

## URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

**Executive**

**6 October 2014**

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
9.	(Pages 1 - 6)	Quarter 1 2014/15 Financial Performance – Procurement Appendix	Corporate Finance Manager	Clerical error, appendix not supplied at time of publication
12.	(Pages 7 - 12)	Hanwell Fields Community Centre Solar Panels	Director of Community and Environment	Report not available at time of agenda publication

*If you need any further information about the meeting please contact Natasha Clark, Democratic and Elections [natasha.clark@cherwellandsouthnorthants.gov.uk](mailto:natasha.clark@cherwellandsouthnorthants.gov.uk), 01295 221589*

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**8.1 Embedding Good Governance and Best Practice**

Action	Lead	Narrative
<p>Engagement with officers at Directorate Management Team, Service Management Team, operational team levels:                      Each directorate to have a senior member of the team assigned:                          – Resources – Corporate Procurement Manager                          – Community and Environment – Senior Procurement Officer                          – Development – Senior Procurement Officer</p> <p>Updates and reminders via:                      Intranet – ‘Did you know?’ sections, etc                      In Brief – need to know information                      Team briefings</p>	<p>Corporate Procurement Manager and Senior Procurement Officers</p> <p>Senior Procurement Officers</p>	<p>Slots booked as appropriate.</p> <p>Greater focus on Officers being included on key working groups such as Financial Management System Working Group, SNC Brackley Pool Project Board, SNC Organisational Change and Relocation Working Group, CDC Accommodation Board and SW Bicester Sports Village Board</p> <p>Intranet and In Brief being used for updates as appropriate.</p>

8.2 Value for Money and Transparency		
Action	Lead	Narrative
Deliver significant cost and efficiency savings; Cherwell District Council - £75,000 target and South Northamptonshire £50,000 target.	Corporate Procurement Manager	SNC - £0 CDC - £0 No cashable savings identified on projects delivered in q1.
Meet 50% of the departmental cost via delivery of capital projects and work for other public sector partners.	Corporate Procurement Manager	CDC & SNC – Substantial Procurement support provided to multiple capital projects. Seeking to recover funds.
Monitor off contract and expenditure approved without an order: Promoting benefits of correct purchasing sequence; Challenging habitual offenders by escalating within Finance.	Procurement Officers	SNC monitored via processing of POs – only 2% expenditure without POs & all off contract expenditure challenged at point of issue. CDC monitored via spend analysis and implementation of no PO no payment policy. Off contract spend below 5%
Ensure clear visibility and procedures for all procurement exercises with data published on corporate websites.	Team objective	Opportunities advertised via Source Northamptonshire, websites and South East Business Portal.

8.3 Local Business and SME Engagement		
Action	Lead	Narrative
Identify by category and type those areas where SME engagement is appropriate.	Corporate Procurement Manager	Ongoing review project by project.
Allocate on the forward plan which projects will involve a market engagement exercise with a focus on SMEs.	Corporate Procurement Manager	Considered on project by project basis.
Ensure corporate websites make it easier for local businesses to trade with us: Develop use of engagement forums for all relevant projects Seek and record feedback from local businesses	Procurement Officers	Updates made to 'Selling to the Council' pages with links to sourcing opportunities across the region – Source Northamptonshire and South East Business Portal. Participated in Oxford City led SME engagement event.
Provide links to both corporate websites on FSB, Chambers of Commerce and other local business link websites;	Senior Procurement Officers	To be actioned.
Attend appropriate breakfast and other meetings.	Corporate Procurement Manager and Senior	Looking at opportunities and reviewing social value principles.
Apply social value principles to evaluation criteria of suitable projects.		
Apply contract clauses to suitable contracts to ensure that Prime contractors pass on the Council's payment terms and that they are passed on throughout the supply chain.	Procurement Officers	Initial discussions with Adrian Colwell to be followed up with legal.
Participate in business engagement exercises undertaken by the Economic Development teams at both councils.	Team	Looking at opportunities.
Track expenditures with local businesses and SME's.	Procurement Officers	To be included in implementation of new Financial Management System.

