

## **EXTRACT**

### **THE EXECUTIVE**

#### **MEETING, 29TH JUNE, 2009**

Councillor Morris	Leader of the Council – Strategy and External Relations
Councillor J. Byrne	Development, Regeneration and Skills
Councillor Bashir-Ismail	Cleaner, Greener, Safer
Councillor Kay	Human Resources, Organisational Development and Diversity
Councillor Adia	Children's Services
Councillor Ibrahim	Environmental Services
Councillor Peel	Housing, Neighbourhoods and Regulation
Councillor Sherrington	Adult Services
Councillor Mrs Thomas	Corporate Resources and Health
Councillor Murray	Looked after Children and Safeguarding

#### Non-Voting Members

Councillor Spencer  
Councillor White  
Councillor J. Walsh  
Councillor Ashcroft  
Councillor Mrs. Fairclough  
Councillor Shaw  
Councillor Morgan  
Councillor Mrs Brierley  
Councillor Mrs Ronson  
Councillor D. A Wilkinson  
Councillor Hayes

## Officers

Mr. S. Harriss	Chief Executive
Mr. A. Eastwood	Director of Chief Executive's
Ms. S. Johnson	Deputy Director of Corporate Resources
Mr. K. Davies	Director of Development and Regeneration
Mr. A. Donaldson	Assistant Director Policy, Improvement and Area Working
Mr. J. Lord	Chief Officer for Community and Private Housing
Ms. S. Strange	Assistant Director Communications and Marketing
Mr. A. Walker	Head of Service (enterprise, employment and skills)
Ms. C. Hyams	Assistant Director Human Resources and Organisational Development
Ms. N. Brown	Marketing Manager
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair

## **8. MINUTES**

The minutes of the proceedings of the meeting of the Executive held on 1<sup>st</sup> June, 2009 were submitted and signed as a correct record.

## **9. AGMA EXECUTIVE BOARD – KEY DECISIONS**

The Director of Chief Executive's Department submitted a report that detailed the key decisions taken by the AGMA Executive Board at its meetings on 29th May, 2009.

**Resolved – That the decisions taken by the AGMA Executive Board be noted.**

## 10. FINANCIAL OUTTURN 2008/09

The Director of Corporate Resources submitted a report that advised the Executive of the outcome of the final accounts exercise for 2008/09.

The report considered the following :-

- General Fund Revenue Monitoring;
- Aggregate Capital Financing;
- Issues from Service Account Closure; and
- Monitoring of the Prudential Guidelines

Overall the corporate revenue balances position of £7,715,000 was £111,000 higher than that reported in the third report to the Executive Member for Corporate Resources on 24<sup>th</sup> February 2009.

In the last quarter the level of corporate revenue balances had increased as a result of a number of offsetting variations. The major factors being reduced capital financing costs (£1.4m) offset by extra winter gritting (£0.5m), TIF Referendum Costs (£0.2m), and Reduced Income reflecting economic conditions (£0.4m)

Capital Expenditure for the year was £79,954,000 which was fully funded. The expenditure was £10,979,000 lower than previously predicted and the change was largely made up of slippage to 2009/10

Each Service was considered individually within the appendices to the report and the monitoring of Prudential Indicators showed that all Treasury indicators were within the limits set.

The 2008/09 Statement of Accounts would be submitted to the Constitutional Panel on 29<sup>th</sup> June, 2009 for approval.

The Director informed members of the latest position relating to the Council's deposits in the Landsbanki Bank and indicated that the LGA had informed the Council that it may get back 83% of the £2m deposited. Further discussions would be held with the Council's auditors as to how this should be reflected in the accounts and members would be kept informed.

**Resolved – That the Executive notes the following:-**

- **the aggregate General Fund balances position, which is £0.111m higher than that anticipated when the 2009/10 budget was set in February 2009;**
- **the capital outturn;**
- **issues from individual services; and**
- **compliance with prudential indicators.**

## **11. CORPORATE PERFORMANCE DASHBOARD – YEAR END 2008/09**

The Director of the Chief Executive's Department submitted a report that provided the Executive with an overview of the Council's performance and proposed improvement actions for the year 2008/09.

The key findings could be summarised as follows :-

- performance against the majority of the Council's most hard-to-shift outcomes was getting better for example reducing violent crime, lowering the number of young people not in employment, education or training (NEETs), raising street cleanliness and reducing staff sickness ;
- over 70% of Bolton's priority indicators had improved, however just under half had met their year end target ;
- the economic downturn was impacting on Bolton's labour market, however the impact on businesses was far more mixed. Capital investment projects continued to make progress ;
- work continued to develop and improve Bolton's approach to neighbourhood renewal, building on the gains being made in narrowing inequalities between the least well-off and the rest of the Borough; and
- the organisation's value for money programme, which was key to driving out further efficiencies, remained on track for the coming year. Already over £7 million had been saved by the Council in 2008-09 .

The report concluded that the past year had seen significant changes in the context in which the Council and its partners operated. Unprecedented economic turmoil and the resultant impacts on Bolton had created significant challenges both in terms of improving outcomes for local people and for the Council as community leader, partner and service provider.

