

Public Document Pack



Bob Coomber
Interim Chief Executive

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www.plymouth.gov.uk/democracy

Date: 5-10-2012

Please ask for: Nicola Kirby, Senior Democratic Support Officer (Cabinet)
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CABINET

Date: Tuesday 16 October 2012
Time: 2pm
Venue: COUNCIL HOUSE, PLYMOUTH

Members:
Councillor Evans, Chair
Councillor Peter Smith, Vice Chair
Councillors Coker, Lowry, McDonald, Penberthy, Vincent and Williams.

Members are invited to attend the above meeting to consider the items of business overleaf.

Members and officers are requested to sign the attendance list at the meeting.

Bob Coomber
Interim Chief Executive

CABINET

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for non-attendance submitted by Cabinet Members. A flowchart providing guidance on member interests is attached to assist councillors.

2. DECLARATIONS OF INTEREST (Pages 1 - 2)

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda. A flowchart providing guidance on member interests is attached to assist councillors.

3. MINUTES (Pages 3 - 12)

To sign and confirm as a correct record the minutes of the meeting held on 11 September 2012.

4. QUESTIONS FROM THE PUBLIC

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Corporate Services Department, Plymouth City Council, Civic Centre, Plymouth, PL1 2AA, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five clear working days before the date of the meeting.

5. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

6. RENEWAL OF THE CITY'S FAIRTRADE CITY STATUS (Pages 13 - 20)

The Director for Place will submit a report on the renewal of the City's Fairtrade process together with the proposed wording of a Cabinet Agreement recommended by the Fairtrade Plymouth Steering Group.

7. SCHOOL FUNDING REFORM (Pages 21 - 32)

The Director for People will submit a report on the recommendations from the Schools Forum regarding changes to schools funding, following consultation with all schools.

As part of the funding reform, local authorities must submit a pro-forma to the Education Funding Agency by the 31 October 2012 setting out how schools and early years settings in Plymouth will be funded from April 2013.

8. COMMUNITY RIGHT TO CHALLENGE (Pages 33 - 38)

The Director for Corporate Services will submit a report recommending the detailed process for the administration of expressions of interest under the community right to challenge.

9. TO PROCURE A FRAMEWORK FOR EMERGENCY REPAIRS AND STATUTORY COMPLIANCE FOR PLYMOUTH CITY COUNCIL CORPORATE PROPERTY (Pages 39 - 44)

To procure a framework for the provision of emergency repairs and statutory compliance for Plymouth City Council Corporate Property (to be made available to schools as required).

10. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, members are entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

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What matters are being discussed?



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Does the business relate to or is it likely to affect a disclosable pecuniary interest. These will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain;
- any sponsorship that they receive including contributions to their expenses as a councillor; or the councillor's election expenses from a Trade Union;
- any land licence or tenancy they have in Plymouth;
- any current contracts leases or tenancies between the Council and them;
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities;
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities.

No ↓ Yes → Declare interest and leave

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Might a decision in relation to that business be reasonably be regarded as affecting (to a greater extent than the majority of other Council Tax payers, ratepayers or inhabitants of ward affected by the decision)

- Your well-being or financial position; or
- The well-being or financial position of:
 - A member of your family or any person with whom you have a close association; or
 - Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
 - Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your Authority; or
 - Any body exercising functions of a public nature, directed to charitable purposes or whose principal includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management?

↓ Yes

You must disclose the existence and nature of your personal interests



Would a member of the public, with knowledge of the relevant facts, reasonably regard your personal interest to be so significant that it is likely to prejudice your judgement of the public interest?

No →

You can participate in the meeting and vote (or remain in the room if not a member of the meeting)

↓ No

↓ Yes

– Does the matter affect your financial position or the financial position of any person or body through whom you have a personal interest?
 – Does the matter relate to an approval, consent, licence, permission or registration that affects you or any person or body with which you have a personal interest?
 – Does the matter not fall within one of the exempt categories of decisions?

No ↰

↓ Yes

Speak to Monitoring Officer in advance of the meeting to avoid allegations of corruption or bias

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Cabinet

Tuesday 11 September 2012

PRESENT:

Councillor Evans, in the Chair.

Councillor Peter Smith, Vice-Chair.

Councillors Lowry, McDonald, Penberthy, Vincent and Williams.

Apology for absence: Councillor Coker

Also in attendance: Bob Coomber (Interim Chief Executive), Adam Broome (Director for Corporate Services), Carole Burgoyne (Director for People), Anthony Payne (Director for Place), Fiona Fleming (Commissioning Manager), Claire Hodgkins (Supporting People Project Manager), Debbie Butcher (Head of Strategic Commissioning), Craig McArdle (Head of Service – Commissioning, Joint Commissioning and Adult Social Care), Mike Palmer (Spatial Planning Manager), Paul Barnard (Assistant Director for Planning Services), Mark Grimley (Assistant Director for HR and Organisational Development), Tim Howes (Assistant Director for Democracy and Governance), and Katey Johns (Democratic Support Officer).

