

# Executive

## 2011/12 Projected Revenue and Capital Outturn at 31 December 2011

6 February 2012

### Report of Head of Finance and Procurement

#### PURPOSE OF REPORT

This report summarises the Council's Revenue and Capital performance for the 9 months of the financial year 2011/12 and projections for the full 2011/12 period. These are measured by the budget monitoring function and reported via the Performance Management Framework (PMF) informing the 2011/12 budget process currently underway.

This report also reviews the treasury performance and procurement action plan performance for the first 9 months of 2011/12.

This report is public
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#### Recommendations

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The Executive is recommended to:

- (1) Note the projected revenue & capital position at December 2011.
- (2) Note the Capital Slippage of £9m from the 2011/12 capital programme as detailed in the main body of this report.
- (3) Approve the funding of £20k to the Banbury Citizens Advice Bureau Appeals per paragraph 2.9
- (4) Note the Q3 treasury performance outlined in paragraph 2.17.
- (5) Note progress against the Procurement Action plan detailed in Appendix 1 and the savings recorded in Appendix 2.

## **Executive Summary**

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### **Introduction**

- 1.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is reported monthly to the Corporate Management Team and formally to the Executive on a quarterly basis. This report includes the position at Q3.
- 1.2 The revenue and capital expenditure in Q3 has been subject to a detailed review by Officers and reported monthly to management as part of the corporate dashboard. An additional benchmark has been included this year to measure the accuracy of projections by budget holders on a month by month basis.
- 1.3 A review of the treasury performance to Q3 is also included within this report.
- 1.4 Our performance has been regularly reviewed by our treasury management advisors Sector and by the Accounts, Audit and Risk Committee.
- 1.5 Progress against the Council's procurement strategy and the annual saving's target is also included within this report.

### **Conclusion**

- 1.6 Due to the downturn in the economy, impact of the credit crunch on Council services and the volatility of the financial markets, the Council is keeping a watching brief on any challenges that they may need to face which may result in a redirection of budgets.
- 1.7 The variances on the revenue and capital projections are within the Council's stated tolerances of +2% / -5%.
- 1.8 The Council has a General Fund Revenue reserve to meet any budgetary surplus or deficit.
- 1.9 The actual return on investments for the quarter to December 2011 was £973k compared with a budget of £595k a variance of £378k. This is in line with expectations.
- 1.10 The Council's performance against the procurement action plan is in line with timescales and after 9 months 60% of the savings target has been achieved with the anticipated savings from the internal audit and dry waste recycling services tenders received and currently being evaluated far exceeding the annual cashable savings target of £150,000 for 2011/12.

## Background Information

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### Revenue and Capital Position at 31 December 2011

- 2.1 Since the 30 September report was brought before the Executive the new Joint Management Team are all now in post and the services within the Council have been restructured to reflect this new joint team. The Revenue projections below reflect the new structure.
- 2.2 The Dashboard Revenue Report for December 2011 shows an underspend against budget of £1.2m. This differs from the projected year end position detailed below through profiling of expenditure and income
- 2.3 Total capital spend to December 2011 including commitments, amounts to £2.6m. This represents 17% of the total annual budget and 27% of the periodic budget. This is prior to adjustment for profiling and projects that are to be deferred.

### Revenue Projected Outturn 2011/12

December 2011 PROJECTIONS	Full- Year Budget 2011/12 £000's	Projected Out-turn 2011/12 £000's	Projection Variance 2011/12 £000's
<b>DIRECTORATES</b>			
Community & Environment	8471	8460	-12
Resources (incl Chief Executive)	3332	3377	45
Development	4356	4356	0
<b>Net Expenditure Services</b>	<b>16160</b>	<b>16193</b>	<b>33</b>
<b>Increase in Investment Income</b>		(266)	(266)
<b>Transfer to Reserves</b>		233	233
	<b>16160</b>	<b>16160</b>	<b>0</b>
<b>Net Revenue Projected (under) / overspend 2011/12 @ December 2011</b>			<b>0</b>

- 2.4 As detailed in the table above there is currently a projected service overspend of £33k which is offset by an increased investment income of £266k (see 2.7 below), leaving a net surplus of £233K, which is to be transferred to Reserves. This variance is within the Council's stated tolerances of +2% / -5% and will continue to be monitored on a monthly basis.
- 2.5 We are currently projecting an over recovery of interest of £266k based on interest received to December 2011, the forecasted cash flow for the remainder of the year and adjusted for the contribution from the ECO town funds which are transferred back to the ECO town investment pots.

