.

Resolved to:-

- 1) Request that information subsidy cost per user per centre as well as carbon emission for each site for each user is provided in future reports; and
- 2) Request that graphs submitted to future meetings are presented in a more meaningful way.

10. WORK PROGRAMME

The Committee agreed to schedule a further informal meeting to agree a work programme for the forthcoming council year.

11. MINUTES

Resolved to approve, as a correct record, the minutes of the meeting held on 5 April 2011.

12. TIMES AND DATES OF FUTURE MEETINGS

Resolved to set the start time for future meetings to 6 pm on the following dates:-

12 September 2011
21 November 2011
30 January 2012
26 March 2012

The meeting started at 5.00 pm and ended at 7.11 pm

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