The meeting started at 2 pm and finished at 4 pm.

Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

50. **DECLARATIONS OF INTEREST**

In accordance with the code of conduct, there were no declarations of interest made by members in relation to items under consideration at the meeting.

51. **MINUTES**

Agreed the minutes of the meeting held on 23 August 2012.

52. **QUESTIONS FROM THE PUBLIC**

One question was submitted by the public for this meeting, in accordance with Part B, paragraph 11 of the Constitution, as set out below.

In the absence of Mr Sharpe, the question and the response were circulated to members and the written response would be sent to him.

Question No.	Question By	Cabinet Member	Subject
6 (12/13)	Mr F E Sharpe	Councillor Peter Smith, Deputy Leader	Portable Swimming Pool in Plymstock
Please could the City Council look into bringing back to Plymouth the portable swimming			

pool that was in Plymstock School Hall for a few weeks a number of years ago as Plymstock has no public swimming pool. It could go in the closed Downham School building.

Response:

British Gas 'Pools 4 Schools' was an initiative supported by the Department of Children Schools and Families (DCSF), which provided temporary pools across the UK, as an innovative solution to help children learn to swim, improve their fitness and overcome their fear of water. Mainly in response to the fact that, nationally, one-in-five children are unable to swim 25 metres by the time they leave Primary School.

As part of this initiative Plymstock School hosted a 12m x 6m (1m deep) temporary pool from Monday 22 February to Wednesday 31 March 2010.

As well as providing intensive swimming lessons during the school day, the facility was also made available for the public to use. However, this was not very successful with take-up being relatively low, mainly due to the size of the temporary pool.

The initiative still exists and the pool itself is provided free of charge with a £5k grant contribution towards the cost of swimming teachers. The host venue would be responsible for energy costs (about £3-5K for 12 weeks), life guards and swimming teacher costs.

With the introduction of the Plymouth Life Centre the Council has significantly increased the availability of swimming pool real estate in the city and future developments proposed at Sherford will also bring additional pool capacity to the city close to the Plymstock area.

Given the increased quantity of swimming facilities in the city and the cost pressures that would arise through the reintroduction of this initiative it is not deemed that this would deliver value to the community.

Incidentally, Downham School is presently allocated for disposal and would, therefore be unable to host such an initiative.

53. **CHAIR'S URGENT BUSINESS**

Changes to Planning Legislation

The Chair reported on the recent announcement outlining controversial changes to government policy on planning and in, particular, the intention to relax the requirement for planning permission on residential extensions under 8m. He commented that he was extremely concerned at the potential implication of these changes on the City, albeit for a three year period, and that, combined with the transfer of decision-making powers to unelected bodies, they would seriously undermine the planning process and could result in neighbour conflicts and cause demonstrable harm to neighbourhoods for years to come.

The Planning Committee will therefore be invited to look at the new legislation in greater detail, consider its implications for the City, and report back to Cabinet with some practical steps as to how this can be addressed.

(In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chair brought forward the above item of business because of the need to consult Members).

54. **EARLY INTERVENTION AND PREVENTION STRATEGY**

The Director for People submitted a report seeking agreement to the Early Intervention and Prevention Strategy. Cabinet Members heard that –

- early intervention was defined as responding as soon as possible to vulnerable children, young people and families by having services in place to provide support before things got worse, to help families move on from their difficulties and to lead happier and healthier lives;
- the Strategy had been jointly developed and committed to by all partners including schools, the police, the voluntary and community sector and health services.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed –

- (1) the Early Intervention and Prevention Strategy;
- (2) that, in light of this Strategy being agreed, commissioning and delivery plans are reviewed to ensure investment in early intervention and prevention minimises the need for high cost specialist interventions, with monitoring arrangements established through respective partnership boards.

55. **OPERATION ENCOMPASS**

Inspector Sally Hutchins from the Devon and Cornwall Constabulary reported on Operation Encompass, an initiative aimed at improving links and early sharing of information between the Police and schools in order to enable the provision of care and support for children who witness domestic abuse. Cabinet Members were advised that –

- the initiative, which had started as a pilot in Devonport with funding of £10k, was now being introduced by other local authorities, including Exeter and North Devon;
- there was a fully trained key adult in every school in the City;
- a leaflet promoting the scheme had been produced and would be made available to members.

The Chair congratulated those involved in the initiative and thanked Inspector Hutchins for her attendance.

