



Borough of Tamworth

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CORPORATE SCRUTINY COMMITTEE

6 August 2019

Dear Councillor

A Meeting of the Corporate Scrutiny Committee will be held in **Committee Room 1, Marmion House, Lichfield Street, Tamworth, B79 7BZ on Wednesday, 14th August, 2019 at 6.00 pm.** Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line that tapers to a point on the right.

Chief Executive

A G E N D A

NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 10)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a personal and prejudicial interest in respect of which they do not have a dispensation.

4 Chair's Update

5 Responses to Reports of the Corporate Scrutiny Committee

6 Consideration of Matters referred to the Corporate Scrutiny Committee from Cabinet / Council

7 Working Group Updates

To receive an update on Working Groups, including:

- *the Working Group Report on QPR Report Executive Summary*

8 2019/20 Forward Plan

Discussion item – link to the Forward Plan

<http://democracy.tamworth.gov.uk/mgListPlanItems.aspx?PlanId=228&RP=120>

9 Quarter One 2019/20 Performance Report (Pages 11 - 52)

10 Procurement Service and Strategy Update (Pages 53 - 74)

11 Market Tender

To receive a presentation from Head of Economic Development and Regeneration

12 Corporate Scrutiny Committee Work Plan (Pages 75 - 76)

To consider the Committee's Work Plan

13 Exclusion of the Press and Public

To consider excluding the Press and Public from the meeting by passing the following resolution:-

“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”

At the time this agenda is published no representations have been received that this part of the meeting should be open to the public.

14 Review of Cleaning Services

To receive an update from the Assistant Director Assets and to consider the Cabinet Report on the Review of Council Cleaning Services.

Access arrangements

If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail democratic-services@tamworth.gov.uk. We can then endeavour to ensure that any particular requirements you may have are catered for.

Filming of Meetings

The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.

The Protocol requires that no members of the public are to be deliberately filmed. Where possible, an area in the meeting room will be set aside for videoing, this is normally from the front of the public gallery. This aims to allow filming to be carried out whilst minimising the risk of the public being accidentally filmed.

If a member of the public is particularly concerned about accidental filming, please consider the location of any cameras when selecting a seat.

FAQs

For further information about the Council's Committee arrangements please see the FAQ page [here](#)

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To Councillors: T Jay, B Price, R Bilcliff, R Claymore, R Ford, S Goodall, Dr S People,
P Standen and M Summers



MINUTES OF A MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD ON 10th JULY 2019

PRESENT: Councillor T Jay (Chair), Councillors R Bilcliff, R Claymore, R Ford, Dr S Peale, P Standen and M Summers

The following officers were present: Jo Hutchison (Democratic Services, Scrutiny and Elections Officer)

Apologies received from: Councillor(s) B Price and S Goodall

11 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 12th June 2019 were approved and signed as a correct record.

(Moved by Councillor Dr S Peale and seconded by Councillor M Summers)

12 DECLARATIONS OF INTEREST

There were no Declarations of Interest

13 CHAIR'S UPDATE

The Chair reported that the responses to the Committee's queries on the QPR Q4 2018/19 Report had been circulated to members of the Committee and that no further comments had been raised.

The Chair reported that he proposed that the Member Support, sub-group on Communications should continue and an item remain on the Work Plan to ensure that the outcomes of the ongoing work to improve communications on, in particular, ward related matters was delivered. The Committee agreed that progress in this area was important and that the item remain on the Work Plan.

14 RESPONSES TO REPORTS OF THE CORPORATE SCRUTINY COMMITTEE

There were no matters to report on this item.

15 CONSIDERATION OF MATTERS REFERRED TO THE CORPORATE SCRUTINY COMMITTEE FROM CABINET / COUNCIL

There were no matters to report on this item.

16 WORKING GROUP UPDATES

The Chair reported that the working group looking at the QPR Report had met on 10th July 2019 and considered the potential content for an executive summary to the QPR Reports for this Committee, which it was recommended should include data from the previous 8 quarters such that trends could be identified. It was noted that the executive summary was intended to be in addition to the detailed report provided.

It was reported that further work and engagement with Officers would be undertaken by the work group before a formal report was brought back to this Committee at its next meeting. The Work plan would be updated to reflect this item.

17 2019/20 FORWARD PLAN

The Committee reviewed the Forward Plan and agreed that the following matters identified from the Forward Plan be added to the Committee's Work Plan for review at the appropriate time:

- Procurement Service and Strategy Update (August 2019)
- Local Council Tax Reduction Scheme 2020/21 onwards (November 2019)

18 CORPORATE SCRUTINY COMMITTEE WORK PLAN

The Committee considered the Committee Work Plan and agreed that items should be grouped by the meeting date at which they were due for consideration and that an additional column be added to capture the meeting at which the item was raised in order to ensure that focus was kept on the progress of items. The Committee Work Plan was updated as set out below:

Corporate Scrutiny Work Plan

Work Plan 2019 - 2020		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
August 2019	QPR Q1 2019/20 Report	Regular item
August 2019	Working group report on QPR Report Executive Summary	June 2019
August 2019	Review of Council Cleaning Services (exempt)	July 2019
August 2019	Market Tender	June 2019
August 2019	Procurement Service and Strategy	July 2019

	Update	
October 2019	Customer Portal – update on progress	
October 2019	Member Training update	June 2019
October 2019	Review of senior management restructuring	
October 2019	Garage Sites	
November 2019	QPR Q2 2019/20 Report	Regular item
November 2019	Private Sector Housing Enforcement Policy – 12 month update	
November 2019	Local Council Tax Reduction Scheme 2020/21 onwards	July 2019
December 2019	Asset Management Review update (including town centre) – Councillor R Pritchard to be invited	
December 2019	Town Centre Strategy update	June 2019
December 2019	Corporate investment strategy	
February 2019	QPR Q3 2019/20 Report	Regular item
TBC	Member Support Working group – sub group on Member Communications	
TBC	Review of Cabinet decisions over previous 12 month period	

Upcoming Corporate Scrutiny Committee Meetings

14th August 2019 (QPR Q1 focus)
8th October 2019
14th November 2019 (QPR Q2 focus)
5th December 2019
5th February 2020 (QPR Q3 focus)
12th March 2020

The Committee received the report of the Executive Director Organisation which updated the Committee on the Member Induction following the May 2019 Local Elections, in light of the recommendations of this Committee to Cabinet on 25 February 2019 and the 11 April 2019.

RESOLVED

That the Committee endorsed the report and made the following recommendations to Cabinet:

That Cabinet endorse the recommendations on Member Induction that have been implemented through the Member Induction Programme, through amendment to the Constitution in respect of the supply of paper to members, and the creation of the Members Zone

That Cabinet endorse the ICT support to members that was implemented during May 2019 for newly elected members

That Cabinet endorse the recommendation that feedback will be sought from members on the implementation of the Member Induction Programme and the ongoing training programme and the results of this feedback will be provided to the Corporate Scrutiny Committee within 6 months

That Cabinet endorse that an update on the level of member attendance at all training sessions will be made available to the Corporate Scrutiny Committee.

(Moved by Councillor R Ford and seconded by Councillor M Summers)

20 EXCLUSION OF THE PRESS AND THE PUBLIC

RESOLVED: That members of the press and public be now excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

(Moved by Councillor T Jay and seconded by Councillor Dr S Peuple)

21 REVIEW OF CLEANING SERVICES

The Committee received and considered a confidential report from the Assistant Director Assets. The Committee agreed to make a recommendation to Cabinet following its consideration of the report.

Chair

DRAFT

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WEDNESDAY, 14 AUGUST 2019

REPORT OF THE LEADER OF THE COUNCIL

QUARTER ONE 2019/20 PERFORMANCE REPORT

EXEMPT INFORMATION

None

PURPOSE

This report aims to provide Corporate Scrutiny Committee with a performance update and financial healthcheck. The report will then be considered by Cabinet on 5th September 2019.

RECOMMENDATIONS

It is recommended that Corporate Scrutiny Committee endorses the contents of this report.

EXECUTIVE SUMMARY

This report is divided into the following sections:

1. Overview of corporate plan actions and corporate risks,
2. Impact of welfare benefit reform,
3. Medium term financial strategy,
4. Financial healthcheck

OPTIONS CONSIDERED

Not applicable.

RESOURCE IMPLICATIONS

There are none directly arising from the report.

LEGAL/RISK IMPLICATIONS BACKGROUND

There are none.

EQUALITIES IMPLICATIONS

There are none.

SUSTAINABILITY IMPLICATIONS

There are none.

REPORT AUTHOR

John Day

APPENDICES

Quarter One 2019/20 Performance Report

Quarter One 2019/20 Performance Report

This report is divided into the following sections:

1. Overview of corporate plan actions and corporate risks,
2. Impact of welfare benefit reform,
3. Medium term financial strategy,
4. Financial healthcheck

List of appendices

- Appendix A** 2019 to 2022 Corporate Plan actions update,
- Appendix B** Corporate Risks,
- Appendix C** General Fund & Housing Revenue Account main variances,
- Appendix D** Capital programme monitoring,
- Appendix E** Treasury management update.

1. Overview of corporate plan actions and corporate risks

The Executive Leadership Team identified projects from the Corporate Plan, the monitoring of which would form the basis for this section of the quarterly performance report.

Project highlight reports for each of these are included at **Appendix A**.

Details on the Corporate Risk Register are included at **Appendix B**.

2. Impact of Welfare Benefit Reform on Council services

Quarterly updates are presented to monitor the impact of welfare benefit reform changes on Council services including customer demand via monitoring of calls/contacts together with the financial impact of collection and demand for benefits and effect on income streams such as rent, council tax and business rates.

Benefits

A reduction in the number of DHP claims is reported - DHP claims paid total £33k (£14k lower than at June 2018 - £47k) with 72 successful claims from 104 applications (compared to 113 successful claims from 158 applications at June 2018). There is a one week backlog (0.5 weeks as at June 2018) of claims still to be processed which may increase this figure.

Live caseload figures are 221 lower than 2018/19 – currently 5,431 (5,652 at June 2018). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was 7.5 days to June 2019 (12.8 days to June 2018).

NNDR

Reminders (382 at June 2019) are higher than 2018/19 levels (305 at June 2018) with summons and liability orders at higher levels than 2018/19. Enforcement agent referrals are higher than 2018/19 levels (28 referrals to June 2019 compared to 10 at June 2018).

Collection performance is below target due to recent assessment changes which we expect to collect to bring collection back on track - current year collection levels are at 28.6%, below target by 0.3% at 30 June. Court costs of £2k are as anticipated.

Arrears collected for 2018/19 are 7.1% compared to a target of 6.5%.

Council Tax

Reminders are 260 higher than 2018/19 levels (6,204 at June 2019 compared to 5,944 at June 2018) with summonses, liability orders and attachment of earnings also at higher levels. Enforcement agent referrals are 18% higher than 2018/19 levels (256 referrals to June 2019 compared to 217 at June 2018).

Current year collection levels at 30.1% are ahead of the target of 29.9% at June 2019 (with a target of 98% for the 2018/19 financial year). Court cost income is ahead of that anticipated by £8k at £54k.