- 2.6 **Community and Environment** currently has a projected underspend of £12k.

Environmental Services has a projected overspend of £101k. Agency costs are projected to be £62k above budget through long term sickness and bank holiday work. There are also significantly reduced tonnages, recycling credits and income from sales of recyclables which in part is being offset by the utilisation of reserves of £58k set aside for bin distribution. The MOT bay is currently projecting an under recovery of income of £27k although this may reduce to £17k if further savings materialise. .

Community Services are projected to be £110k underspent. This is primarily due to additional car parking income of £56k and there is a projected underspend within Customer Services of £54k relating to salaries / car allowances postage and carriage.

- 2.7 **Resources** is projected to be £45k overspent.

Finance and Procurement is projecting to be overspent by £84k. There is an under recovery of court costs of approximately £100k however this is positive as the amount of debt referred to court is reducing and impacting on collection rates.

Transformation is projecting a £27k overspend. There is a £10k projected underspend in Training which offsets the projected £37k overspend within ICT services relating to unscheduled running of data lines.

These overspends are then partly offset by underspends of £56k within Law and Governance. There is additional income within land charges of £25k and underspends within Parliamentary and District elections are projected as being £31k

- 2.8 **Development** is projected to be on target.

Regeneration and Estates is projecting an under recovery of income from Castle Quay Shopping Centre of £100k, based on Q1, Q2 and Q3 rents received to date and a £16k reduction in rents from industrial units. However this is offset in part by additional income of £65k from estate shops and Banbury Rugby Club.

Within Housing, due to the current economic climate there has been a significant increase in homelessness applications resulting in a projected overspend within Bed & Breakfast accommodation of up to £53k. This is however offset by additional Housing Benefit / Rental income of £30k , a contribution from OCC of £20k, and an underspend of £35k in rent deposits.

- 2.9 A request has been received to make a contribution of £20k to the Banbury Citizens advice Bureau Capital Appeal which will support the £80k already raised to carry out a buildings refurbishment that will lead to a first class advice centre in Banbury. This can be met from existing resources.

### **Capital Projection 2011/12**

- 2.10 Total capital spend to December 2011 including commitments, amounts to £2.6m. This represents 17% of the total annual budget and 27% of the

periodic budget. This is prior to adjustment for profiling and projects that are to be deferred.

DECEMBER 11 PROJECTIONS	Full-Year Budget 2011/12 £000's	Projected	Projection
		Out-turn 2011/12 £000's	Variance 2011/12 £000's
<b>DIRECTORATES</b>			
Community & Environment Resources Development	3,516	2,319	(1,197)
	672	561	(111)
	11,617	3,672	(7,945)
	<b>15,805</b>	<b>6,552</b>	<b>9,253</b>

**Analysed:-**

<b>Net (Under) / Overspends</b>	<b>(204)</b>
<b>Identified Slippage</b>	<b>(9,049)</b>
<b>As above</b>	<b>(9,253)</b>

2.9 The projected spend for capital schemes at Q3 taking into consideration the slippage requests is £6.5m.

2.10 Assurance has been sought from Service Heads to ensure that schemes are started according to budgeted profile and have been reviewed by the Capital Investment Delivery Group.

2.11 The review undertaken has currently identified a total of £9m of slippage required into the 2012/13 programme. These are detailed below :-

<b>Capital Schemes - slippage</b>	£000's
Circular Walks DDA Works	2
South West Bicester Sports Village	829
Sports Centre Modernisation Programme	249
Environmental Services Waste Management IT System	1
Fleet Management System	28
Mini MRF [Materials Recovery Facility]	29
Financial Ledger - Agresso 5.5	50
Budget Module	15
Core Business System Integration	47
Bicester Cattle Market Car Park Phase 2	90
Bicester Pedestrianisation	250
Future Regeneration Schemes Preliminary Prof Fees	7
Thorpe Lane Depot Refurbishment Scheme	15
Old Bodicote House	236
Bicester Town Centre Redevelopment	5,000
Fees of Future Regeneration Schemes	40
Access to Highfield Depot	22
Sanctuary Acquisition Scheme	4