8.4 Collaboration		
Action	Lead	Narrative
<p>Provide a clear forward plan for working between SNC and CDC</p> <p>Monitor outcomes – not just in terms of savings</p> <p>Undertake lessons learnt exercise for procurement and service areas after each project</p>	Corporate Procurement Manager	Lessons learnt exercises undertaken for each project and outcomes monitored.
<p>Provide a clear five-year work plan with Stratford</p> <p>Assign officers for each project in 2014/15</p> <p>Monitor outcomes – not just in terms of savings</p> <p>Undertake lessons learnt exercise for procurement and service areas after each project</p>	Corporate Procurement Manager & Senior Procurement Officers	Each project considered on a three way basis as default. See below.
<p>Review opportunities for collaborative working with newly formed Transformation Team.</p>	Corporate Procurement Manager & Senior Procurement Officers	Provision of Procurement service across all three councils currently subject of formal review by transformation team.
<p>Review opportunities and evidence follow up with:</p> <p>Strategic Procurement Partnership for Oxfordshire</p> <p>Northamptonshire Procurement Forum</p> <p>East Midlands Cities and Districts Procurement Forum (Northamptonshire, Nottinghamshire, Derbyshire, Lincolnshire, Cambridgeshire)</p> <p>Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership</p>	Corporate Procurement Manager & Senior Procurement Officers	Actively engage with all groups listed and examples of recent outcomes include FOC construction procurement training, assistance with officer mileage analysis and legislative changes workshops.
<p>Review opportunities with Warwickshire and Buckinghamshire authorities</p>	Corporate Procurement Manager	Not progressed to date.

8.5 Selling Services		
Action	Lead	Narrative
Identify: Contracts to be sold Approaches to be sold Ideas to be sold  Create action plan with clear objectives  Monitor and feedback results in terms of:  Income Savings Efficiencies	Corporate Procurement Manager  Corporate Procurement Manager  Corporate Procurement Manager	Discussions with Parish Councils ongoing and work progressing for Kidlington Parish Council re:management of Stratfield Brake leisure facility.  Service being promoted to Oxfordshire Parish Councils and follow up discussions ongoing. Approach to be refined and followed in Northamptonshire and possibly Warwickshire.  Will follow as projects delivered.

8.6 Transformation		
Action	Lead	Narrative
Assess level of procurement support required for the following programmes: Moat Lane Relocation Silverstone Brackley Swimming project Build! Programme (Affordable Housing across Cherwell) Bicester Civic Building Canalside and Spiceball Regeneration South West Bicester Sports Village Postal Services Review  Agree payment methodology with service areas where appropriate Report back on outcomes and successes	Corporate Procurement Manager  Head of Finance Corporate Procurement Manager	Substantial procurement support requirements currently being provided from the shared team minimising external spend.  To be established.

8.7 Contract Management		
Action	Lead	Narrative
<p>Convene a contract management steering group</p> <p>Agree objectives along lines of:</p> <p>Clear contract management methodologies</p> <p>Examples of best practice</p> <p>Reference guide of 'do's' and 'don'ts'</p> <p>Review adoption of hosted corporate contract management system</p> <p>Report back on outcomes and successes</p>	<p>Senior Procurement Officers</p> <p>Senior Procurement Officers</p> <p>Senior Procurement Officers</p>	<p>To be progressed once major project load allows.</p>
8.8 Sustainability		
Action	Lead	Narrative
<p>Determine which projects for the year provide the best focus for sustainability considerations</p> <p>Evidence that each and every project has considered sustainability implications:</p> <p>Use of sustainability and CSR sections in pre-qualification elements and as part of the specification and evaluation criteria.</p> <p>Emphasize sustainability considerations at options appraisal stage with officers.</p> <p>Include sustainability considerations within tenders.</p>	<p>Corporate Procurement Manager</p> <p>Team</p> <p>Team</p> <p>Team</p>	<p>All projects consider sustainability.</p> <p>Actioned</p> <p>Actioned as appropriate</p> <p>Actioned</p>



## Cherwell District Council

### Executive

6 October 2014

<p><b>Proposal to Install Solar PV Panels at Hanwell Fields Community Centre, Banbury</b></p>
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### Report of Director of Community & Environment

This report is public

#### Purpose of report

To recommend the installation of solar PV panels on the roof of Hanwell Fields Community Centre, Rotary Way, Banbury.

To recommend the use of a capital fund to finance the solar PV installation.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the installation of solar PV panels on the roof of Hanwell Fields Community Centre, Rotary Way, Banbury.
- 1.2 To approve the use of capital (ref:50211" Hanwell Fields Community Development Fund") to finance the solar PV installation.
- 1.3 To approve the division of resultant income as described in paragraph 3.6 below.