Arrears collection for 2018/19 is at the target of 23.1% - work on further approaches to realise more Council Tax revenue is in place.

Collection Fund – the estimated surplus is £28k for the year with a LCTS projected underspend of £18k (total £46k).

Housing

Summary information provided below explains numbers in receipt of Universal Credit:

Indicator	Qtr. 4 2018/19	Qtr 1 2019/20
Number of Council Tenants on Universal Credit	645	736
Number of Council Tenants on Universal Credit in Rent Arrears	443	591
Percentage of Council Tenants on Universal Credit in Rent Arrears	68.7%	80.3%
Number of Council Tenants on Universal Credit not in Rent Arrears	202	145
Percentage of Council Tenants on Universal Credit not in Rent Arrears	31.3%	19.7%

Bad debt is forecast to increase in the future as more cases of Universal Credit come on board.

Total rent arrears (excluding former tenants) at 30 June 2019 were £653k compared to £494k at 31 March 2019 – an increase of £159k (compared to a £262k increase as at 30 June 2018).

Total arrears (including former tenant arrears, recharges, court costs and garages etc.) are £2.02m at 30 June 2019, compared to £1.84m at 31 March 2019, an increase of £186k (compared to a £244k increase between 31 March 2018 and 30 June 2019).

Total arrears (including garages etc.) were £1.84m at 31 March 2019 compared to 31 March 2018 - £1.68m (£155k higher).

There were 2 evictions during Quarter 1 2019/20 compared to 3 during Quarter 1 of 2018/19.

There were no court cases where bedroom subsidy, cap or other is the primary reason for possession proceedings (1 to June 2018).

Universal Credit

With regard to the roll out of universal credit, the current indicators show:

Indicator	Qtr 1 2018/19	Qtr 2 2018/19	Qtr 3 2018/19	Qtr 4 2018/19	Qtr 1 2019/20
live caseload figure	5,652	5,599	5,551	5,514	5,431
Number of Universal Credit claimants in Tamworth	1,494	1,905	2,235	2,682	2,979
Number of Council Tenants on Universal Credit	445	523	589	645	736
Number of Council Tenants on Universal Credit and in Rent Arrears	0	441	473	443	591
Percentage of Council Tenants on Universal Credit and in Rent Arrears	-	84.3%	80.3%	68.7%	80.3%
Number of Council Tenants on Universal Credit and not in Rent Arrears	0	82	116	202	145
Percentage of Council Tenants on Universal Credit and not in Rent Arrears	-	15.7%	19.7%	31.3%	19.7%
Number of Council Tax Payers on Universal Credit	368	529	632	745	867
Number of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	83	161	218	261	200
Percentage of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	22.6%	30.4%	34.5%	35.0%	23.1%
Number of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	285	368	414	484	667
Percentage of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	77.5%	69.6%	65.5%	65.0%	76.9%
Number of Universal Credit claimants nationally	920,000	1,100,000	1,426,540	1,736,431	2,046,443
Discretionary Housing Payments made - Year to date	46,720	76,487	102,769	140,303	33,116
Amount of Discretionary Housing Payments made to Universal Credit claimants - Year to date	19,324	34,343	50,115	82,001	17,894

3. Medium Term Financial Strategy 2017 to 2022 monitoring

The budget setting process has faced significant constraints in Government funding in recent years - over 50% in real terms since 2010. The four year Local Government Finance Settlement confirmed in February 2016 that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020 – and suggests that the key challenges that the Authority is currently addressing are likely to become greater.

The Council is responding to these challenges by considering the opportunities to grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents.

The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities.

More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services.

We continue to invest in our teams, transform our processes and ensure our technology infrastructure is fit for purpose. We have identified a number of opportunities to improve customer access to information and services as well as our engagement with our citizens and the way in which we manage our data and information.

The adoption of 'Demand Management' as the primary operating model and the targeting of resources via locality based commissioning and delivery has enabled greater effectiveness in service delivery. As part of a 'Tamworth Community Offer' we will:

- Improve our use of 'insight' in shaping services and directing investment;
- Better align service delivery to ensure we act with purpose and are accountable;
- Support the Demand Management model with prevention approaches which seek to tackle causes and reduce costs;
- Develop approaches which genuinely 'empower' individuals and communities;
- Support a transformed dialogue with residents - recognising that our financial capacity will be less than in previous years which means educating and supporting communities to focus resources on 'needs' and being clear on what we are able to do and equally what we can't.

Key to this will be the application of existing and new technology to capture, collate and analyse customer insight, intelligence and data so as to understand not just the 'need' but the cause, behaviours or decisions creating the need. Then by the application of locality based commissioning for example, it can commission services that either intervene or prevent future need thereby reducing demand.

This approach will change the organisation and how it works; will require Members to take difficult decisions and adhere to them; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

Linked with this, the 'Delivering Quality Services' project continues to review processes and demand, with the aim of re-designing processes to meet changing customer expectations and making the best use of technology to deliver efficient and effective services to the customer, including self-service and digital functionality.

This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

Corporate Management Team (CMT) and Cabinet review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the planned savings to support our Medium Term Financial Strategy (MTFS) – as outlined below.

Work is continuing on a number of actions to address the financial position in future years:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response).
A savings target of £100k p.a. has already been included within the MTFS together with reduced CRM costs of £62k p.a. from 2019/20.
- Recruitment freeze – there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;
- Spend freeze – A review of the underspend position has been undertaken with a view to drive out as many savings as possible – and has identified annual savings of c.£450k p.a. from 2019/20. There was a £2.3m underspend in 2018/19 – although much of this arose from windfall income, c. £0.7m was lower level underspends.
A review of the underspend position is planned with a view to driving out as many savings as possible.
- Alternative investment options arising from the Commercial Investment Strategy (as well as the Treasury Management Investment Strategy) to generate improved returns of c. 4% to 5% p.a. (plus asset growth);
A savings target to return c.4% p.a. from the planned investment of £12m in Diversified Property Funds has already been included from 2019/20.
- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs (if needed);
- Targeted Savings – to identify potential areas for review in future years; and
- Review and rationalisation of IT systems.
- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of a fund for transformation (if needed); and
- Targeted Savings – to identify potential areas for review in future years.

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation in 2020/21 arising from:

- The Government's Fair Funding Review (FFR) of the distribution methodology including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding from 2021/22.
- Spending Review 2019 (SR19) – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It has already been announced that significant additional funding will be diverted to the NHS which could mean further reductions for other Departments including Local Government;
- The ongoing review of the Business Rates Retention (BRR) scheme – the Government announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned with work progressing on the design of the new system including the impact of 'rolling in' grants such as Housing Benefit administration and New Homes Bonus;
- The planned reset of the Business Rates baseline for each Council from 2020/21 and redistribution of the growth achieved since 2013 (of over £1m p.a.);
- Uncertainty over the ongoing funding for the New Homes Bonus scheme, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Council's no longer receive grant).

In addition, the next planned national Business Rates Revaluation will take effect from 2021/22 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2021 valuation list.

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils' finances.

General Fund

The updated forecast as at June 2019 is detailed below:

	General Fund						
MTFS Projections 2018/19 - 2024/25	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2019	(5,796)	(4,388)	(2,363)	(519)	1,264	3,296	5,329
Revised Stress Tested Forecasts:							
Best Case Revised Forecast Balances - June 2019	(6,112)	(7,170)	(6,409)	(5,300)	(4,277)	(2,888)	(1,301)
Central Case Revised Forecast Balances - June 2019	(6,112)	(6,070)	(3,465)	(1,715)	45	2,170	4,492
Worse Case Revised Forecast Balances - June 2019	(6,112)	(6,213)	(2,745)	421	3,782	7,492	11,450

Currently, the central case projections identify a shortfall in General Fund balances of £0.5m over 3 years (compared with a forecast shortfall in the February 2019 MTFS projections of £1.8m) – with a shortfall of £2.7m to 2023/24 increasing to £5m over 5 years (the shortfall was previously forecast at £3.8m in 2023/24), including the minimum approved level of £0.5m;

Further savings of around £0.2m p.a. will be required over the next 3 years (based on annual 2.99% increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.1m over 3 years.

The central forecast has been updated to include:

- a) The final outturn for 2018/19 – additional balances of £0.3m from a higher than forecast underspend position of £2.3m. A projected overspend of £0.3m for 2019/20 has been included (plus the potential for returned business rates levy from GBSLEP of £0.3m following finalisation of the audit process);
- b) Lower treasury management investment interest of £0.2m over 3 years from 2020/21 – forecast increases in the Bank of England base rate have been delayed due to the ongoing uncertainty regarding the Brexit process; This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.3m in 2020/21;
- c) Reduced income from rents and service charges of c.£0.15m p.a.
- d) Potential savings in contingency budgets - General Contingency £100k p.a. (no change in Waste Management, NNDR reserve and Assembly Rooms / income contingencies);

- e) Potential savings of £0.2m p.a. arising from a review of the 2018/19 outturn underspend of £2.3m;
- f) £1.2m from a review of reserves;
- g) Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter) has been assumed under the central case forecast, £0.2m over 3 years;
- h) A 2.5% p.a. pay award increase has been included within the MTFs – no change has been assumed;
- i) Costs / savings from the planned CCTV and Cleaning service reviews.

No change to the impact from the Business Rates Baseline reset – c. £1.2m p.a. reduced income / increased tariff from 2020/21 from a reset to the Council's baseline need level has already been included. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2019 have been included given the uncertainty. Should the implementation of the reviews be delayed, then this could mean retention of an additional c.£1m business rates income which has been included under the best case forecast.

The Bank of England has already indicated that should the UK leave the EU with no deal then this could adversely affect the economy and measures would need to be taken – this could have a significant impact on the finances of the Council but cannot be accurately quantified at this stage (impact on base rate / investment interest, local economy / business rates income, council tax income etc.). This could mean a loss of income of c.£4m over 4 years which has been included under the worst case forecast.

Housing Revenue Account

The updated forecast as at June 2019 is detailed below:

	Housing Revenue Account						
MTFS Projections 2018/19 - 2024/25	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2019	(3,622)	(3,507)	(3,227)	(3,168)	(2,057)	(2,327)	(2,597)
Revised Stress Tested Forecasts:							
Best Case Revised Forecast Balances - June 2019	(4,485)	(4,435)	(4,182)	(4,191)	(3,162)	(3,488)	(3,754)
Central Case Revised Forecast Balances - June 2019	(4,485)	(4,435)	(4,155)	(4,109)	(2,996)	(3,238)	(3,421)
Worse Case Revised Forecast Balances - June 2019	(4,485)	(4,384)	(3,024)	(1,814)	485	1,455	2,487

Currently projections identify HRA balances of £3m over 3 years (compared with a forecast in February of £2.1m) with balances of £3.2m over 4 years to 2023/24 increasing to £3.4m over 5 years (balances were previously forecast at £2.3m in 2023/24), including the minimum recommended balances of £0.5m.