Bicester Acquisition 2nd Scheme	20
Land Claypits Lane Bicester	187
Purchase of Temp Acc Bryant House Bic & Edward St	132
Orchard Way Banbury Redevelopment	1,100
Dashwood Road	66
Delegated Affordable Housing capital Pot	500
Disabled Facilities Grants	100
Discretionary House Condition Grants	30
<b>As detailed above</b>	<b>9,049</b>

### Joint Working Arrangements with South Northamptonshire

- 2.12 Our 2011/12 budget has been prepared on the basis that we will achieve £333k worth of savings in this current year.
- 2.13 The joint chief executive started earlier than anticipated in the business case and there will be savings as a direct result of this. The joint senior management team is also now established generating further savings as salaries are lower than assumptions contained within the original business case.
- 2.14 At 31 December we are therefore projecting £432k worth of savings, which is in excess of the £333k included within the business case and built into our budget for 2011/12. The £99k additional projected savings also incorporate the impact of joint working initiatives within Health & Safety and Democracy.
- 2.15 A formal request to carry these additional savings forward to 2012/13 will be made within the Final Budget Report to Executive – 6 February 2011.

### Efficiencies

- 2.16 As part of the preparation of the 2012/13 budget we have secured £2m worth of budget reductions against our corporate pledge of £1m. These have been incorporated into our base budget for 2012/13 and are detailed within the Final Budget report to Executive – 6 February 2012.

### Treasury Performance Quarter 3 2011/12

- 2.17 The actual return on investments for the quarter to December 2011 was £973k compared with a budget of £595k giving a variance of £378k.

The actual return on investments by Fund manager can be seen below:

<b>Fund</b>	<b>Amount at 31st Dec 2011</b>	<b>Q3 Interest Budget YTD</b>	<b>Q3 Actual Interest YTD</b>	<b>Variance YTD</b>	<b>Annual Rate of return %</b>
TUK	10,500,000	303,208	350,396	47,188	3.32
Investec	11,548,176	76,250	183,630	107,380	N/A
In House	53,759,506	216,090	439,470	223,380	1.29
<b>Total</b>	<b>75,807,683</b>	<b>445,838</b>	<b>973,497</b>	<b>377,949</b>	<b>1.76</b>

- 2.18 The 12 month benchmark for investment returns according to Sector is 1.34% and as illustrated, the authority outperformed the benchmark by **42 bps** primarily as a result of the longer term investments which are achieving >5% - these however are nearing maturity.
- 2.19 The performance is in line with expectations and the additional investment income is as a result of larger than expected balances. A substantial proportion of the investment income is related to the ECO Town funds and this income will be allocated directly to these funds.
- 2.20 After considering this we are projecting to be delivering an additional £266k of investment income compared to budget at the year end.
- 2.21 Compliance with our investment strategy and monitoring of our returns was reported to the Accounts, Audit and Risk Committee on 11<sup>th</sup> January 2012.
- 2.22 The mid year report considers the economic conditions and compliance with our annual treasury management strategy and this will be reviewed at the next meeting of the Accounts, Audit and Risk Committee in March 2012.

#### **Progress on Procurement Action Plan**

- 2.23 Progress against the Council's procurement action plan is detailed in Appendix 1.
- 2.24 Collaboration continues apace with South Northamptonshire on a project by project basis with the receipt of tenders in January for internal audit and dry waste recycling services pointing to substantial savings for the former and a complete reversal from a service currently costing approximately £55,000 p.a. to one which may net the Council a substantial and secure revenue stream for three years from 1<sup>st</sup> April 2012 for the latter.
- 2.25 Cherwell is currently undertaking amongst others the following shared procurement projects:
- Internal Audit Services and Reactive Maintenance with South Northamptonshire Council;
  - Dry Waste Recycling Services with South Northamptonshire Council and Aylesbury Vale District Council;
  - Credit checking facilities with all Oxfordshire councils and three Northamptonshire councils;
  - Traffic management services with South, Vale and West Oxfordshire districts.
  - Automated telephone car parking payment services with Oxford City and potentially South and Vale districts.
- 2.26 The procurement target for securing ongoing cashable savings in 2011/12 is £150,000 and to date total savings achieved amount to £89,384 – i.e. 60% of the total at the three-quarter year mark. The full detail behind the savings can be seen in Appendix 2.
- 2.27 A growing percentage of the cashable savings have been secured by including a range of initiatives within tender documents, such as fixed pricing for the second and third year of the contract or at least fixing increases by 1%