#### 2.0 Introduction

- 2.1 Hanwell Fields Community Centre (HFCC) serves Hanwell Fields and surrounding areas, in the Hardwick Ward of Banbury.
- 2.2 HFCC is owned by Cherwell District Council (asset reference COMU/00010) and operated by Hanwell Fields Community Association. The current lease is due to expire in September 2015. It is anticipated that the lease will be renewed.
- 2.3 HFCC is relatively large facility (approx. 600m<sup>2</sup>), over two floors. The ground floor (main hall, lobby, kitchen, function room) is used for general hire and a range of community activities, clubs and classes. The first floor is a "youth wing" where

activities such as a youth club, coffee mornings, mums and tots club, fathers' group, ballet and karate classes are held.

- 2.4 Although HFCC is well used, it has particularly high running costs, due to its size and design. This means that the community association struggles to financially break even (in 2013/14 outgoings exceeded income by £1,218).
- 2.5 Hanwell Fields Community Association (HFCA) has expressed interest in having a Solar PV system installed at the Hanwell Fields Community Centre (HFCC) and officers have been working with the association to find a way that this can be achieved.
- 2.6 The project would provide the association with a reduction in energy bills and an annual income via the feed in tariff (FiT). These would support the Association in deriving adequate income to remain viable and sustainable and continue to provide the local community with a much needed resource.

### **3.0 Report Details**

- 3.1 A structural survey has been undertaken and the advice is that the weight from the proposed solar panels will not overload any of the existing structural members, including the zed purlins, main steelwork or foundations.
- 3.2 The minimum standard required to qualify the installation for feed in tariff is a building energy rating of "D". An independent energy audit has awarded HFCC a rating of "B".
- 3.3 When Hanwell Fields was being developed, the Council selected the social housing provider through a form of tender process. The winning bidder (in 2003) was Chiltern Hundreds Housing Association. Part of its offer was a £1,000 per dwelling contribution for CDC to use on Community Development at Hanwell Fields. This was outside of, and additional to the s.106 agreement with the developer. The total "pot" thus created was £135,000.
- 3.4 The Centre became operational in 2006. During the first three years the Community Development Fund was drawn on to hold community events, establish the youth club, to buy equipment for the centre and to cover running costs whilst the centre's income streams (from bookings) were becoming established.
- 3.5 Currently there is approximately £69,000 remaining in the Community Development fund. Paradigm Housing Ltd (successor organisation to Chiltern Hundreds Housing Association) has confirmed that it is happy for the solar panels to be funded from the community development fund and is keen to be associated with the project.
- 3.6 CDC's Carbon & Energy Officer estimates that based on a 120 panel, 30kw scheme costing £35,000, the annual income from feed in tariff will be £3,093 and the annual saving on electricity bills will be £829. This provides a payback period of just less than nine years.

- 3.7 It is proposed that CDC should retain one third of the feed in tariff income to accumulate a reserve for maintenance and the eventual replacement of the inverter which has a design life of 10 years (approximately half that of the panels). Also, to cover increased insurance costs of the building. The remaining two thirds of the FiT income would be passed on to the Community Association.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The proposed project will assist the HFCA to remain solvent and continue to provide and facilitate valued community services. For this reason it is legitimate use of a fund intended to promote community development.
- 4.2 At minimal cost to the District Council, this project will serve as a test case for provision of solar panels in CDC's other community centres.
- 4.3 The proposed project will reduce the carbon footprint of this CDC owned facility.

## **5.0 Consultation**

Hanwell Fields Community  
Association  
Paradigm Housing Association

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To amend the proposed split of income from the Feed in Tariff  
Reason: Less than one third of the income is less likely to cover the council's maintenance costs.

Option 2: To reject the recommendations

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 Apart from Officer time, the purchase and installation costs of the proposed project are covered from the Community Development Fund. The Council's own capital reserves are unaffected.

7.2 Maintenance costs will be covered by the maintenance reserve derived from CDC's retained portion of the FiT income.

Comments checked by: Martin Henry, Director of Resources

### **Legal Implications**

7.2 A legal agreement will need to be added to the lease, to formalise the split of FiT income.

Comments checked by: Kevin Lane, Head of Law & Governance

## **8.0 Decision Information**

**Key Decision** **No**

**Financial Threshold Met:** **No**

**Community Impact Threshold Met:** **No**

### **Wards Affected**

Banbury Hardwick

### **Links to Corporate Plan and Policy Framework**

District of Opportunity  
A Cleaner, Greener District

### **Lead Councillor**

Councillor George Reynolds, Deputy Leader

## **Document Information**

<b>Appendix No</b>	<b>Title</b>
None	
<b>Background Papers</b>	
None	
<b>Report Author</b>	Ian Davies, Director Community & Environment

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