The central forecast has been updated to include:

- The final outturn for 2018/19 – additional balances of £0.9m from a higher than forecast underspend position of £1.5m. A projected underspend of £0.1m for 2019/20 has been included;
- Lower treasury management investment interest of £0.1m over 3 years from 2020/21 – forecast increases in the Bank of England base rate have been delayed due to the ongoing uncertainty regarding the Brexit process;
- Potential savings of £67k p.a. arising from a review of the 2018/19 outturn underspend of £1.5m;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter) has been assumed under the central case forecast, £60k over 3 years;
- A 2.5% p.a. pay award increase has been included within the MTFS – no change has been assumed;
- No changes have been assumed regarding from the planned stock condition survey and ongoing repairs contract arrangements (however, additional cost pressures in these areas of c.£1m p.a. have been assumed under the worst case forecast).

4. Financial Healthcheck

Executive Summary

This section to the report summarises the main issues identified at the end of June 2019.

General Fund

Revenue

GENERAL FUND	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	570	586	16	1,338	1,356	18
AD Growth & Regeneration	289	256	(33)	1,671	1,746	75
ED Organisation	153	135	(18)	465	475	10
AD People	756	778	22	398	442	44
AD Operations & Leisure	999	1,041	42	2,392	2,547	155
ED Finance	30	32	2	-	7	7
AD Finance	1,253	1,298	45	1,651	1,604	(47)
AD Assets	(214)	(272)	(58)	(992)	(992)	-
AD Neighbourhoods	344	113	(231)	1,578	1,578	-
AD Partnerships	125	134	9	902	961	59
Total	4,305	4,101	(204)	9,403	9,724	321

The General Fund has a favourable variance against budget at Period 3 of £204k.

- The projected full year position identifies an unfavourable variance against budget of £321k or 3.41%.
- This projection has highlighted several budget areas for concern (detailed at **Appendix C**).
- A balance of £272k was held in the General Contingency Budget at the end of June 2019.

Capital

GENERAL FUND	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000
Chief Executive	730	-	-	-	730	730	-	-	730
AD Growth & Regeneration	721	366	332	(33)	841	841	-	-	841
ED Organisation	-	-	-	-	-	-	-	-	-
AD People	174	189	94	(95)	234	234	-	-	234
AD Operations & Leisure	3,032	780	794	14	3,110	3,110	-	-	3,110
ED Finance	-	-	-	-	-	-	-	-	-
AD Finance	12,131	12,131	-	(12,131)	12,131	12,131	-	-	12,131
ED Communities	-	-	-	-	-	-	-	-	-
AD Assets	376	557	347	(210)	1,101	1,101	-	-	1,101
AD Neighbourhoods	79	42	12	(30)	79	79	-	-	79
AD Partnerships	92	-	-	-	92	92	-	-	92
GF Contingency	595	595	-	(595)	595	476	(119)	-	476
TOTAL GENERAL FUND	17,929	14,660	1,579	(13,080)	18,912	18,793	(119)	-	18,793

- Capital expenditure incurred was £1.579m compared to a profiled budget of £14.660m.
- It is predicted that £18.793m will be spent by the year-end compared to a full year budget of £18.912m (this includes re-profiled schemes from 2018/19 of £17.929m).
- A summary of Capital expenditure is shown at **Appendix D**.

Treasury Management

- At the end of June 2019 the Authority had £64.439m invested in the money markets. The average rate of return on these investments is 1.04% though this may change if market conditions ease.
- Borrowing by the Authority stood at £63.060m at the end of June 2019, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.05%.
- A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings can be found at **Appendix E**.

Balances

Balances on General Fund are projected to be in the region of £4.384m at the year-end from normal revenue operations compared to £4.388m projected within the 2019/20 budget report.

Housing Revenue Account (HRA)

Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
HRA Summary	(4,318)	(4,453)	(135)	(3,704)	(3,784)	(80)
ED Communities	27	29	2	-	-	-
AD Operations & Leisure	43	47	4	167	183	16
AD Assets	200	212	12	402	402	-
AD Neighbourhoods	552	511	(41)	3,250	3,250	-
Housing Repairs	1,009	941	(68)	-	-	-
Total	(2,487)	(2,713)	(226)	115	51	(64)

- The HRA has a favourable variance against budget at Period 3 of £226k.
- The projected full year position identifies a favourable variance against budget of £64k. Individual significant budget areas reflecting the variance are detailed at **Appendix C**.

Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000
AD Assets	22,254	7,846	5,320	(2,526)	31,181	28,711	(2,470)	2,470	31,181
HRA Contingency	100	100	-	(100)	100	100	-	-	100
TOTAL HOUSING REVENUE ACCOU	22,354	7,946	5,320	(2,826)	31,281	28,811	(2,470)	2,470	31,281

- Housing Capital expenditure of £5.320m has been incurred as at the end of Period 3 compared to a profiled budget of £7.946m.
- It is predicted that £28.811m will be spent by the year-end compared to the full year budget of £31.281m (including £22.354m re-profiled from 2018/19);
- Members are asked to approve the virement of £1,000,000 from CR7003 Regeneration General to CR7004 HRA Acquisitions. Budget code CR7004 is used for the purchase of properties on the open market, acquisitions are funded in part (maximum 30%) through 1-4-1 right to buy (RTB) receipts with the remainder being funded through other capital receipts and revenue contributions from the HRA. In order to spend all of the available 1-4-1 funds there is a need to increase the HRA funded proportion of the capital funding allocation. The virement of funds from CR7003 to CR7004 will allow us to purchase sufficient properties to maximise use of 1-4-1 monies as they are time limited and would have to be repaid to MHCLG if not spent. We are currently looking at the property market with a view to acquiring properties that become available.
- A summary of Capital expenditure is shown at **Appendix D**.

Balances

- Balances on the Housing Revenue Account are projected to be in the region of £4.434m at the year-end compared to £3.507m projected within the 2019/20 budget report – additional balances of £0.9m.

CORPORATE CAPITAL STRATEGY		
Workstreams	Lead	RAG status
MTFS to include consideration of Capital Expenditure (Due October 2019)	LP	
Monthly Capital Monitoring Reports (On going from June 2019)	LP	
Review Capital Appraisal Process (Due October 2019)	LP	
Review Asset Management Strategy – incorporating revised Stock Condition Survey (Due 2020/21)	PW	
Review of Building Repairs Fund (BRF) (Due October 2019)	PW / LP	
Review of Commercial Property – monitoring of performance to be established (Due October 2019)	PW / LP	

Key milestones achieved

- Capital Strategy included with Budget and MTFS to be presented to Cabinet 24th January and Joint Scrutiny Cttee 30th January
- Feedback received from Link Asset Services and subsequent amendments/updates made to strategy
- ASSG meetings scheduled 1/4ly in diaries starting 28/03/19.

PRIORITY REVIEW - CLEANERS

Workstreams	Lead	RAG status
Project Scoping	PW	
PID	PW	
Demands analysis	TW	
Review of staffing needs and costing/Service standards	TW	
Implementation	PW	

Key milestones achieved

- Project scoped, PID completed and agreed
- Demands analysis complete
- Service standards and staffing inputs mapped
- Costed model produced
- Report presented to CMT

PRIORITY REVIEW – LEISURE SERVICES		
Workstreams	Lead	RAG status
Evidence gathering	SMcG/KM	
Review Information- to meet with ED Communities and ED DCE, AD Partnerships to discuss options leisure requirements	AG/SMcG	

Key milestones achieved

PRIORITY REVIEW - CCTV		
Workstreams	Lead	RAG status
Project Resourcing	TMM	
Shared Service – ICT Ankerside & Business continuity	GY	
Shared Service – Mobilisation to WMCA (investment and SOPs)	MB	
Shared Service – OOH procedures, bollard management and key control	LB	
Communications Planning	LR	
TUPE & Staffing Matters	JN	
Shared Service – Surveillance Commissioner Standards	LB/JS	
Commercial development – Tamworth; Castle; Assembly Rooms	Relevant AD	

Key milestones achieved
<ul style="list-style-type: none"> • Cabinet decision – 020719 approved shared service – Scrutiny recommendations and amendment to support as closely as possible • Appointments & Staffing report diarised for 17-7-19 • Monthly Project Group meetings in diary until 2020 • Meeting on 050719 to map above work-stream and formalise key leads and tasks

DELIVERY & APPROVAL OF THE TAMWORTH COMMUNITY OFFER		
Workstreams	Lead	RAG status
Creating and using Knowledge and Insight	ZW	
Service Offer	RB	
Collaborative Partnerships	RB	
Project Governance	RB	

Key milestones achieved
<ul style="list-style-type: none"> • Member zone established • TSP re-established Partnership Plan agreed

RISK MANAGEMENT STRATEGY		
Workstreams	Lead	RAG status
Review of current reporting process / format		
Rationalize and Co-ordinate mitigating actions		
Identification of Corporate Risks- ensure all captured, aligned and reported		

Key milestones achieved
<p>Appointment of consultants to assist with undertaking the review and project scoped</p> <p>Review of current risk undertaken and new grouping proposed(reduction to 14 categories)</p> <p>Appointment of "Service Risk Champions"</p>

IMPLEMENT CUSTOMER PORTAL		
Workstreams	Lead	RAG status
CRM – Workflow360 <ul style="list-style-type: none"> Processes with Civica for building 	Jon McDevitt	
Portal – Portal 360 <ul style="list-style-type: none"> Processes with Civica for building 	Jon McDevitt	

Key milestones achieved
<ul style="list-style-type: none"> 06/06/2019 Conference call between TBC, Civica and Orchard to discuss integration of portals. Address data verified 12/06/2019 Project working team meeting to discuss CRM UAT, training and Go Live 17/06/2019 Civica presentation of Move In/Out and Complaints process design 20/06/2019 TBC review of Move In/Out and Complaint process 26/06/2019 TBC review of existing forms for inclusion in Move In/Out and Complaints process Installation of Portal software LLPG addresses loaded in to Test Workflow360

ICT STRATEGY		
Workstreams	Lead	RAG status
ICT Strategy		

Key milestones achieved
<ul style="list-style-type: none"> Initial phase completed May 2019 Short term priorities planned in ICT work plans Long term actions to be factored into ICT Strategy

ORGANISATIONAL DEVELOPMENT STRATEGY		
Workstreams	Lead	RAG status
Organisational Development Strategy		

Key milestones achieved
<ul style="list-style-type: none"> Initial scoping session complete First draft circulated to project team for comment

REPAIRS & INVESTMENT CONTRACT		
Workstreams	Lead	RAG status
Appoint external support [Complete]	PW	
Agree & Purchase SOR	PW	
Finalise 5-year work programmes & Budgets	PW/LP	
Update Repairs & Void Policies	PW/TM	
Scope Call Centre Requirements	PW/ZW	
TUPE matters	PW/ZW	
Tenant & Leasehold Consultation	PW/TM	
Procurement of main contract (June 2019 to start)	PW	
Mobilisation (December 2019 to start)	PW	
IT Requirements & Implementation	GY	
Communications with Members	PW	

Key milestones achieved
<ul style="list-style-type: none"> Cabinet approval received to proceed with Procurement of new contracts (Dec 2018). TCG informed of decision. External Support now appointed [Anthony Collins & Rand Associates] Stage 1 Leaseholder consultation letters drafted ready for release on Friday 5th April. Initial TUPE data supplied by Wates Stage 1 of tender process commenced.

