

Agenda

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Delegated Decisions of the Board Member, Finance and Efficiency

Date: **Thursday 22 December 2011**

Time: **12 noon**

Place: **Town Hall, Oxford**

For any further information please contact:

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Delegated Decisions of the Board Member, Finance and Efficiency

Board Member

Portfolio

Councillor Ed Turner

Finance and Efficiency

HOW TO OBTAIN AGENDA

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AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 DECLARATIONS OF INTEREST

Guidance on personal and personal prejudicial interests is attached to these agenda pages.

2 PUBLIC ADDRESSES

Members of the public may, if the Board Member agrees, ask a question of the Board Member on any item for decision on this agenda (other than on the minutes). The full text of any question must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by the public will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted.

The total time permitted for this item will be 15 minutes.

3 COUNCILLOR ADDRESSES

City Councillors may, at the Board Member's discretion, ask a question or address the Board Member on an item for decision on the agenda (other than on the minutes). The full text of any question and the nature of any address must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by councillors will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted. If an address is made, the Board member will either respond or have regard to the points raised in reaching her or his decision. If the address is by the Chair of a Scrutiny Committee or her or his nominee then the Board member will be required to say as part of their decision whether they accept the Scrutiny recommendations made.

4 DEBT WRITE OFFS

1 - 10

Lead Member: Councillor Turner
Report of the Head of Customer Services

This report seeks Board Member agreement to write off debts in excess of £10,000 for business debts and £5,000 for non-business debts subject to the proviso that if new information or payments are received the debts written off will be resurrected and credits applied.

5 PREVENTION, RISK MANAGEMENT AND CONTROL OF LEGIONELLA AND ASSOCIATED WORKS

11 - 16

Lead Member: Councillor Turner
Report of the Head of Business Improvement

This report sets out the procurement route that has been taken to put in place a single contract for the prevention, risk management and control of legionella and associated works and asks the Board Member to approve the award of a corporate contract for the risk management and control of legionella.

6 MATTERS EXEMPT FROM PUBLICATION

If the Board member wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board member to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

The Board member may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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.

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Insolvency – Liquidation	MLS Business Centre Ltd 2 nd Flr Front East, Mill St Account no. 711863914 Period – 01/08/07 to 31/03/08 & 01/04/08 to 10/12/08	Amount <u>£ 10,593.82</u>
Insolvency – Company dissolved	Maywand Ltd Unit D Threeways House George Street Account no. 711864938 Period – 04/05/07 to 31/11/07	Amount <u>£ 10,648.65</u>
Insolvency – Company dissolved	Apex Performance UK Ltd Unit 28 Peterley Road Account no. 711852949 Period – 01/02/06 to 31/03/09	Amount <u>£ 26,328.00</u>
Other – Statue Barred	Mr J & Mrs J Simpson Unit E, Threeways House, George Street Account no. 70791401X Period – 18,302.50	Amount <u>£ 18,302.50</u>
Insolvency – Company dissolved	Café Panini Ltd Grd-1 st Flr North Bailey House, New Inn Hall St Account no. 711853318 Period – 01/04/06 to 03/05/07	Amount: <u>£ 15,820.12</u>
Insolvency – Liquidation	Daniel Clayton & Carol Bartlett The Crown & Thistle, 132 Old Road, Headington Account no. 711868822 Period – 30/04/08 to 31/03/10	Amount <u>£ 14,517.72</u>
Insolvency – In administration	First Dragon Ltd 2 Clarendon Centre Account no. 711873205 Period – 30/06/08 to 30/01/11	Amount <u>£ 52,873.95</u>
	30 Queen Street Account no. 711879478 Period 18/11/09 to 31/03/10	Amount <u>£ 24,042.07</u>