below the Consumer Price Index; requesting prompt payment discounts against invoice payments – the average being 3% but discounts offered being as high as 5%; requiring the contract to be made available to other local authorities and public bodies with retrospective discounts agreed in the event that there is an increase in expenditure over the year.

- 2.28 These savings will result in budget reductions in the formulation of the 2012/13 budget and contribute to in year cost reductions.

### **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 This report illustrates the Council's performance against the 2011/12 Revenue and Capital Budget and includes details of Treasury Performance as at Qtr 3 – December 2011

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- |                   |   |
|-------------------|---|
| <b>Option One</b> | To review current performance levels and considers any actions arising.                                 |
| <b>Option Two</b> | To approve or reject the recommendations above or request that Officers provide additional information. |

### **Consultations**

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The revenue and capital position has been subject to regular review by the Corporate Management Team and as part of the PMF framework.

Compliance with our investment strategy and monitoring of our returns was reported to the Accounts, Audit and Risk Committee on 11 January 2012.

### **Implications**

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- |                         |  |
|-------------------------|--|
| <b>Financial:</b>       | Financial Effects – The financial effects are as outlined in the report.<br><br>Efficiency Savings – There are no efficiency savings arising from this report however the budget 2011/12 was based on a number of efficiencies and progress against the 2012/13 efficiencies is included in Para 2.16.<br>Comments checked by Karen Muir, Corporate System Accountant 01295 221559 |
| <b>Legal:</b>           | Presentation of this report is in line with the CIPFA Code of Practice.<br><br>Comments checked by Comments checked by Martin Henry, Director of Resources 0300 003 0102   |
| <b>Risk Management:</b> | The position to date highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year.   |

**Wards Affected**

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All

**Corporate Plan Themes**

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An Accessible and Value for Money Council

**Lead Member**

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Councillor Ken Attack  
Lead Member for Financial Management

**Document Information**

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Progress against the 2011/12 Procurement Action Plan
Appendix 2	Procurement Savings Record
<b>Background Papers</b>	
2011/12 Budget Booklet Medium Term Financial Strategy 2011/12 Investment Strategy CIPFA Treasury Management Code of Practice 2011/12 Procurement Strategy and Action Plan	
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## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.1 Embed and Develop the use of the Procurement Strategy objectives across the Council		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Consolidate the key officers group already trained via workshops for continued development of options appraisals for all service planning and contract management to enable better planned and managed contracts.                             <ul style="list-style-type: none"> <li>○ Consult on further needs and undertake a gap analysis on a project by project basis;</li> <li>○ Build on workshops held in 2010;</li> <li>○ Monitor progress and build case studies for use in workshops and to encourage buy-in.</li> </ul> </li> </ul>	Onward going	<p>Training continues on a project by project basis as follows:</p> <ul style="list-style-type: none"> <li>• Housing – high level support for strategic housing team with the Affordable Homes Programme;</li> <li>• Environmental Services – entire procurement process and contract management for Transport and Waste teams resulting in more effective specifications and pricing mechanisms, better use of technology, prompt payment discounts and bulk purchasing with other councils.</li> <li>• Finance – more strategic approach to re-tenders for internal audit and treasury management.</li> </ul>
7.2 Governance and compliance		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Ensure all operational procurement and contract management activity complies with the Council's Contract Procedure Rules (CPR) and statutory regulations by:                             <ul style="list-style-type: none"> <li>○ Referring to the CPR with workshops;</li> <li>○ Refreshers on a project by project basis;</li> <li>○ Use of the rolling carousel news function on the intranet;</li> <li>○ Regular meetings with HoS;</li> <li>○ Visiting DMTs.</li> <li>○ Circulating key learning points and case studies via Cascade and Inside Cherwell.</li> </ul> </li> </ul>	Onward going	<p>Procurement Manager has been meeting with new Heads of Service to review procurement projects for 2012/13 and enable better planning with improved outcomes. Most recently have been advising new HoS on areas such as the Contract Procedure Rules, waivers and have provided support to the two new officers on the Procurement Steering Group.</p> <p>A lot of work carried out on whether contracts set up prior to joint arrangements working with SNC can be utilised by SNC.</p>