COMPLETION OF NEW COUNCIL HOUSING AT TINKERS GREEN & KERRIA		
Workstreams	Lead	RAG status
Developer procurement	PW	Green
Decant and empty property management	TM	Green
Land and property acquisition and retail	PW	Yellow
Demolition	PW	Green
Communication	LR	Green
Local Lettings Policy	TM	Red

Key milestones achieved
<ul style="list-style-type: none"> • Contract in place • Clerk of Works appointed • Homes England funding confirmed and spent • Demolition of both sites complete • Construction work underway on both sites. • Handover schedule in place with first units due for completion in July 2019 • Revised handover schedule on target for Autumn 2020 completion

WELFARE REFORM		
Workstreams	Lead	RAG status
Project group TORs	TMM	Green
Transition FTAs to Finance	LB/LP	Yellow
Impact Universal Credit Welfare Reform	LB/MB	Yellow
Third Sector Commissioning	LB/JS	Yellow
Self-assessment & Accreditation	TMM	Yellow
Digitisation and links to Portal	LB/HoCS	Yellow

Key milestones achieved

HOUSING STRATEGY		
Workstreams	Lead	RAG status
Housing Strategy	J Sands	Green

Key milestones achieved
<ul style="list-style-type: none"> • Draft tender document out for comment until 17th June 2019 • Publish on Intend by 30th June 2019 • Tender document loaded on Intend for response by 31st July 2019

ALLOCATIONS POLICY		
Workstreams	Lead	RAG status
Governance	TMM	Green
ICT Banding, testing and modelling	JW	Green
Policy revisions and Impact Assessment (inc legal)	DK (& Trowers)	Green
Consultation & Comms	LR	Green
Local Lettings Planning (Tinkers & Kerria)	TMM/JoM	Yellow
Risk Management	GS	Green

Key milestones achieved
<ul style="list-style-type: none"> • Last ELT Update 070619 – comprehensive details provided • Full Council – extraordinary meeting 191119 (Approve Allocations policy) • H&W Scrutiny invited October 2019 • Interim consultation report available – continues until end of august 2019 • Trowers engaged for policy/impact assessment review and support

LEISURE STRATEGY		
Workstreams	Lead	RAG status
Review evidence from leisure services priority review	AG/SMcG	Yellow
Prepare brief for Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	Green
Appoint external consultants for the both	AG/SMcG	Green
Produce both Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	Green
Endorse both Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	Green

Key milestones achieved
Evidence gathering underway

OPENING OF THE NEWLY REFURBISHED ASSEMBLY ROOMS		
Workstreams	Lead	RAG status
Business plan- currently being updated	Adey Ramsel	Yellow
Communications Plan	Linda Ram	Green
Marketing Plan	Anna Toone	Green
Operational Procedures	Jody Ross	Green
Food and Beverage offer	SMcG	Yellow
Licensing	Jody Ross	Light Green
Technology infrastructure	G Youlden	Light Green
Project design and Build	T Hobbs	Yellow
Public Realm	SMcG	Red
Opening events	A Ramsel	Green

Key milestones achieved
High level plastering complete Completion programme achieved with handover date of 1/11/19

TOWN CENTRE PROGRAMME		
Workstreams	Lead	RAG status
Town Centre Strategy	Matt Fletcher	Orange
Gungate Masterplan	David hunter	Green
TIC	Matt Fletcher	Green
Place Investment Strategy	Matt Fletcher	Orange
Car Parking Strategy	Matt Fletcher	Orange
Market re-tender	Matt Fletcher	Green
Communications and Engagement	Zoe Wolicki	Green
Town Centre Funding Applications	Matt Fletcher	Green

Key milestones achieved
<p>Town Centre Strategy</p> <ul style="list-style-type: none"> TBC has led on a GBSLEP piece of work on Town Centre Ecosystems that will inform our strategy - due October TBC piloting an approach with GBSLEP on Town Centre Investment Models, that will inform our strategy - due October 2019 <p>Gungate Masterplan</p> <ul style="list-style-type: none"> Developed a strong dialogue with NCP land assembly discussions have progressed draft masterplan issued that has cabinet support in principle

Place Investment Strategy

- outline proposals of strategy submitted to CMT

Market re-tender

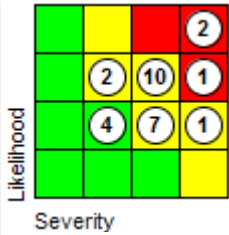
- Cabinet approval given for permission to go out to tender

Town Centre Funding Applications

- Future High Streets Fund (FHSF) Submitted
- FHSF decisions received – pass ported through to next round with support from High Street Task Force
- Heritage Action Zone bid submitted

Corporate Risk Register

Corporate Risk Register – Heat Map









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Title	Description
Finance	To ensure that the Council is financially sustainable as an organisation

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Funding gaps	01-Jul-2019	3	3	9	
Business Rates Retention	01-Jul-2019	3	3	9	
New Homes Bonus	01-Jul-2019	3	2	6	
Welfare and Benefit Reform	01-Jul-2019	3	3	9	
Failure to manage budgets	01-Jul-2019	3	2	6	




Title	Description
Modernisation & Commercialisation Agenda	Develop and implement continuous improvement and develop employees to perform the right work

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Contract Management & Procurement	01-Jul-2019	2	2	4	
Management of Assets	27-Jun-2019	2	2	4	
New Revenue Streams	01-Jul-2019	3	3	9	
Workforce Planning Challenges	27-Jun-2019	3	2	6	
Continuous Improvement	27-Jun-2019	2	2	4	
Partnerships fail	27-Jun-2019	3	2	6	




Title	Description
Governance	Ensure that processes, policies and procedures are in place and the authority is held to account

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Democratic Process	27-Jun-2019	3	3	9	
Assurance Process	03-Jul-2019	2	3	6	
Legislation	27-Jun-2019	3	2	6	
Policies & Procedures	27-Jun-2019	3	2	6	
Ethics	03-Jul-2019	2	2	4	




Title	Description
Community Focus	To ensure the safety, health and wellbeing of the citizens of the borough

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Community Cohesion & Engagement	27-Jun-2019	3	3	9	
Safeguarding Children & Adults (including Modern Slavery)	03-Jul-2019	2	3	6	
Emergency Planning	28-Mar-2019	3	2	6	



Title	Description
Economic Growth & Sustainability	To ensure that the economic growth and sustainability of the borough is maintained




Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Regeneration	03-Jul-2019	3	3	9	
Housing Needs	27-Jun-2019	3	3	9	
Economic Changes	03-Jul-2019	3	3	9	

Title	Description
Information Safeguarding	To ensure that our data is protected

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Data Protection	27-Jun-2019	4	3	12	
Cyber Security	27-Jun-2019	4	2	8	
Business Continuity	27-Jun-2019	3	3	9	

Title	Description
Brexit	The Impact of Brexit upon the Council

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Financial	08-Jul-2019	4	4	16	
The Impact of Brexit upon the Council	08-Jul-2019	4	4	16	

Risk Status	
	High Risk
	Medium Risk
	Low Risk

General Fund – Main Variances

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Ad Operations & Leisure	Public Spaces	Vacancy Allowance	-	(20,130)	20,130	(80,540)	80,540	-	Vacancy Allowance
Ad People	ICT	Vacancy Allowance	-	(8,700)	8,700	(34,850)	34,850	-	Vacancy Allowance
Page 39 Ad Neighbourhoods	Homelessness	Provision For Bad Debts	1,103	58,900	(57,797)	58,900	-	58,900	Report to go to Cabinet re write off of historical B&B debt
		Bed And Breakfast Cost	16,429	52,020	(35,591)	208,080	-	208,080	Report will be going to Cabinet outlining changes to charging policy for B&B
		Bed & Breakfast Income	(5,931)	(51,030)	45,099	(208,070)	-	(208,070)	
	Homelessness Strategy	Government Grants	(145,855)	-	(145,855)	-	-	-	HQN working on updating the evidence base for the homelessness strategy which will result in a detailed spending plan for homeless based prevention activity - report due to cabinet Dec 2019 as part of the MHCLG requirement
Ad Growth & Regeneration	Development Control	Fees & Charges Planning App	(136,098)	(50,010)	(86,088)	(200,010)	-	(200,010)	£100k of income was received in advance in 2018/19 and was brought forward into 2019/20. This relates

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
									to work carried out early in the new financial year in respect of the golf course development. It is too soon to predict if total income for the year will exceed budget.
Page 40 Ad Finance	Benefits	Rent Allowances	1,525,952	1,679,700	(153,748)	7,200,960	(642,270)	6,558,690	Based on DWP Est Claim P3
		Council Tenant Rent Rebates	2,303,601	2,189,720	113,881	8,253,350	(272,620)	7,980,730	
		Council Tenant Grant	(2,262,306)	(2,149,680)	(112,626)	(8,102,660)	184,590	(7,918,070)	
		Private Tenant Grant	(1,471,257)	(1,625,000)	153,743	(6,968,280)	599,210	(6,369,070)	Based on e-Fins @ p3
		Overpayment Private Tenant	(68,876)	(85,350)	16,474	(341,340)	65,840	(275,500)	
		Pt Overpayment Recovery	20,477	-	20,477	-	81,910	81,910	
	Ct Overpayment Recovery	23,135	-	23,135	-	92,540	92,540		
Benefits Administration	Government Grants	(61,162)	(5,890)	(55,272)	(10,730)	-	(10,730)	UC/New Burdens Grants not budgeted - no variance reported as yet	
Ad Finance	Corporate Finance	Consultants Fees	77,823	31,260	46,563	125,000	(30,000)	95,000	Projected underspend reflects limited spend in first quarter
		Contribution To Reserves	-	-	-	1,350,000	700,000	2,050,000	Provision for levy payment should it be required

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
		NNDR Levy Payments	-	-	-	965,810	(700,000)	265,810	Unlikely to pay over levy to GBSLEP under pooling pilot arrangements
	Treasury Management	Miscellaneous Interest & Dividends	(165,270)	(104,610)	(60,660)	(418,410)	(242,640)	(661,050)	Higher than budgeted investment balances
		Property Fund Dividends	(30,436)	(60,000)	29,564	(240,000)	91,250	(148,750)	Lower income due to lower investment of £3.85m to date

Housing Revenue Account – Main Variances

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Housing Repairs	Repairs Contract	Responsive Repairs	267,876	333,000	(65,124)	1,332,000	-	1,332,000	Works are reactive in nature and are dealt with ad-hoc on request
		Voids	379,856	193,250	186,606	773,000	-	773,000	There have been a number of high-cost voids, these will need to be monitored through the year as some expenditure will be capital in nature and will result in recoding to the capital budgets.
		Periodic Electrical Testing	-	77,058	(77,058)	308,230	-	308,230	Spend currently sits in the response code and will need to be recoded out.
		Planned Maintenance	275	44,475	(44,200)	177,900	-	177,900	Works being programmed in for completion.
HRA Summary	H R A Summary	Provision For Bad Debts	128,279	200,000	(71,721)	200,000	-	200,000	Bad debt is likely to increase whilst the rollout of UC continues. Income recovery remains a priority to limit any increase in arrears.
HRA Summary	H R A Summary	Rents	(4,657,808)	(4,606,921)	(50,887)	(17,364,550)	(80,000)	(17,444,550)	Rent income is currently exceeding budget due to void levels being lower than budgeted. The acquisition programme also continues to provide additional properties let at Affordable Rent and offset those sold under the Right to Buy.