Insolvency – Liquidation	Mainland Contractors Ltd BRS Site, Sandy Lane, West Littlemore Account no. 711875117 Period – 30/05/08 to 29/07/08	Amount <u>£ 10,760.92</u>
Insolvency – Liquidation	K&J Sewell Ltd 138-140 London Rd Account no. 711876112 Period – 18/05/09 to 02/12/10	Amount <u>£ 10,941.28</u>
Insolvency – Bankrupt	Mr Ravi Sundar Shelley Arms, 114 Cricket Rd Account no. 711877421 Period 14/11/08 to 17/11/10	Amount <u>£ 14,059.74</u>
Insolvency – Liquidation	Simple UK Ltd 213 Cowley Rd Account no. 711878098 Period 01/07/07 to 16/11/10	Amount <u>£ 29,809.61</u>
	3 King Edward Street Account no. 711878104 Period 07/07/07 to 16/11/10	Amount <u>£ 34,026.64</u>
Insolvency – Bankrupt	Mr James Mitchell The Crooked Pot, 200 Abingdon Rd Account no. 711878427	Amount <u>£ 3,177.87</u>
	The Cavalier, Corpse Lane Account no. 711880091 Period 04/01/10 to 17/12/10	Amount <u>£ 6,146.04</u>
	White House, 2 Botley Road Account no. 711877074 Period 29/05/09 to 01/02/10	Amount <u>£ 11,237.11</u>
	Bricklayers Arms, Church Lane Account no. 711868976 Period 10/06/08 to 14/05/09	Amount <u>£ 5,521.63</u>

Insolvency – Liquidation	Winner Limited 23A Westgate Account no. 711883006 Period 01/04/10 to 21/11/10	Amount <u>£ 17,851.44</u>
	Total	<u>£ 335,398.95</u>

3. Council Tax - Accounts Submitted for Write-Off

Insolvency – Bankrupt	Account no. 603119399 Period 01/04/06 to 29/11/07	Amount <u>£ 3,007.65</u>
	Account no. 603392315 Period 01/04/04 to 31/03/09	Amount <u>£ 4,525.03</u>
Insolvency – Bankrupt	Account no. 600496804 Period 01/04/96 to 31/03/07	Amount <u>£ 12,112.01</u>
Debtor cannot be traced	Account no. 600089977 Period 01/04/02 to 31/03/11	Amount <u>£ 6,496.53</u>
Insolvency – Bankrupt	Account. 600429668 Period 01/04/95 to 31/03/09	Amount <u>£ 6,384.84</u>
Debtor cannot be traced	Account no. 601091977 Period 01/04/07 to 27/11/98	Amount <u>£ 5,157.20</u>
Insolvency – Bankrupt	Account no. 601326814 Period 01/04/99 to 16/12/07	Amount <u>£ 11,823.29</u>

Insolvency – Bankrupt	Account no. 601628935 Period 04/05/02 to 31/03/08	Amount <u>£ 8,353.58</u>
Insolvency – Bankrupt	Account no. 603116810 Period 01/11/01 to 31/03/08	Amount <u>£ 8,111.46</u>
Debtor cannot be traced	Account no. 604166466 Period 01/04/08 to 13/12/10	Amount <u>£ 6,065.90</u>
Debtor cannot be traced	Account no. 604223151 Period 01/03/09 to 31/04/11	Amount <u>£ 8,091.27</u>
	Total	<u>£ 80,128.76</u>

4. Overpaid Housing Benefit - Accounts Submitted for Write-Off

Debtor Deceased – No Estate	Account no. 26368221 Period 07/10/96 to 06/12/04	Amount <u>£ 12,498.60</u>
Insolvency – Bankrupt	Account no. 26699576 Period 04/04/05 to 06/09/10	Amount <u>£ 20,436.72</u>
Debtor Deceased – No Estate	Account no. 26415310 & 26691309 Period 07/01/01 to 07/08/06 & 25/10/10 to 01/11/10	Amount <u>£ 10,669.09</u>

Insolvency – Bankrupt	Account no. 26354471, 26367743, 26406413, 26484176, 26515663 Period 27/09/99 to 18/06/07	Amount <u>£ 9,483.97</u>
Debtor Deceased – No Estate	Account no. 26468794, 26545028, 26753140 Period 03/04/00 to 21/02/05, 23/08/08 to 08/09/08, 11/07/11 to 18/07/11	Amount <u>£ 10,398.25</u>
Debtor cannot be traced	Account no. 26643409, 26643412, 26643441 Period 24/09/07 to 18/05/09 & 18/06/07 to 24/09/07	Amount <u>£ 13,494.36</u>
Other – No means to recover outstanding debt.	Account no. 26594642, 26594655,26594668,2659468, 26594697 Period 24/09/07 to 20/10/08 & 01/12/08 to 25/05/09	Amount <u>£ 8,407.29</u>
	Total	<u>£ 85,388.28</u>

5. Resurrection of Debts

- 5.1 If new information or other payments are received, the debts previously written-off will be resurrected and credits will be applied. An additional column has been added into the Provision for Bad Debt table in 7.1 of this report to show the amount of payments that have been received in this financial year in respect of debts that have been previously written off.