56. **COMMISSIONING PLAN FOR THE PLYMOUTH DOMESTIC ABUSE PARTNERSHIP**

The Director for People submitted a report outlining the future provision of services necessary to combat the persistent problem of domestic abuse in Plymouth as set out in the

Commissioning Plan for the Domestic Abuse Partnership 2012-2019. Cabinet Members heard that –

- funding to tackle domestic abuse in the city currently totalled £1.09m;
- the areas of the city most affected by incidents of domestic abuse were those with the highest levels of deprivation;
- the effect on children remained a focus of the plan as there was an emerging pattern that domestic abuse was an issue increasingly affecting younger people.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed the findings and recommendations of the Commissioning Plan for the Domestic Abuse Partnership 2012-2019.

57. **THE CHARTER FOR OLDER PEOPLE - 2012**

The Director for People submitted a report recommending the adoption of the Charter for Older People, a key manifesto pledge of the Labour Group's election campaign. Cabinet Members were advised –

- of the Charter's objectives and 11 pledges;
- that the Charter highlighted the specific challenges and life changes faced by older people and had been developed in consultation with older people, their representatives and service providers;
- that the council currently spent £72 million on Adult Social Care of which over half was spent on older people;
- that by 2020 90 per cent of local authority budgets would be directed at dealing with older people;
- that the Charter would officially be launched on 1 October 2012, National Old People's Day.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed that –

- (1) the Charter for Older People is adopted across the Council;
- (2) other organisations are encouraged to sign up to the pledges within the Charter;
- (3) a review of the Charter and wider consultation is carried out in spring 2013.

58. **CONTRACT AWARD - MENTAL HEALTH SUPPORTED ACCOMMODATION**

The Director for People submitted a report summarising the recent tender process for a remodelled Mental Health Supported Accommodation Service. Cabinet Members were advised that –

- the service would support people with mental health issues in Plymouth to live full and independent lives;
- over £800k in savings would be achieved over the life of the contract.

The attention of Cabinet Members was drawn to the separate confidential report on the tenders received referred to in minute 67 below.

Councillor McDonald thanked all those involved in pulling this contract together.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed that a three-year contract, containing an option to extend the contract for a further three years, is awarded to the ‘most economically advantageous tenderer’ as identified in the Contract Award Report.

59. **CHILD POVERTY STRATEGY AND ACTION PLAN - PROJECT BRIEF**

The Director for People submitted a written report outlining a proposal to develop a three year local child poverty strategy and action plan by April 2013 following a comprehensive needs assessment which forms part of the Joint Strategic Needs Assessment. Cabinet Members heard that the most recently available national data classified families earning less than £214 per week as living in poverty which, in Plymouth, equated to 11,700 children. Within an environment of significant welfare reforms, rising costs of living and a double dip recession those numbers were certain to rise and, therefore, the establishment of a strategy and action plan to reduce and mitigate child poverty was essential.

Councillor Penberthy thanked the Children and Young People’s Trust, particularly William Woyker, for the work undertaken to move the strategy forward.

Alternative options considered and reason for decision:

As set out in the report.

Agreed –

- (1) to develop a child poverty strategy following the process outlined within sections 2-5 of the report;
- (2) for the child poverty cross-party working group to oversee the development of the child poverty strategy and action plan.

60. **FIRST QUARTER JOINT PERFORMANCE AND FINANCE REPORT**

The Corporate Management Team submitted a report outlining the performance and finance monitoring position of the Council as at the end of June 2012. Cabinet Members heard that the report was the last in its current format and would be replaced by a shorter more focussed version linked to the new administration pledges. In addition, Councillor Lowry raised concerns about the time taken to process housing benefit claims and sought members' approval to the inclusion of an additional recommendation to the report to ensure regular monitoring.

Alternative options considered and reasons for decision:

Recommendations 1-5, as set out in the report.

Additional recommendation 6, as set out in the minute above.

Agreed to –

- (1) note the forecasted overspend for the year against budget of £1.789m and the performance contents of this report, and ensure portfolio holders and officers continue to work closely together to improve performance and take corrective action to deliver a balanced budget;
- (2) approve the re-profiling and variations (reductions) of (£2.945)m in 2012/13 and (£8.576)m for future years to capital spend as detailed in Table 3;
- (3) recommend to Full Council the new capital schemes over £0.500m for investment as detailed in Table 4 amounting to £4.450m in 2012/13 and £4.450m for future years;
- (4) approve the budget virements as detailed in Table 15 of the report;
- (5) approve the move to a revised, more focused finance report, clearly linking the finance position to the new administration pledges, and setting out the countermeasures for any significant variances;
- (6) receive monthly updates on processing times in respect of housing benefit claims and changes in housing benefit circumstances.