Capital Programme Monitoring

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Chief Executive										
Gungate Development	730	-	-	-	730	730	-	-	730	Work ongoing to develop plans for the site
Service Area Total	730	-	-	-	730	730	-	-	730	
AD Growth										
Castle Mercian Trail	576	330	330	-	576	576	-	-	576	-
Gateways	139	30	(1)	(31)	259	259	-	-	259	Funds for Phase 3 (Corporation St)
Cultural Quarter - Carnegie Centre	6	6	3	(3)	6	6	-	-	6	-
Service Area Total	721	366	332	(33)	841	841	-	-	841	
AD People										
Replacement It Technology	69	84	54	(29)	129	129	-	-	129	Commitments for replacement servers & penetration testing
EDRMS (Electronic Document Records Management System)	50	50	-	(50)	50	50	-	-	50	Budget to be spent in line with any requirements of the Customer Portal/CRM/integration project
Income Management & Receipting System	10	10	10	(0)	10	10	-	-	10	Will complete shortly
New Time Recording System 17/18	15	15	-	(15)	15	15	-	-	15	To be progressed
Self Service Customer Portal	30	30	30	(1)	30	30	-	-	30	This stage of the project will complete this year
Service Area Total	174	189	94	(95)	234	234	-	-	234	

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
AD Operations & Leisure								-		
Wigginton Park Section Section 106	10	-	-	-	10	10	-	-	10	Plans to deliver scheme in line with Wigginton Park Management Plan
Broadmeadow Nature Reserve	17	-	-	-	17	17	-	-	17	Ongoing works to complete management plan and HLS agreement
Public Open Space Section 106	10	-	-	-	10	10	-	-	10	Spend in line with work plan
Street Lighting	7	-	4	4	35	35	-	-	35	Works to be delivered in line with 30 year project plan
Local Nature Reserves	23	-	-	-	23	23	-	-	23	Works ongoing to deliver items from management plan for various LNRs
Community Woodland Cycleway	200	-	-	-	200	200	-	-	200	Variation to design spec to be included with Amington Community Woodland
Amington Community Woodland	302	30	34	4	352	352	-	-	352	Out to consultation and design phase - intended for works to be completed over the winter months
3G Sports Facility	310	-	-	-	310	310	-	-	310	Agreement with Sport England signed work due to start on site with completion expected by end of November
Assembly Rooms Development	2,053	750	756	6	2,053	2,053	-	-	2,053	Building works to be completed Summer 2019

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Indoor and Outdoor Sports Feasibility	100	-	-	-	100	100	-	-	100	Consultation due to be completed October - looking to link in with review of Gungate site and strategy for the whole borough
Service Area Total	3,032	780	794	14	3,110	3,110	-	-	3,110	
AD Finance										
Property Funds	8,131	8,131	-	(8,131)	8,131	8,131	-	-	8,131	£8.131m re-profiled to 2019/20 for investment once the economic situation becomes clearer
Sohay Tamworth LTD LATIC	4,000	4,000	-	(4,000)	4,000	4,000	-	-	4,000	-
Service Area Total	12,131	12,131	-	(12,131)	12,131	12,131	-	-	12,131	
AD Assets										
Disabled Facilities Grant	72	234	184	(50)	722	722	-	-	722	Budget expected to be spent in full
Agile Working Phase 2	124	124	-	(124)	124	124	-	-	124	Scheme not yet identified.
Energy EFF Upgrade Commercial and Industrial Properties	-	19	-	(19)	75	75	-	-	75	Works done on ad-hoc basis as units become vacant
Castle Grounds Toilet Refurbishment	180	180	163	(17)	180	180	-	-	180	Works on site due to complete late Jul, early Aug
Service Area Total	376	557	347	(210)	1,101	1,101	-	-	1,101	
AD Neighbourhoods										
Homelessness Reduction Act	30	30	-	(30)	30	30	-	-	30	Funds carried forward from 2018/19, spend expected in line with capital appraisal

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
CCTV Camera Renewals	49	12	12	(0)	49	49	-	-	49	Spend in 2019/20 in support of CCTV service review
Service Area Total	79	42	12	(30)	79	79	-	-	79	
AD Partnerships										
Private Sector Coalfields Fund	92	-	-	-	92	92	-	-	92	Funds re-profiled from 2018/19 - programme to be developed
Service Area Total	92	-	-	-	92	92	-	-	92	
GF Contingency										
Gf Contingency	35	35	-	(35)	35	35	-	-	35	Will require approval from Cabinet to release funds
Cont-Return On Investment	160	160	-	(160)	160	160	-	-	160	To be released for CCTV investment costs
GF Contingency Plant and Equipment	100	100	-	(100)	100	100	-	-	100	Contingency for plant and equipment purchases supported by a business case approach
Civil Contingencies Technology 17/18 (Contingency)	19	19	-	(19)	19	-	(19)	-	-	No longer required
Refurbishment of Marmion House Reception (Contingency)	100	100	-	(100)	100	-	(100)	-	-	Unlikely to be required / wider review underway
GDPR Compliance (Contingency)	31	31	-	(31)	31	31	-	-	31	Review underway, but will require approval from Cabinet to release funds
Mobile Phone Contract (Contingency)	20	20	-	(20)	20	20	-	-	20	Review underway, but will require approval from Cabinet to release funds

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	130	-	-	130	Review underway, but will require approval from Cabinet to release funds
Service Area Total	595	595	-	(595)	595	476	(119)	-	476	
GENERAL FUND TOTAL	17,929	14,660	1,579	(13,080)	18,912	18,793	(119)	-	18,793	

HOUSING REVENUE ACCOUNT										
Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
AD Assets										
Structural Works	-	75	90	15	300	300	-	-	300	Works done on an ad-hoc basis
Bathroom Renewals	30	172	6	(167)	598	598	-	-	598	Expected to be spent in full by year end
Gas Central Heating Upgrades and Renewals	203	375	40	(335)	889	889	-	-	889	
Kitchen Renewals	36	295	55	(240)	1,073	1,073	-	-	1,073	
Major Roofing Overhaul and Renewals	-	228	(0)	(228)	911	911	-	-	911	
Window and Door Renewals	-	162	96	(66)	649	649	-	-	649	
Neighbourhood Regeneration	-	187	-	(187)	749	749	-	-	749	Budget profile to be reviewed
Disabled Facilities Adaptations	24	77	20	(57)	236	236	-	-	236	Expected to be spent in full by year end
Rewire	-	91	-	(91)	362	362	-	-	362	
CO2 / Smoke Detectors	-	16	24	8	64	64	-	-	64	
Insulation	-	4	-	(4)	18	18	-	-	18	
Strode House Car Park and Garages	171	171	171	(0)	171	171	-	-	171	
Renew High Rise Lifts	280	280	-	(280)	280	-	(280)	280	280	Old project still on site, new lifts won't commence until next year.
High Rise Lift Renewals 2012	158	158	42	(116)	158	158	-	-	158	-
Fire Upgrades To Flats 2012	1,985	1,452	1,452	0	1,985	1,985	-	-	1,985	Due to complete Dec 2019

Sheltered Schemes	-	25	-	(25)	100	100	-	-	100	Plan to spend budget currently being developed
Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Energy Efficiency Improvements	-	18	-	(18)	70	70	-	-	70	Projects have been identified
High Rise Balconies	43	43	29	(14)	43	43	-	-	43	Scheme almost completed
Works to High Rise Flats	863	863	711	(152)	863	863	-	-	863	-
Retention of Garage Sites	-	125	(0)	(125)	500	500	-	-	500	Scheme with Members for decision
Capital Salaries	-	50	-	(50)	200	200	-	-	200	-
Tinkers Green	10,753	931	958	27	10,753	9,413	(1,340)	1,340	10,753	Project due to complete Autumn 2020 - budget profile to be reviewed
Kent Estate Project	6,762	476	546	70	6,762	5,912	(850)	850	6,762	Project due to complete Autumn 2020
Regeneration General	-	500	7	(493)	2,000	2,000	-	-	2,000	Subject to virement £1m to CR7004
Other Acquisitions	946	1,071	1,072	1	1,446	1,446	-	-	1,446	Subject to virement £1m from CR7003 - should be fully spent by year end
Service Area Total	22,254	7,846	5,320	(2,526)	31,181	28,711	(2,470)	2,470	31,181	
HRA Contingency										
HRA Contingency	100	100	-	(100)	100	100	-	-	100	Will require approval from Cabinet to release funds
Service Area Total	100	100	-	(100)	100	100	-	-	100	
HRA Total	22,354	7,946	5,320	(2,526)	31,281	28,811	(2,470)	2,470	31,281	

Treasury Management Update – Period 3 - 2019/20**Investments held as at 30th June 2019:**

Borrower	Deposit £	Rate %	From	To	Notice
National Westminster Bank plc	4,001,189	0.95%	05-Jul-18	05-Jul-19	-
National Westminster Bank plc	4,001,183	1.1300%	27-Nov-18	26-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Bank of Scotland	2,000,000	1.1000%	03-Jan-19	03-Jan-20	-
Bank of Scotland	2,000,000	1.1000%	04-Jan-19	03-Jan-20	-
Lloyds Bank	1,000,000	1.1000%	08-Feb-19	07-Feb-20	-
Bank of Scotland	2,000,000	1.1000%	11-Feb-19	10-Feb-20	-
Barclays Bank	3,000,000	0.8900%	12-Mar-19	12-Sep-19	-
Thurrock Council	7,000,000	1.1200%	13-Mar-19	13-Feb-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Barclays Bank	2,000,000	0.8400%	05-Apr-19	07-Oct-19	-
Thurrock Council	3,000,000	0.9000%	10-Apr-19	10-Oct-19	-
National Westminster Bank plc	2,000,791	0.9200%	28-Jun-19	26-Jun-20	-
Goldman Sachs	10,000,000	1.17%	-	-	180 day
Santander	10,000,000	1.00%	-	-	180 day
MMF – PSDF	2,199,000	0.74%*	-	-	On call
MMF – Federated	3,000,000	0.96%*	-	-	On call
MMF – Federated	1,236,731	0.75%*	-	-	On call
Total	64.438	1.04 (avg)			

* Interest rate fluctuates daily dependant on the funds investment portfolio, rate quoted is approximate 7 day average.