The priorities for Bolton remained the same in order to raise economic prosperity, narrow the inequalities gap and transform services. The challenge to deliver these aims had grown through 2008-09 with the Council continuing to work well with its partners to deliver improvements, despite the difficult context.

It was considered that the scale of the task facing the Council and its partners remained significant while the pressure on resources would grow. However creative, effective and efficient answers to some of the Borough's most intractable problems were now being developed.

The performance outlined in the report provided assurance that the Council was well placed to continue delivering success, despite the clear difficulties now facing the sector. Continuing this track record of achievement in such challenging times would draw heavily on strong leadership from both Members and officers.

Appendix B to the report showed those indicators that were off track and declining and Appendix C highlighted the performance of “narrowing the gap” indicators.

**Resolved – That the report be noted and that the recommended improvement actions detailed in appendices A and B to the report be approved.**

## **12. FINANCIAL FORECAST 2010/11 2013/14**

The Director of Corporate Resources submitted a report that set out financial guidance for Services over the next 4 years in order that Strategic Plans could be put in place to manage service changes and demands in the context of the likely financial situation facing the Council.

The report set out the Government's spending plans in light of the current economic situation and, in forecasting the resources likely to be available to the Council in the 3 year period 2011/12 to 2013/14, it had been assumed that for the first two years Government funding support through Revenue Support Grant and Business Rates would reduce by 5% in cash terms and would be at a cash standstill for 2013/14.

In terms of schools funding the Government had provided an indication of the likely increase for 2010/11 of 4.1% but at this stage there was no clear guidance of the levels of funding in subsequent years. Given the overall financial climate, it was felt that a prudent planning assumption would be on the basis of inflation only increases from 2011/12 onwards.

The above was reflected in the forecast set out in detail in Appendix A to the report which also assumed an annual Council Tax increase of 3% .

Based upon this potential grant position and the Council's increased spending requirements, it was likely that efficiency savings in the order of 20/30% would be required over the next 4 years. It was considered important that as many of these savings as possible were delivered through efficiencies and therefore a comprehensive value for money programme was to be implemented. In addition, in order to achieve this level of savings it was important to start as early as possible and, therefore, Services would be advised to identify value for money options and efficiency plans covering the next 4 years immediately. The position for the next 4 years would be reviewed each year in the light of the latest available information.

Taking the above into account, the forecast calculated the annual efficiencies/savings that would be required on the basis of the above assumptions. The guidance set out in the report contained some flexibility to allow choices to be made by Members each year.

**Resolved - (i) That for schools, plans be based upon the increase in DSG provided by the Government for the next year (4.1%) and then at inflation only increases for the following 3 years.**

**(ii) That for other services plans be based upon efficiencies/savings of 30% over the next 4 years with a specific target of 5% in 2010/11 and that any growth will be very limited and will need to be offset by further savings.**

**(iii) That with respect to capital funding for Education and Highways, specific Government allocations will be made and Capital budgets should reflect the level of support that is likely from each of these 2 Government programmes.**

**(iv) That at this stage capital plans for other services should be based upon the likelihood that capital resources over the next 4 years will be limited and therefore allocations are likely to be less than they have been in the last few years, it being noted that more guidance on capital will be issued in October 2009.**

### **13. CORPORATE BIG ISSUES 2010/14**

The Director of the Chief Executive's Department submitted a report that summarised the big issues facing the Council over the next few years which offered members the opportunity for the organisation to reflect on the challenges and opportunities ahead.

The report marked the first stage of the annual business planning cycle and was used to inform financial guidance and service plans over the coming months.

Following approval of this report, services would be requested to develop their own big issues papers, identifying their key challenges over the medium term and presenting such reports to the Executive Members.

**Resolved – That the corporate big issues for 2010-14 as now identified be noted and that each department be requested to develop their own big issues paper, in the context of the corporate big issues and financial guidance, and to submit such to Executive Members.**

## **16. CONTRACTORS FRAMEWORK**

The Director of Corporate Resources submitted a report seeking the Executive's approval to a revised contractors framework with respect to council building contracts.

Members were reminded that the Council had undertaken a procurement exercise to select contractors under a Framework Agreement to undertake the Council's building maintenance and construction work up to a value of £1.5M per project.

Following the original item being called in and a number of meetings the report set out the legal advice relating to public procurement and it was explained that the current Approved List used by Corporate Property Services had not been re-advertised for a number of years and, therefore, it was necessary to ensure that new contract arrangements were in place as soon as possible.

However, the budget for the levels of maintenance and capital works undertaken across all departments of the Council currently exceeded the EU Procurement Thresholds and, based upon asset plans, it was likely that the budget would increase over the next few years. The option of a framework procurement process, as detailed in previous Executive reports, would ensure compliance with European, National and Council regulations and obligations.

Consequently, it was proposed that a substantial part of the Council's Property work would be procured via a contractors framework. The remaining work, approximately 25%, would be tendered on a project by project basis providing the opportunity for other contractors to tender for work. These arrangements were in line with the obligations of the EU Procurement Regulations and Council Standing Orders.