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.2 Governance and compliance		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Enhance the scrutiny and policy development role of the Procurement Steering Group Strategy Group by:                             <ul style="list-style-type: none"> <li>○ Holding first quarterly meeting by the end of May 2011 at which key objectives for the year will be agreed;</li> <li>○ Rollout to HoS with rolling membership of two to three HoS.</li> </ul> </li> <li>• Monitor procurement indicators with an agreed recording mechanism in place by July 2011.</li> <li>• A “No Purchase Order No Pay” policy is proposed whereby all expenditure is approved before it is committed. Retrospective Purchase Orders i.e. those raised after the commitment has been made should be discouraged and in due course sanctions should be considered for non compliance:                             <ul style="list-style-type: none"> <li>○ Promote work undertaken by Controls team via intranet carousel, Cascade and Inside Cherwell;</li> <li>○ Undertake quarterly reviews with Controls team and approach officers not conforming to the policy.</li> </ul> </li> <li>• Encourage buy-in to the rules from Members – particularly portfolio holders - by publishing regular updates via the Your Council Matters bulletin.</li> </ul>	<p>Onward going</p> <p>Onward going</p> <p>Onward going</p> <p>Onward going</p>	<p>Further meetings being arranged with new group as a result of new JMT in place. Focus will particularly be on whole life costing and contract management.</p> <p>Corporate Contracts Officer is now monitoring on a quarterly basis.</p> <p>Work being undertaken by Controls team to consider how best to mitigate the impact of embedding the policy on the targets for payment of invoices within 30 days.</p> <p>One article published in Your Council Matters to date. Resources portfolio updated on procurement progress and now sitting on the Procurement Steering Group Strategy Group.</p>
7.3 Achieve greater efficiency and demonstrate improved value for money		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Deliver VFM savings associated with best practice procurement for all categories with a lifetime contract value of more than £10,000 per annum with records maintained for anticipated and actual savings. Cashable savings target of minimum of <b>£150,000</b> for 2011/12.</li> </ul>	<p>Onward going</p>	<p>Cashable savings of £89,384 year to date (60% of annual target) together with non-cashable savings of £46,312 and capital savings of £124,000. Refer to Appendix 3 for complete breakdown. <b>NB: Tenders for Internal Audit Services and Dry Waste Recycling Services are currently being evaluated and it is</b></p>

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.3 Achieve greater efficiency and demonstrate improved value for money		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Further develop additional savings strategies such as:                             <ul style="list-style-type: none"> <li>○ More in-depth options appraisals that review the scope and service level requirements of contracts;</li> <li>○ Exploring opportunities for in-sourcing, shared services or outsourcing to other authorities where appropriate;</li> <li>○ Finder fees and reduced rates/retrospective discounts for opening tendered contracts to other authorities;</li> <li>○ Prompt payment discounts.</li> </ul> </li>   <li>• Continue supplier rationalisation and elimination of spend with non-approved suppliers via analysis of data from across the South East and Agresso. Aim for 100% on contract expenditure for existing corporate contracts.</li> </ul>	<p>Onward going</p>	<p><b>anticipated that the savings from these will ensure that the £150,000 cashable savings target is exceeded.</b></p> <p>In-depth options appraisals undertaken for vehicle purchasing and three year contract being set up using an existing framework which is estimated to provided both CDC and SNC with additional savings – to be confirmed by April 2012.</p> <p>Opportunities for in-sourcing explored to good effect with landscaping contract and options being looked at with pest control as SNC have an in-house team. Shared services options explored with Payroll with SNC and other local authorities.</p> <p>Finder fees being put to good effect with Telephony Maintenance contract where SNC have joined contract set up by CDC and being used for the Council Tax Single Person’s Discount Review Service.</p> <p>Prompt payment discounts have been put to good effect with the new liquid fuels framework with officers working to a 7-day payment period to net a further £1500 p.a. saving on top of the £3,500 p.a. saving for bulk ordering – i.e. avoiding premium charges for ordering below 30,000 litres per delivery.</p> <p>Recent expenditure review exercise has turned up opportunities for testing the market in areas such as engineering services, drainage, vehicle workshop supplies and short-term vehicle rental.</p>