External Borrowing as at 30th June 2019:

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
475875	8.875%	1,200,000	29/04/1995	25/04/2055
478326	8.000%	1,000,000	17/10/1996	17/10/2056
479541	7.375%	1,000,000	28/05/1997	28/05/2057
479950	6.750%	2,000,000	02/10/1997	03/09/2057
481087	5.625%	3,000,000	22/06/1998	22/06/2058
481641	4.500%	1,400,000	09/10/1998	09/10/2058
483694	4.875%	92,194	21/12/1999	18/10/2059
488835	5.000%	2,000,000	01/07/2004	01/07/2034
490815	4.250%	1,000,000	24/11/2005	24/05/2031
494265	4.430%	2,000,000	21/01/2008	01/01/2037
494742	4.390%	700,000	15/08/2008	15/08/2058
500759	3.520%	5,000,000	28/03/2012	28/03/2053
500758	3.510%	5,000,000	28/03/2012	28/03/2054
500757	3.510%	5,000,000	28/03/2012	28/03/2055
500761	3.510%	5,000,000	28/03/2012	28/03/2056
500755	3.500%	5,000,000	28/03/2012	28/03/2057
500756	3.500%	3,000,000	28/03/2012	28/03/2058
500753	3.500%	1,000,000	28/03/2012	28/03/2059
500760	3.490%	5,000,000	28/03/2012	28/03/2060
500762	3.490%	5,000,000	28/03/2012	28/03/2061
500754	3.480%	5,668,000	28/03/2012	28/03/2062
504499	3.230%	3,000,000	30/11/2015	30/11/2065
Total		63,060,194		

CORPORATE SCRUTINY COMMITTEE

14 AUGUST 2019

REPORT OF THE EXECUTIVE DIRECTOR FINANCE

PROCUREMENT SERVICE & STRATEGY UPDATE

PURPOSE

To inform Corporate Scrutiny of the activity of the Procurement function during 2018/19, to notify of completion of agreed actions set out in the previous Procurement Strategy, and to seek agreement for the future approach of the Procurement team.

RECOMMENDATIONS

To consider the following report and endorse the recommendations included.

CABINET

15 AUGUST 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

PROCUREMENT SERVICE & STRATEGY UPDATE

PURPOSE

To inform Cabinet of the activity of the Procurement function during 2018/19, to notify of completion of agreed actions set out in the previous Procurement Strategy, and to seek agreement for the future approach of the Procurement team.

RECOMMENDATIONS

Cabinet are requested to:-

- 1) Note the contents of the report;**
- 2) Approve the future approach for the Procurement team.**

EXECUTIVE SUMMARY

Procurement Activity Update

During the financial year 2018/19, the Procurement team has:

- worked on a total of 41 new Quick Quotes and 21 new tenders, as well as completing a number of projects carried over from 2017/18;
- reported orders raised with a value of £5k and over, and details of the procurement exercise undertaken for each, to CMT on a quarterly basis, prior to publication on the internet as required by the Local Government Transparency Code;
- continued to publish details of our contract register on a quarterly basis, and to ensure details of our tender opportunities and contract awards are reported on Contracts Finder;
- worked with managers and budget holders to embed the use of Pentana as a contract management and reporting tool, and to assist managers with managing their tenders and Quick Quotes and achieving compliance with processes and procedures by means of triggers and actions to be completed.

There has been a recent increase in suppliers scrutinising the Council's procurement processes and this reflects a trend happening generally across the public sector. The Council has robust and compliant procurement procedures that have enabled it to provide comprehensive responses when required and to defend complaints when they have occurred. Whilst such scrutiny is still the exception rather than the rule this trend is expected to continue to grow as suppliers become increasingly knowledgeable and inquisitive. It is therefore important that compliance with UK regulations, Financial Guidance and Procurement procedures continues.

However, a recent internal audit review highlighted a number of areas where managers have not been complying with Procurement guidance or updating the contract register on a timely basis, and further training/update sessions are planned for later this Summer once the current re-organisation has been implemented and new managers are in post.

This will also include reference to the sanctions / consequences for staff who do not comply with or directly ignore Financial and Procurement Guidance, to ensure the procurement process is correctly followed. Contract Standing Orders contained within Financial Guidance state that:-

1. All employees must comply with these standing orders, the relevant regulations relating to Public Contracts and with financial regulations when procuring goods and services;
2. All Directors have primary responsibility for ensuring compliance within their service areas.

Furthermore, it is worth noting that 'Brexit' will not result in any immediate changes in current regulations. Once the UK has left the EU, amended procedures are a possibility for the future, depending on the terms negotiated for continuing trade arrangements, however, it should be noted that many of the current EU regulations were proposed and supported by the UK government, and are now enshrined in UK legislation.

Contracts and Savings

Appendix A details all tenders and Quick Quotes resulting in a contract award during 2018/19 (completed projects only). This includes ongoing contracts and one-off purchases, and details the savings against identified budgets on each.

Based on the budgets and contract values identified, savings achieved totalled £289k during 2018/19. Of these, £68k related to capital scheme budgets and £136k to one-off revenue spend. Ongoing revenue savings of £85k over the term of the contracts awarded have been identified, of which £2k has been applied as savings as part of the 2019/20 budget process. Further annual savings resulting from procurement will be considered as part of the 2020/21 budget process.

Implementation of Procurement Strategy

The Council's most recent Procurement Strategy approved by Cabinet in 2013 included a number of improvements and an action plan for implementation. These improvements mainly concerned procedures and documentation around tender authorisation and quick-quote templates; recording and monitoring of contracts on Pentana; and staff training/briefing sessions. All actions set out in the strategy have been completed, however it is recognised that there is an ongoing need:

- for staff training and refresher/briefing sessions covering Procurement issues, as detailed above;
- to further embed the use of Pentana as part of the procurement and contract management process and to ensure managers update the information relating to their contracts on the system;
- to further develop the In-Tend system if this can offer improvements over current processes, for example, the implementation of Evaluation and Contract Management modules.

These actions could be picked up as part of the service delivery plan/business planning process and do not necessarily warrant a separate strategy document.

In their National Procurement Strategy issued in 2014, the Local Government Association set out a number of recommendations for district councils, which reflected the requirement of the UK Public Contracts Regulations coming into force at the time, and also initiatives around collaboration, making savings and encouraging SMEs. Again, the Council has made good progress in complying with these recommendations, where opportunity to do so is available and where these have been beneficial to Tamworth. **Appendix B** details the recommendations set out and action taken by the Council in response to them.

National Procurement Strategy for Local Government in England 2018

Last year the LGA issued a new National Procurement Strategy, which builds on the previous strategy from 2014, and covers a number of themes, as follows:-

- Showing leadership
- Engaging councillors
- Engaging senior managers
- Working with partners
- Engaging strategic suppliers
- Behaving commercially
- Creating commercial opportunities
- Managing contracts and relationships

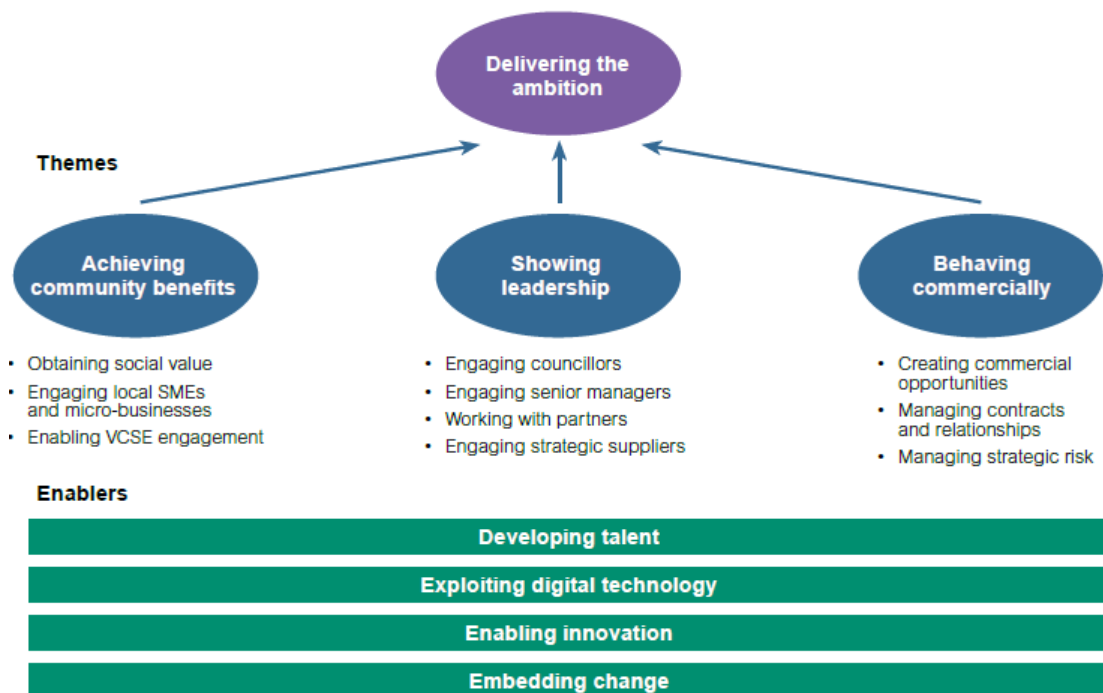
- Managing strategic risk
- Achieving community benefits
- Obtaining social value
- Engaging local SMEs and micro-businesses
- Enabling Voluntary, Community and Social Enterprise (VCSE) engagement

Whilst not including any specific recommendations for district councils, the strategy invites Councils to measure their progress and assess themselves against a criteria/scale of behaviours ranging from minimum; developing; mature; leader; and innovator. The Strategy also sets out a number of cross-cutting issues ('enablers') to be addressed – developing talent; exploiting digital technology; enabling innovation; and embedding change.

The themes are presented as maturity models to make objective setting and measurement easier. A toolkit has been developed to accompany the strategy with the purpose to help councils set local goals and assess their progress. The toolkit is for guidance only as a 'one-size-fits-all' approach is not supported by the sector or advocated in the strategy.

The choices will reflect local priorities and the resources available to the council. It is recognised, of course, that district councils may have different objectives to larger councils. Consequently, there is nothing 'wrong' about a council setting 'developing' or 'mature' (for example) as its target level of maturity in a particular area; it can be entirely appropriate.

An overview of the strategy is shown below.



For each of the key areas within each theme, an assessment of the Council's current position has been undertaken as well as any further action needed.

The Strategy includes many areas of good practice but much of it is practical only for County or Unitary authorities with large Procurement teams routinely letting bigger contracts than we do at Tamworth. To implement much of it would require greater engagement from staff across the Council and investment/additional resources to implement. It is therefore recommended that we give consideration to the Strategy but take action only on those areas appropriate and beneficial to Tamworth, and that such actions are built into the business planning process rather than set out in a formal strategy document. **Appendix C** sets out a summary of the requirements of the 2018 National Procurement Strategy, an assessment of our current position, and indicates actions that would need to be taken for Tamworth to improve under the requirements of the Strategy.

Future Approach of the Procurement Team

Under the organisational review, the Procurement function now reports directly to the Operations Accountant within the Finance team. It is intended that the links between procurement and the creditor payment process and management of the supplier database can be improved, and there will be more staffing resource available to support the Procurement function. As previously, the focus of the Procurement Team will be to support managers in undertaking procurement by developing processes and procedures in line with legislation and best practice, establishing standard documentation and templates, managing the In-Tend system, providing advice and guidance, and providing training in line with need/legislative changes. Where specific action is required to develop and improve the Procurement function within the Council, this will be included within the service business plan, and monitored in the usual way through Pentana. Cabinet are requested to endorse this approach.

RESOURCE IMPLICATIONS

None as a direct result of this report.

RISK/LEGAL IMPLICATIONS

Compliance with the Council's Financial Guidance and Standing Orders is key to ensuring adherence to EU and UK Public Contracts regulations.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, telephone 01827 709242 or email stefan-garner@tamworth.gov.uk.