6. Provisions for Bad Debts

- 6.1 The information below gives details, by category, the provisions for bad debt within the General Fund at the beginning of the financial year,

write-offs approved to date in 2011/2012 and what provisions will remain if the write-offs listed above are approved.

General Fund

Debt Type	Provision at 1/4/11	Written-off to date	Credits written back to date	Remaining Provision	Amount Requested	Projected Balance
Overpaid Housing Benefit	£2,744,367	£86,569.49	£3,947.76	£2,661,745.27	£85,388.28	£2,576,356.99
Business Rates	£2,111,911	£148,814.26	£9,947.22	£1,973,043.96	£335,398.95	£1,637,645.01
Council Tax	£2,763,783	£360,786.45	£2,596.65	£2,405,593.20	£80,128.76	£2,325,464.44

7.0 Risk Assessments

7.1 A risk assessment has been undertaken and the risk register is attached at Appendix A. All risks have been mitigated to an acceptable level.

8.0 Climate Change

8.1 There are no comments in respect of Climate Change.

9. Equalities Impact

9.1 In conjunction with the Equalities Projects Officer it has been agreed there is no Equalities Impact in respect of this report.

10. Legal Implications

10.1 There are no legal implications.

11. Financial Implications

11.1 There are no comments to be made by the Finance Service.

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List of background papers: None
Version number:

Appendix A

Write Off of Uncollectible Debt Risk Register

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk					
Risk Score Impact Score: 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Almost Certain Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 =															
1	Once written off, debt needs to be re-instated Transforming Oxford City council by improving value for money and service performance	I 1	P 3	New information or payment received.	Debt resurrected. Mitigation effectiveness: high	I 1	P 3	Action: Monitoring of payments and information received on closed accounts Action Owner: Anne Harvey-Lynch Mitigating Control: Control Owner: Anne Harvey-Lynch	Outcome required: Ensure that written-off debts are monitored for payments and new information and resurrected if required Milestone date: Monthly	Q 1	Q 2	Q 3	Q 4	I	P

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To: Delegated Decision of the Board Member, Finance and Efficiency

Date: 22nd December 2011

Report of: Head of Business Improvement

Title of Report: AWARD OF CONTRACT FOR THE PREVENTION, RISK MANAGEMENT AND CONTROL OF LEGIONELLA AND ASSOCIATED WORKS

Summary and Recommendations

Purpose of report: To advise on the procurement route that has been undertaken and to request that a contract for the control of legionella and associated works be awarded to Eaton Environmental Services Ltd.

Key decision? No

Executive lead member: Councillor Ed Turner

Policy Framework: An efficient and effective Council

Recommendation(s):

That the Board Member, Finance and Efficiency:

- 1) Approves the award of a corporate contract for the risk management and control of legionella to Eaton Environmental Services Ltd. This contract will be in place for the period January 2012 to 31st December 2015 with the option to extend for up to a further two years at the Council's discretion. The total contract value over 5 years is likely to exceed £250K.
- 2) Note that this arrangement has been put in place by Oxford City Council on the basis that it may also be used by Cherwell District Council. In the event that Cherwell makes use of this arrangement, it will enter into its own contract with the supplier.

- 1.1 This report sets out the procurement route that has been taken to put in place a single contract for the prevention, risk management and control of legionella and associated works.

2. Background

- 2.1 Currently the Council does not have a single contract in place providing these services to the Council. Each building is subject to a separate annual order. A review by the Procurement Team of the Council's spend by category identified this service as one suitable for packaging into a single supply contract. Eaton Environmental Services Ltd is currently the Council's main supplier for these services with a yearly minimum spend of approximately £49K. This figure does not include any of the associated works that are then purchased to monitor and prevent the risk of legionella. The total annual expenditure is approximately £85K.
- 2.2 This is an extremely important service provided to the Council and it is essential that the supplier who provides this service has in place all the required skills, competencies and accreditations to ensure that the buildings that require this service are kept safe.
- 2.3 The current individual contracts expire on various dates but as the current contracts operate on a month by month basis they can be terminated to suit the start of the new contract. The current arrangement is not compliant with EU Procurement Regulations and does not offer any opportunity to obtain financial leverage and efficiency from having a single contract in place. The current arrangement has also not been subject to market competition.
- 2.4 Cherwell District Council requested that they be listed on the tender advert so that they could also enter into a contract with the successful supplier on the same terms.