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.4 Develop the corporate contract management methodology and promote across all service areas		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Maintain a Council wide register of all contracts/agreements for all significant contracts (over £10K) and monitor procurement performance and activity, including savings and benefits tracking:                             <ul style="list-style-type: none"> <li>○ Quarterly contract review for all contracts on the register including record of any additional savings and efficiencies.</li> </ul> </li> </ul>	Onward going	Register has been further developed by the Contracts Officer with categorisation in line with the South East Business Portal (used by 74 local authorities and other public bodies across the South East and providing free information for local SMEs). The register is also being used by the Oxfordshire Procurement Hub Officer to identify further opportunities for collaboration with Oxfordshire local authorities.
<ul style="list-style-type: none"> <li>• Implementation of the three contract management templates developed by the Corporate Contracts Officer.                             <ul style="list-style-type: none"> <li>○ Quarterly review of templates in action both for new and existing contracts with brief case studies to promote good practice.</li> </ul> </li> </ul>	Onward going	Contracts Officer has met with officers to develop contract management template with approval to be sought from JMT for continued rollout in Q4 – though this may slip to Q1 of 2012/13 due to focus on joint strategy and joint working.

7.5 Sustainability		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Consider the costs and benefits of environmentally preferable goods/services as alternatives as part of the full lifetime cost calculation process.</li> </ul>	Onward going	Put to good effect with the Photo-voltaic panels tender exercise which aims to generate 3% of the Council's current electricity requirements. Tyres re-tender with the rubber being 100% recycled. The bulk storage facilities for bio diesel coupled with guaranteed delivery within 48 hours mean that the CO2 reduction for deliveries will be

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.5 Sustainability		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Promote awareness, train and encourage buyers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products.</li> </ul>	Onward going	greatly reduced. Also considered with the cleaning materials framework undertaken with Northampton Borough Council and the public convenience maintenance contract.
<ul style="list-style-type: none"> <li>• Ensure sustainability is addressed with each procurement exercise by including it as a section within the stakeholder questionnaires and encouraging sustainability to be included within evaluation criteria as well as the assessment/pre-qualification stages.</li> </ul>	Onward going	Further work being undertaken with the stationery contract to reduce usage and successful outcome with the new contract for replacement multi-functional printers resulting in higher speed machines with removal of colour option for all but one printer.
<ul style="list-style-type: none"> <li>• Encourage buyers to break down larger contracts to match SME and Social Enterprise capacity where appropriate.</li> </ul>	Onward going	Adoption of Government Buying Standards for recycled paper for services contracts whereby contractors agree to usage of recycled paper with all work undertaken on behalf of the Council.
	Onward going	Adopted successfully for the PV (solar panel) installation and reactive buildings maintenance projects.

7.6 Joint Working		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Develop framework for cooperation with South Northamptonshire Council in 2011/12:               <ul style="list-style-type: none"> <li>○ Review forward plans for all procurement exercises in 2011/12 across both Councils;</li> <li>○ Agree collaboration projects and targets for economies of scale in procuring together;</li> <li>○ Review value for money of existing draw down contracts where there is the option of switching to whichever contract demonstrates the</li> </ul> </li> </ul>	Onward going	<p>The initial 14 high profile projects identified have been continually added to on a project by project basis and currently there are 31 projects on the joint working plan:</p> <ul style="list-style-type: none"> <li>• Telephony maintenance – contract set up by CDC joined by SNC with savings to follow.</li> <li>• Postal Services – CDC has adopted framework for 2<sup>nd</sup> class post reviewed by SNC.</li> <li>• SNC have been included on a range of facilities</li> </ul>