APPENDICES

Appendix A – Contracts Awarded 2018/19

Appendix B – LGA National Procurement Strategy for 2014

Appendix C – LGA National Procurement Strategy for 2018

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ITT Ref. No.	Description of Goods/Service	Budget (£'s)	Contract Value (£'s)	Saving (£'s)	Cost Centre / Account Code	Name of Project Manager	Comment
17/017	Customer Portal	£255,000	£216,000	£39,000	CH2853 & GH0207	Mike Buckland	£2k ongoing revenue saving applied 2019/20
17/021	Stray Dog Control Services	£75,000	£87,505	-£12,505	GW0101 / 46010	Steve Lewis	
18/001	Bailiffs	£808,000	£808,000	£0	GG0301, GG0303 & GG0302/ 32005	Mike Buckland	
18/002	Housing Stock Condition Survey	£60,000	£48,750	£11,250	NOT PROVIDED (TO BE RELEASED FROM RESERVE, PART OF HRA REPAIRS REVIEW)	Paul Weston	
18/004	CoW Tinkers Green & Kerria	£30,000	£25,500	£4,500	CR7001 & CR7002	Ryan Oldnall	
18/007	Castle Grounds Toilet Refurbishment	£180,000	£162,900	£17,100	CP2854 / C1160	Paul Weston	
18/009	White Goods Framework	£5,000	£5,000	£0	MULTIPLE HOUSING	Lee Birch	
18/010	Call Monitoring	£98,810	£71,312	£27,498	HR2710 / 46010	Lee Birch	Ongoing savings
18/011	Mowers	£320,000	£259,345	£60,655	GW1801 / 35103	Mark Greaves	Savings to be confirmed re ongoing maintenance arrangement
18/013	Local Innovation Fund Grant Prospectus	£30,000	£30,000	£0		Karen Clancy	Grants
18/015	Connecting Communities Grant	£40,000	£40,000	£0		Karen Clancy	Grants
18/017	Advice and Support for Housing Repairs and Investment	£50,000	£29,755	£20,245	HS7099	Paul Weston	
18/018	Gungate Masterplan	-	£120,000	-		David Hunter	Tender process carried out without involvement of the Procurement Team
18/019	Consultancy Services for Ecosystem Research Project	£74,755	£74,755	£0	NOT PROVIDED - Grant to be received	Matt Bowers	

QQ Ref. No.	Description of Goods/Service	Budget (£'s)	Contract Value (£'s)	Saving (£'s)	Cost Centre / Account Code	Name of Project Manager	Comment
QQ17/28	ICT Hardware Maintenance	£42,000	£13,034	£28,966	GH0201 / 33133	Gareth Youlden	Ongoing savings
QQ18/01	IT Audit	£19,000	£19,000	£0	GN0201 / 32054	Angela Struthers	
QQ18/02	Handy person for PSL	£12,000	£9,000	£3,000	GR0502 / 10001	Sue Phipps	
QQ18/04	Bollards at Dosthill Park	£6,500	£6,430	£70	CP2850 C1130	Ian Owen	
QQ18/05	CCTV Cameras at Eringden	£20,000	£15,359	£4,641	HR4501 / H2115	Julia Gibbs	
QQ18/06	Security for Housing	£10,000	£10,000	£0	HR2104 / 35099	Julia Gibbs	
QQ18/08	Wooden Boards	£8,000	£8,480	-£480	CP2850 C1130	Ian Owen	
QQ18/10	Vending machines	£15,000	£5,769	£9,231	GP0301 / 15050	Barry Curtis	Ongoing savings
QQ18/11	Maintenance of Canopies	£4,000	£4,125	-£125	PM0594 / B0101	Barry Curtis	
QQ18/13	Balcony Repairs at Exley	£50,000	£89,713	-£39,713	HS6599 / H2115	John Murden/ Barry Curtis	Authorisation obtained to award the contract
QQ18/16	Community Infrastructure Levy	£25,000	£31,000	-£6,000	GS0404 / 30403 & 30153	Sushil Birdi	Authrisation re overspend approved
QQ18/18	Conservation and Heritage Advice	£21,840	£21,840	£0	GS0404 / 00170	Sushil Birdi	
QQ18/19	Call-Off for Refuse Bags	£25,500	£25,500	£0	GW1801 / 30101	Mark Greaves	
QQ18/20	Road Sweeper Brushes	£16,500	£14,026	£2,474	GW1801 / 22002	Mark Greaves	Ongoing savings
QQ18/21	Business Survey	£13,500	£12,150	£1,350	GS0408 / 35223	Lorraine Farley	
QQ18/22	Gypsy, Travellers..... (GTAA)	£30,000	£11,500	£18,500	GS0404 / 30403	Sushil Birdi	
QQ18/23	Tree Work	£15,000	£15,000	£0	HR2104 / 10024	Esther Bramley	
QQ18/24	Business events	£20,000	£5,225	£14,775	GS0408 / 35224	Lorraine Farley	
QQ18/27	Installation of wooden feature at Wigginton Cemetery	£6,500	£7,595	-£1,095	GW1601 / 30144	Mark Williams	
QQ18/28	Refurbishment of play area at Rosemary Road	£16,000	£16,000	£0	GW1801 / 15012	Ian Owen	
QQ18/30	Fencing and New Gate at Wilnecote Cemetery	£6,000	£4,600	£1,400	GW1601 / 10025	Ian Owen	
QQ18/31	PSN Health Check	£10,000	£6,750	£3,250	CH2830 / C2230	Gareth Youlden	
QQ18/34	Delta Net - Astute	£19,505	£19,505	£0	GL0202 / 30214	Jackie Noble	Waiver to Financial Guidance approved
QQ18/35	Playgrounds Maintenance	£45,000	£30,000	£15,000	GW1801 / 15012	Ian Owen	Ongoing savings
QQ18/36	Ad Hoc Security services for housing	£10,000	£10,000	£0	HR4501 / H2115	Julia Gibbs	
QQ18/39	Kubota G23 HD	£16,400	£16,400	£0	GW1801 / 35103	Mark Greaves	Leasing agreement for the equipment - maintenance cost £4,600
QQ18/41	Landscape Architecture and contract/site management services for the Amington Community Woodland project	£35,000	£28,655	£6,345	CP2853	Corrine O'Hare	

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LGA NATIONAL PROCUREMENT STRATEGY FOR LOCAL GOVERNMENT IN ENGLAND 2014

Recommendations for District Councils:-

Making Savings

1) Category Management

- Recognise the benefits and tap into category management plans of other public sector organisations and through PBOs (professional buying organisations)
- Review existing framework arrangements at early stages of procurement to reduce duplicated effort
- Recognise the benefit from engaging with a national approach and ensure timely publication of data to ensure a robust analysis can take place

We have undertaken a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend and met with CCS (Crown Commercial Services) to explore the potential of utilising their frameworks where possible. Where a framework is appropriate, we always look to see which are already available for us to use before undertaking our own procurement. Our spend, orders and contracts information and tender opportunities are published in line with national requirements.

2) Partnering and Collaboration

- Set out the approach to partnering and collaboration in the corporate procurement strategy
- Explore opportunities to procure through existing routes to market, in particular harnessing existing shared services or PBO resources
- Explore the options relating to sharing services or posts with appropriate partners

As previous, we make use of existing frameworks where these are appropriate and relevant. We have a good record of collaborative procurement with other Staffordshire authorities, and other councils such as Birmingham City. We are open to the potential for shared services or posts with neighbouring authorities where this would be of benefit to Tamworth, with potential arrangements under the Memorandum of Understanding with Lichfield D C, or other potential opportunities within Staffordshire and the West Midlands.

3) Contract and Supplier Management

- Measure contract outputs and key performance indicators to ensure competitiveness over the life of the contract
- Ensure visibility of supply chains

- Expect main contractors to act fairly with supply chains and mandate timely payment to sub-contractors through contract clauses

KPIs and specified outputs are built into contracts but ongoing contract management is the responsibility of the relevant service manager, not Corporate Procurement. Any sub-contractors used must be identified from the outset during the tender process, and payment clauses ensuring timely payment to sub-contractors are now required to be built into contracts and reported on under the transparency agenda.

4) Performance and Transparency

- Baseline contract spending and outcomes internally over time and with other councils and use this information to inform contingency planning and re-competition strategies
- Join together with other councils and partners to share information that makes prices and performance more open and transparent
- Publish data in relation to contracted-out services in accordance with the Transparency Code
- Ensure the rights to data created as a result of a service being contracted out remain with the Council

We undertook a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend via an exercise which was also available to Staffordshire authorities and which enabled common requirements/opportunities for joint procurement to be identified. All information required under the transparency agenda is published on a quarterly basis.

5) Risk and Fraud Management

- Where no dedicated procurement resource exists, risks and the implications of poor procurement is identified through corporate risk processes
- Pro-actively audit contracts to check for fraud
- Include whistleblowing policies as part of contract conditions

Procurement risks form part of the corporate risk register maintained on Pentana and reviewed annually. Internal Audit undertake regular review of procurement processes and the Corporate Fraud Investigations Officer within the team has contract/procurement fraud within her remit. There is a whistle blowing policy in place at the Council.

6) Demand Management

- Councils build in a demand management approach before procurement begins
- Councils seek alternative mechanisms to procure customer needs

Demand Management now forms part of the overall strategy and focus for delivering savings and improving customer service across the Council.

Supporting Local Economies

1) Economic, Environmental and Social Value

- Consideration is given as to how to obtain social value in all contracts over the EU threshold
- Sustainability is considered at the 'identify need' stage of the procurement cycle

The Social Value Act is considered in all voluntary sector/commissioning projects, and in all above threshold procurement as required by legislation, although this only impacts on a few of our contracts. Environmental sustainability is not a routine consideration.

2) Improving access for SMEs and VCSEs

- Identify all procurement opportunities over £5k through regional portals
- Ensure websites make it clear which portals are being used to advertise tender opportunities and how suppliers can register
- Measure the amount of local spend as a way of identifying and reducing the barriers for smaller organisations in bidding for council contracts
- Develop or update and publish the 'selling to the council' guide
- Mandate payment by suppliers to their sub-contractors be no greater than those in the primary contract, through contract clauses
- Engage with single, simplified PQQs such as PAS91 for construction
- Learn from and engage with the supply base and other councils on a regional basis through market days
- Ensure that lotting strategies do not create unwanted barriers for smaller businesses
- Link into existing framework contracts which outline how consortia can be encouraged

A number of the above recommendations were superseded by the requirements of the UK Public Contracts Regulations which came into force in 2015 and with which we must comply, eg abolition of PQQ stage in procurement, with a standard questionnaire in place; assumption that large contracts will be broken up into lots, and if not, justification to be provided.

We advertise all tender and quotation opportunities £4k and above through our on-line In-Tend web portal, to which any supplier can have access and register. Information and guidance on accessing In-Tend and using the portal is published on our website. Procurement staff have attended regional Think Local 4 Business and 'Meet the Buyer' days in the past and also attend annual In-Tend user group days, which is a forum for both suppliers and buyers, offering networking opportunities.