3. Tender Process

- 3.1 The Council's aggregated spend including the additional works equates to in excess of £70K each year. The value therefore required the Council to carry out a tender in accordance with the EU Procurement Regulations. Cherwell District Council estimate their annual spending at £15K a year.
- 3.2 There are a large number of providers in the market able to offer this service. An open tender (single stage) process has been used as this made the process easier for smaller local companies to apply for the opportunity.
- 3.3 The tender opportunity was advertised in OJEU and on the South East Business Portal.

- 3.4 Seventy two suppliers looked at the tender opportunity on the portal. Eighteen tender responses were received.
- 3.5 The tender responses were evaluated by a panel of Council officers. Five submissions were immediately rejected as these were non-compliant. A further nine submissions were rejected as these exceeded the Council's budget for this service.
- 3.6 The remaining submissions were then fully evaluated taking into account technical competence, quality assurance, environmental policies, continuity plans and corporate social responsibility, insurance, health and safety, equality and diversity. The Council's Finance team undertook a full financial assessment on the bidders. The tenders were evaluated on 40% cost with 60% being allocated to the technical specification.
- 3.7 Four suppliers were invited to a meeting to clarify parts of their tender submission. Eaton Environmental Services Ltd scored highest on quality and provided the most competitive pricing.

4. Other Options

- 4.1 The Constitution and Procurement, Commissioning and Supplier Strategy advises that the Single Member Decision Process considers what other options are available before awarding a contract over £100K. These are detailed below:
 - a) Use an existing framework contract, set up by another organisation. There is no suitable contract that meets the needs of Oxford City Council.
 - b) To carry on as we are. This is not compliant with the EU Regulations and is not providing value for money.

5. Savings and other benefits of this contract

- 5.1 By carrying out the tender process and awarding a new contract the Council is ensuring it is compliant with the EU Procurement Regulations and the officers responsible for managing our properties no longer have to set up annual contracts.
- 5.2 Compared with the tender price for the same works this year the new contract will result in the new charge of £39K. This represents a saving of 19% overall and a saving to the Council of £48k over the three years.
- 5.3 Operational benefits include:

- Contract includes for the Contractor arranging access for tenanted properties as required. Previously arranged by Housing Projects in Housing areas.
- Fixed prices for 3 years unless the supplier can provide quantifiable evidence of any requested price increase.
- Includes electronic reporting and billing.
- Risk - the appointed contractor will be responsible for the control of legionella and associated works in accordance with their duties under L8 - the approved code of practice and guidance for the control of legionella bacteria in water systems.

5.4 Value for Money can be demonstrated by:-

- Cost benefits delivered through the aggregation of spend across both councils.
- Benchmarking which has taken place against current suppliers as well as
- Savings against the current pricing arrangements.

6. Financial Implications

6.1 The Council has a budget to fund the provision of this service and the savings will contribute to the Council's savings target.

7. Legal Implications

- 7.1 This contract has been procured compliantly and enables other contracting authorities to draw down its own particular contractual requirements from the appointed provider.
- 7.2 No minimum level of business is guaranteed to the provider from either of the named authorities.
- 7.3 The operating terms and conditions of the contracts have been agreed by Oxford City Council on behalf of the other contracting authority and this Council will act as the manage the contract administration by way of carrying out financial checks, insurance certificates each year. Each contracting authority will enter into its agreement to meet its own particular requirements.

8. Risk Management

Risk	Likelihood	Mitigation
Preferred supplier experiences financial difficulties	M	Regular financial monitoring will be conducted.
Contract no longer satisfies Oxford City Council needs.	L	This is a call off contract and no level of business has been guaranteed.
The Council not aware of presence of legionella bacteria	L	The appointed contractor will be responsible for the control of legionella and associated works in accordance with their duties under L8 - the approved code of practice and guidance for the control of legionella bacteria in water systems. The results of any monitoring, inspection, test or check carried out, and the dates will be issued to the Council.

9. Climate Change/Environmental Impact

9.1 No impact

9.2 The Councils will be serviced from the following location:

- Cumnor, Oxford.

10. Equalities Impact

10.1 The recommended provider supports and will adhere to the Council's Living Wage Policy.

Name and contact details of author:-

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List of background papers: None
Version number:

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