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.6 Joint Working		
Action	Status	Progress Narrative
<p>best VFM;</p> <ul style="list-style-type: none"> <li>○ Review existing common contracts and options for collaborative negotiating of the scope and pricing structures.</li> <li>○ Provide quarterly reports on additional savings achieved by above activities.</li> </ul>		<p>management tenders including reactive buildings maintenance and lift maintenance.</p> <ul style="list-style-type: none"> <li>● Review of Internal Audit has resulted in joint tender exercise commencing for 1<sup>st</sup> April 2012 contract start date with tenders currently being evaluated and showing signs of savings for both councils.</li> <li>● Dry Waste Recycling – joint exercise with SNC and Aylesbury Vale District Council – tenders currently being evaluated and indications are of a sizeable revenue income for all councils.</li> </ul>

7.6 Collaboration		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>● Develop further strategic links with the following procurement partners to share best practice, reduce duplication and administration costs and release additional savings: <ul style="list-style-type: none"> <li>● Oxfordshire Procurement Hub</li> <li>● Strategic Procurement Partnership for Oxfordshire (SPPO)</li> <li>● Northamptonshire procurement partnerships</li> <li>● Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership (MKOB)</li> <li>● Procurement arm of Improvement and Efficiency South East (IESE) – and future partners – PCT, Thames Valley Police, Universities and Colleges.</li> <li>● The South East Business Portal.</li> </ul> </li> </ul>	Onward going	<p>In 2012/13 CDC have lead on amongst others:</p> <ul style="list-style-type: none"> <li>● Liquid fuels (Oxford City)</li> <li>● Tyres (Oxford City)</li> <li>● Credit Checking (all Oxfordshire authorities and three Northants authorities)</li> <li>● Dry Waste Recycling (SNC and AVDC)</li> </ul> <p>Similarly CDC have benefited from working on the following joint exercises, some of which are ongoing:</p> <ul style="list-style-type: none"> <li>● Cleaning materials (Northampton Borough Council)</li> <li>● Elections Printing (Northampton Borough Council)</li> </ul> <p>The Oxfordshire Procurement Hub Officer has delivered three frameworks for use by CDC with a notable success with the provision of a Planned and Responsive</p>

## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.6 Collaboration		
Action	Status	Progress Narrative
		<p>Buildings Maintenance Contract covering all key areas as follows:</p> <ul style="list-style-type: none"> <li>• General Building (general labouring and wet trades)</li> <li>• Roofing</li> <li>• Painting and decorating</li> <li>• Flooring</li> <li>• Mechanical Engineering</li> <li>• Plumbing</li> <li>• Electrical</li> <li>• Carpentry/joinery</li> <li>• Glazing</li> <li>• Groundwork (including Tarmac and drainage)</li> <li>• Works over £5000</li> </ul> <p>This framework is being considered for use with the Affordable Housing Programme as well as the Council's own properties estate.</p> <p>The Hub Officer continues to review opportunities for joint working and most recently has been looking at online credit checking and the automated car park payment service, both of which are up for re-tender for CDC.</p> <p>In January the Procurement Manager met with over 30 public sector procurement leads from across the Thames Valley met to discuss opportunities for working together and the findings are being fed back to the Thames Valley Chief Executives Group. The main focus was on agreeing which market sectors are best focused on local, regional or national supply chains.</p>



## 2012/13 PROJECTED REVENUE & CAPITAL OUTTURN AT 31<sup>st</sup> December 2012

### Appendix 1 - Record of Progress Against Procurement Action Plan for 2011/12

7.8 Mixed Economy		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Continue to make it easier for local businesses to trade with us and implement a two-way dialogue process via online questionnaires and focus groups:                             <ul style="list-style-type: none"> <li>○ Dispatch of and collation of feedback from an online questionnaire;</li> <li>○ Develop use of engagement forums for all relevant projects;</li> <li>○ Feedback questionnaire for short listed suppliers – record any feedback from phone debriefs to reduce workload on suppliers.</li> </ul> </li> </ul>	Onward going	<p>Engagement forums have been used to good effect with the following projects:</p> <ul style="list-style-type: none"> <li>• PV (solar panel) installation</li> <li>• Reactive buildings maintenance</li> <li>• Voluntary sector commissioning</li> </ul> <p>Also scheduled to use workshops for the credit checking tender.</p>