Leadership

1) Single Cohesive Voice

- Engage with procurement networks to ensure visibility of and input into policy

- Join with PBOs to showcase and share good practice and to influence Government and the wider public sector

We engage with procurement networks and our colleagues locally and nationally as resources allow and where this is of benefit to Tamworth.

2) Commitment from the Top

- Provide periodic updates to senior managers and elected members on implementation of good practice and its relevance to the organisation
- Encourage an elected member champion for procurement
- A senior level director takes overall strategic responsibility for procurement and ensures full value is extracted from all procurement decisions
- Link the procurement strategy to the corporate strategy

Procurement at Tamworth Borough Council falls under the responsibility of the Executive Director Finance, a member of the Executive Leadership Team, and is within the remit of the Portfolio Holder for Operations and Assets (Cabinet Member). Procurement activity is reported to CMT and Cabinet, and also Corporate Scrutiny as required. Other reports for Cabinet or Committee approval or Scheme of Delegation reports include procurement issues as appropriate.

3) Commissioning

No recommendations for district councils

4) Procurement Training

- Engage with other councils to 'piggy back' onto training and development programmes
- Ensure senior officers are involved directly in high value contracts
- Recruit consultants with commercial skills to help with developing a more commercial approach. Knowledge transfer should be part of the consultancy contract
- Engage with training on new EU Procurement Directives either through other councils or directly

Training and development is ongoing for Procurement staff and opportunities to attend training courses, etc, are taken as and when these are felt to be useful and relevant. We are members of the CIPFA Procurement and Commissioning Network which is a useful source of advice and guidance as well as offering training throughout the year. We also regularly attend procurement update briefings given by local legal firms, eg Bevan Brittain.

Modernisation

1) Commercialisation and Income generation

- Invest in training and developing commercial acumen for new and existing staff
- Develop forward savings and income generation plans

The Council has a Commercial Investment Strategy, and income generation forms part of the Council's sustainability strategy and demand management programme, and specific workstreams have been developed around these areas.

2) Supplier Innovation

- Join with other councils and PBOs to engage in supplier market and innovation days
- Ensure terms and conditions are flexible enough to allow for changes in technology during the life of the procurement
- Use outcome-based specifications that include the minimum technical and performance requirements and focus on a statement of the problem that needs to be solved

Supplier market and innovation days are made use of as they arise or are appropriate. Terms and conditions appropriate to the contract in question are utilised. Outcome based specifications are utilised where appropriate.

3) Using Technology

- Use electronic means for tendering processes in line with EU Directives
- Work with suppliers to encourage a move to more e-business
- Consider making e-invoicing a contractual requirement

All of our quotation and tendering with a value of £4k or over is conducted electronically. Electronic invoicing is also in place with our main contractors/utilities and an increasing number of suppliers.

4) EU Directives

- Take full advantage of the free face to face and e-learning available through CCS
- Cascade training to council officers and elected members outside of the 'procurement team'
- Maximise the flexibilities afforded in the new EU Directives

The EU Directives as implemented under the UK Public Contracts regulations have been in force for a number of years now. Training provided via Cabinet Office/CCS was attended at the time the new regulations were implemented. Financial Guidance, procurement procedures, documentation and guidance was updated as a result of the new Regulations, and training sessions were organised for all budget holders, service managers and other staff involved in procurement on the new requirements. Financial Guidance and procurement procedures and documentation are under regular review and are updated throughout the year as and when appropriate.

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THEME SHOWING LEADERSHIP			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
ENGAGING COUNCILLORS	<p>Minimum/Developing Councillors regard procurement and commercial issues as purely operational matters. The council is exploring the best approach to councillor engagement in procurement and commercial matters.</p>	<p>Mature - Councillor engagement is delivering better results across all procurement and commercial activity</p>	<p>Councillors to receive regular briefings and reports highlighting the contribution of procurement and commercial activity; Councillor training and development programme to include procurement and commercial modules</p>
ENGAGING SENIOR MANAGERS	<p>Mature Senior managers engaged with procurement and commercial issues, routinely taking advice at key decision points.</p>	<p>Leader - Council demonstrating better results from early procurement and commercial advice on projects</p>	<p>Senior Manager development programme to include procurement and commercial modules; Senior Managers routinely take advice re procurement issues at key decision points and at start of process</p>
WORKING WITH PARTNERS	<p>Developing/Mature Council acknowledges the business case for a cross council approach to design and implementation of solutions and is seeking to encourage this. Designing and implementing solutions as a single team in high value/high risk projects.</p>	<p>Leader - Designing and implementing solutions is the Council's normal way of working</p>	<p>Training programmes cover 'soft skills' of partnership working and shared processes</p>
ENGAGING STRATEGIC SUPPLIERS	<p>Minimum Firefighting. Ad hoc engagement with important suppliers usually when there is a problem to be resolved.</p>	<p>Developing - Acknowledges business case for improved strategic supplier management and is piloting engagement</p>	<p>Gather data and intelligence on suppliers and identify strategic suppliers; pilot engagement with a major supplier</p>

THEME <i>BEHAVING COMMERCIALLY</i>			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
CREATING COMMERCIAL OPPORTUNITIES	<p>Minimum/Developing Focused on business as usual and compliance. Some high value/high profile acquisitions examined for creating commercial opportunities.</p>	<p>Mature - Clear understanding of the ways in which new revenue generation opportunities can be created across the commercial cycle; end to end policies and processes promoting this approach in place across the organisation</p>	<p>Forward planning across the Council for all strategic contracts; opportunities to create new revenue streams considered by all departments; policy for options appraisal (make or buy) including commercial considerations in place and widely used; policy in place for market and supplier research and analysis; innovation included within tenders and scored at the evaluation stage; performance reporting includes commercial and social benefits as well as savings achieved across the organisation</p>
MANAGING CONTRACTS AND RELATIONSHIPS	<p>Minimum/Developing Compliance driven. Reactive approach to contract and relationship management. Identified the need to change and improve. Basic policies, procedures and systems in place.</p>	<p>Mature - All basic policies, procedures and systems in place to support contract and relationship management across the organisation and used in all departments</p>	<p>Dynamic contracts register through a purpose-built solution; change control policy for all contract changes and variations; standard documentation used across all departments; job roles are designated as contract/relationship manager and/or contain contract and relationship management activity; contract and relationship management is acknowledged as a core competency across the organisation, and included in induction and management programmes; contract management performance is reviewed in annual appraisals</p>

<p>MANAGING STRATEGIC RISK</p>	<p>Developing/Mature Good awareness of issues involved and potential threats with basic systems in place to manage should they occur. Taking a proactive approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place.</p>	<p>Leader - all vulnerable areas identified and polices and plans in place and shared ownership, transparency and reporting with appropriate contractors</p>	<p>Effective policies re supply chain and contractor failure implemented in collaboration with relevant contractors; all contracts where modern slavery might occur are known and reporting measures and compliance checks are agreed and implemented by contractors; re GDPR, process in place to ensure that relevant contracts with data issues are identified and standard terms and conditions are in place; thorough understanding of impact of external events on high value/high risk contracts and contingency plans in place.</p>
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THEME ACHIEVING COMMUNITY BENEFITS			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
OBTAINING SOCIAL VALUE Page 72	Minimum/Developing Compliant. Doing just enough to meet the conditions of The Act. Compliant but only proactively seeking social value in a few key contracts only.	Mature - Taking a pro-active approach to integrating social value into procurement and commissioning	Social value recognised as a core principle supported by a published social value policy and strategy; a process/policy to identify which contracts should include social value; Councillor/Cabinet/CMT member given responsibility for reporting and leading on social value and process for annual reporting in place; themes, outcomes and measures established as part of social value policy and available on website; commissioning projects to include social value at the core; social value requirements included in all relevant renders and weighted 5-10% in scoring; initiatives to build capacity and shape market with businesses, community and voluntary sector; market engagement and cross sector collaboration; working pro-actively with suppliers to support their understanding of social value; social value actions agreed at commissioning and procurement stage, bound into contracts and performance monitored.

<p>LOCAL SMEs AND MICRO-BUSINESS ENGAGEMENT</p>	<p>Minimum/Developing Council does not see any benefits to be gained from SME engagement. SME organisations are engaged in a few key contracts only.</p>	<p>Mature - Taking a pro-active approach to integrating SME organisations into procurement and commissioning</p>	<p>Commissioners to facilitate relationships between SMEs and other providers and SMEs are encouraged to collaborate with larger organisations to respond to local need; SMEs are invited to contribute to the commissioning process and there are engagement events and communication channels; there is awareness of the needs of SMEs and a lead contact to upskill SMEs to participate in procurement; the capacities and capabilities of SMEs are understood and procurement processes are adapted to reflect this; contract management processes assess how prime contractors have engaged with SMEs in their supply chains and payment terms are monitored to ensure compliance; spend with SMEs is captured and analysed and a principal officer is given responsibility for improving engagement.</p>
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<p>ENABLING VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) ENGAGEMENT</p> <p>Page 74.</p>	<p>Mature Taking a proactive approach to integrating VCSE organisations into procurement and commissioning.</p>	<p>Leader - VCSE engagement is embedded into corporate strategy</p>	<p>Commissioners/procurers to work with VCSEs to inform them what the local need is and to establish long-term priorities of the community; small VCSEs form partnerships with larger providers; there is a lead commissioning contact and VCSEs are pro-actively invited to co-design the commissioning process, with engagement events and specified communication channels; VCSEs are asked for feedback, recognising their expertise; there is understanding of the capacity and capability of the VCSEs and engagement with them prior to tender; prime contractor relationships with VCSE organisations in their supply chain are monitored and whistle blowing procedures are in place for VCSEs in supply chains to highlight poor treatment; targets are set for expenditure on VCSEs and these are monitored and reported, including spend on VCSE organisations by prime contractors.</p>
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- Key:
- Minimum
 - Developing
 - Mature
 - Leader
 - Innovator

Corporate Scrutiny Work Plan

Work Plan 2019 - 2020		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
August 2019	QPR Q1 2019/20 Report	Regular item
August 2019	Working group report on QPR Report Executive Summary	June 2019
August 2019	Review of Council Cleaning Services (exempt)	July 2019
August 2019	Market Tender	June 2019
August 2019	Procurement Service and Strategy Update	July 2019
October 2019	Customer Portal – update on progress	
October 2019	Member Training update	June 2019
October 2019	Review of senior management restructuring	
October 2019	Garage Sites	
November 2019	QPR Q2 2019/20 Report	Regular item
November 2019	Private Sector Housing Enforcement Policy – 12 month update	
November 2019	Local Council Tax Reduction Scheme 2020/21 onwards	July 2019
December 2019	Asset Management Review update (including town centre) – Councillor R Pritchard to be invited	

December 2019	Town Centre Strategy update	June 2019
December 2019	Corporate investment strategy	
February 2019	QPR Q3 2019/20 Report	Regular item
TBC	Member Support Working group – sub group on Member Communications	
TBC	Review of Cabinet decisions over previous 12 month period	

Upcoming Corporate Scrutiny Committee Meetings

14th August 2019 (QPR Q1 focus)
8th October 2019
14th November 2019 (QPR Q2 focus)
5th December 2019
5th February 2020 (QPR Q3 focus)
12th March 2020