The proposal was to undertake a phased transfer of work, commencing on the 1st July 2009, with full implementation by the 1<sup>st</sup> October 2009.

In order to mitigate the effect on local contractors the proposal had two key aspects :-

a) that within Lots B, C, and D up to 25% of Corporate Property Services works would be open tendered, to meet Standing Orders, via electronic market place and local paper advertisement on a scheme by scheme basis; and

b) over the period of 1<sup>st</sup> July 2009 and 1<sup>st</sup> October 2009 there would be a phased transfer of new work from the current contractors list to the framework contractors for 75% of Corporate Property Services work

Furthermore, it was proposed that the Council develop a partnership with the framework contractors to sponsor an apprentice scheme with Bolton College to be funded from reinvestment of some of the efficiency savings to the Council from the introduction of the framework.

In addition, and separate from the contracting arrangements, it was proposed to put in place a range of information/development support through Business Bolton, Account Managers and Briefing/Training Sessions to assist local contractors. The aim of these sessions was to help local businesses bid for both Council work and for work available from other organisations.

The report proposed the following :-

- Lot A: reactive repairs and maintenance works (up to £1000 in value) be contracted in full to the Framework Contractors;
- Lot B: planned maintenance works and/or minor improvements works (up to the value of £10,000) be contracted for 75% of Council's works in this category to the Framework Contractors and up to 25% to be open tendered as per Standing Orders;
- Lot C: minor capital project works (value between £10,000 and £250,000) be contracted for 75% of Council's works in this category to the Framework Contractors and up to 25% to be open tendered as per Standing Orders;
- Lot D: major capital project works (value between £250,000 and £1,500,000) be contracted for 75% of Councils works in



this category to the Framework Contractors and up to 25% to be open tendered as per Standing Orders; and

- all major capital works exceeding £1,500,000 would follow EU Procurement Regulations on a project by Project basis.

To encourage other contractors to tender for works open resourced in Lots B, C and D, it was proposed that the tenders would be advertised on a scheme by scheme basis via the electronic marketplace and advertisement within the press. This would incur the Council in additional expenditure in terms of advertisement and tender document/procurement procedures but had the added benefit of providing a regular benchmark in terms of value for money assessment of the framework. Selection of schemes to open tender would be on a random basis, but would have to be assessed in terms of service time frames for delivery.

**Resolved - That the engagement of the recommended contractors as set out below be approved and that the implementation of a Contractor Framework be agreed with appointment in principle from 1<sup>st</sup> July 2009 and full implementation from 1<sup>st</sup> October 2009 :-**

- Lots A and B – reactive and planned maintenance

**G & J Seddon, Morrison and Herbert T Forrest**

- Lot C – minor capital project works

**G & J Seddon, Morrison and Herbert T Forrest**

- Lot D – major capital project works

**G & J Seddon, Herbert T Forrest and Bramall Construction**

- Works over £1,500,000 to EU procurement threshold

**projects falling within this financial category will be open resourced via the electronic marketplace and advertisement in local press.**

## **17. EXCLUSION OF PRESS AND PUBLIC**

**Resolved - That, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of**

**business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A to the Act; and that it be deemed that, in all the circumstances of the case, the public interest in their exemption outweighs the public interest in their disclosure.**

## **18. TENDER FRAMEWORK AGREEMENT ; COMMUNICATIONS AND MARKETING**

The Director of the Chief Executive's Department submitted a report that requested the Executive's approval to :-

- implement a three year tender framework agreement from 1<sup>st</sup> August 2009 to 31<sup>st</sup> July 2012, in order to access effective and efficient supply arrangements and value for money;
- appoint a list of suppliers to the framework; and
- ring fence 10% of the total spend outside the framework to encourage new suppliers and to fund bespoke projects to build capacity with local partners in the creative or social and voluntary sector(s).

Members were reminded that a review had been undertaken by the Agency that had concluded that a more structured and cohesive procurement system was required. This would ensure that the organisation could access effective and efficient supply arrangements to demonstrate value for money and quality standards.

In accordance with Council Standing Orders and EU procurement regulations the Agency, working with the corporate procurement team, advertised the business opportunity. This would deliver a framework of suppliers and contractors to supply services which were innovative, would generate new ideas and would share the Council's drive to deliver a better service for both its customers, staff and partners.

Consequently, a decision was made to set up a framework agreement for the provision of all key aspects of communications and marketing services for delivery to all clients of the Agency.

**Resolved – (i) That the three year tender framework agreement from 1<sup>st</sup> August 2009 to 31<sup>st</sup> July 2012, be agreed in order to access effective and efficient supply arrangements and value for money.**

**(ii) That the list of suppliers allocated to each Lot as part of the framework, as detailed in the report, be approved.**

**(iii) That 10% of the total spend be ring fenced outside the framework to encourage new suppliers and to fund bespoke projects to build capacity with local partners in the creative or social and voluntary sector(s).**