7.9 Corporate Procurement Resources		
Action	Status	Progress Narrative
<ul style="list-style-type: none"> <li>• Raise the profile of the Procurement Service and its achievements, both internally and with external stakeholders by:                             <ul style="list-style-type: none"> <li>○ Arranging bi-monthly 1-2-1's with key Heads of Service;</li> <li>○ Regular updates via intranet carousel, Cascade and Inside Cherwell focusing on corporate contracts, the contracts register, updates and tips.;</li> <li>○ Meetings with the partners listed in 7.6</li> </ul> </li> </ul>	Onward going	<p>The increased flow of officers approaching the Procurement team – especially ahead of a project – demonstrates how right across the Council officers understand the importance of engaging procurement at the earliest possible stage with impromptu 'drop-in' surgeries occurring on a daily basis.</p> <p>The increased experience of the Corporate Contracts Officer and the Corporate Purchasing Officer has also been recognised by the way in which officers at all levels approach them for advice rather than going straight to the procurement manager.</p>

**2012/13 PROJECTED REVENUE CAPITAL OUTTURN AT 31st December 2012**

**Appendix 2 -Procurement Cashable and Non-Cashable Savings Achieved for Financial Year 2011 to 2012 as at end of December 2011**

Service Area	Contract Description	Cashable with budget reduction	Cashable but no budget reduction	Non-cashable	Capital
Various	P Cards			£43,068	
Environmental Services	Public Toilet Maintenance	£4,860			
Customer Service and IT	Supply of multifunctional printer/copiers	£16,452	£8,640	£3,244	
Environmental Services	Vehicle Spare Parts - price increase 1% below CPI - i.e. 3.5% i/o 5.2% & 2.5% prompt payment discount	£2,900			
Regeneration and Estates	PAT Testing - fixed price for 2nd year - CPI saving of 4.5%	£180			
Regeneration and Estates	Heating plant maintenance - price increase 1% below CPI on £8681 & prompt payment discount	£260			
Regeneration and Estates	Cooling plant maintenance - price increase 1% below CPI on £6148 & prompt payment discount	£480			
Housing	Housing Register Software - inflation clause reduced to CPI	£160			
Urban & Rural	Supply of Pay & Display Tickets	£750			
Urban & Rural	Supply of lone worker devices	£4,398			
Regeneration & Estates	Provision of door & shutter maintenance	£2,662			
Customer Service and IT	2nd class postal services	£2,500			
Environmental Services	Public Convenience Cleansing - agreement to hold prices at 2010 rates	£2,191			
Environmental Services	Pest Control - agreement to fix prices at 2010 rates	£2,350			
Leisure	South West Bicester Sports Village Pitches	£1,240			£124,000
Regeneration & Estates	Cleaning materials	£250			
Regeneration & Estates	Water Hygiene	£3,858			
Regeneration & Estates	Lift Maintenance	£359			
Recreation & Health	North Oxfordshire Guide - contract extension at same price as 2010	£135			
Housing	Voluntary Services		£119,765		
Housing	Affordable Homes Strategy Consultancy	£2,300			
Housing	HCA Programme Management Contract	£8,386.00			
ICT	ICT Due Diligence	£5,000			
Finance	CT Single Person's Review Service	£1,892			
Environmental Services	Tyres	£3,250			
Environmental Services	Liquid fuels	£5,000			
Regeneration and Estates	Hot drinks machines	£1,600			
Regeneration and Estates	Corporate cleaning	£811			
Regeneration and Estates	Water Machines	£205			
Finance and Procurement	Non standard stationery items	£140			
Regeneration and Estates	Review of energy procurement (Watt-Knots)	£13,000			
Finance and Procurement	Revised paper pricing	£400			
Urban & Rural	CCTV monitoring extension - prices held at last year's rates	£765			
Legal & Democratic	Elections FM - new contract with prices held at 2011/12 rates	£650			
	<b>Total YTD</b>	<b>£89,384</b>	<b>£128,405</b>	<b>£46,312</b>	<b>£124,000</b>
	<b>Since November 2011</b>	<b>£14,955</b>			