61. **THE PLYMOUTH PLAN**

The Director for Place submitted a report setting out proposals for establishing the new "Plymouth Plan" which would provide an integrated and holistic long term vision as to how the city will change between 2012 and 2031. Cabinet Members heard that –

- considerable progress had been made in responding to David Mackay's 'invitation to aspire' which had resulted in delivery of a number of key developments and significant improvements to the city over the period 2006-2012;

- the current economic climate had resulted in the carefully planned out progress being delayed by about five years;
- an innovative approach to get people involved in creating the plan was essential to ensure that the final plan would reflect the aspirations of all Council services, local businesses and communities across Plymouth, and be a strategic plan for the city that everyone could buy in to.

The Chair welcomed the report and took the opportunity to offer a vote of thanks to Mike Palmer, Spatial Planning Manager, who was retiring from the City Council after 39 years of service. Having presented a brief synopsis of his career to Cabinet members, Councillor Evans thanked Mike for his commitment and dedication to planning services in Plymouth and wished him all the very best on his retirement.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed –

- (1) the programme and approach to preparing the Plymouth Plan, as outlined in the report;
- (2) to delegate authority to the Assistant Director for Planning, in consultation with the Portfolio Holder for Environment, to review the current and future Local Development Schemes, including incorporating into the current LDS this work programme for preparing the Plymouth Plan.

62. **THEATRE ROYAL REGENERATION PROJECT**

The Director for Place submitted a report outlining proposals to facilitate £5m of external grant funding into a total £7m regeneration scheme for the Theatre Royal. Cabinet Members heard that the Theatre –

- was an ageing Council asset in need of refurbishment;
- contributed £26m to the city's economy;
- was a centre of artistic excellence providing social and cultural benefits to the City.

Alternative options considered and reasons decision:

As set out in the report.

Conditional on TRP Ltd successfully obtaining grant funding from ACE up to the sum of £5m it is agreed –

- (1) to accept a surrender of the existing lease and simultaneously;
- (2) to grant a new lease for a 30 year term at a peppercorn rental (on the basis of promoting the economic and social wellbeing of the City under Section 2 of the

Local Government Act 2000) on similar terms to the lease surrendered;

- (3) to grant a comprehensive licence to alter in respect of the proposed major alteration works;
- (4) to incorporate in the new lease a right to assign the leasehold interest to ACE or to a performing arts organisation as directed by ACE;
- (5) to grant consent to a legal charge to be placed on the leasehold interest of the property in favour of ACE;
- (6) to confirm revenue support allocation to TRP Ltd at the current level of £665,000 per annum up to and including financial year 2014/15;
- (7) to recommend to Council the inclusion of a new capital scheme up to the value of £1,995,000. The scheme to be funded from the withholding of PCC revenue contributions approved in 6. above for a 3 year period (equating to £1,995,000), making the capital works cost neutral to the Council.

63. **INVESTMENT IN CUSTOMER TRANSFORMATION AND ICT CORE INFRASTRUCTURE**

The Director for Corporate Services submitted a report regarding the business case for the investment in the core ICT infrastructure and capacity to enable the Council to modernise working practices, transform how it reacted and worked with customers and drove efficiencies across the departments of the Council. Cabinet Members heard that –

- the initial cost of the project had been underestimated by 50 per cent as no business case had been produced;
- savings achieved from this project would repay capital borrowing within three years.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed -

- (1) the Business Plan;
- (2) to recommend to Council that the capital programme is amended to include an additional £1.5m, making a total spend of £4.5m.

64. **PROCUREMENT OF THE COUNCIL'S ENERGY REQUIREMENTS**

The Director for Corporate Services submitted a report identifying various options for procuring energy for the Council and its schools.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed -

- (1) to procure energy through a Government approved hedge buying scheme (tendered in accordance with public procurement regulations) for energy (Gas and Electricity) thereby spreading the risk of buying energy over time on the wholesale markets;
- (2) to procure energy both in advance of the period of use (PIA) and within the period of use (PWP) to be able to benefit from energy price fluctuations up to the point of usage;
- (3) to rescind delegated authority for energy procurement and bring it in line with the council's contract award procedures.

65. **THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012 (TO FOLLOW)**

The Director for Corporate Services submitted a report advising of the introduction of new regulations aimed at clarifying and extending the circumstances in which local authority executive decisions were open to the public. The main implications for the city council were highlighted as follows –

- publication of the intention to consider exempt or confidential matters by Cabinet 28 days in advance;
- there was now an opportunity for anyone to challenge the need to take decisions in private and any representation received within the 28 day notice period would have to be responded to in a further notice of intent to be published five clear days before the meeting;
- there should be no 'to follow' reports;
- with regard to the Forward Plan, a 28 day notice period was now required as opposed to 14 and there was now no requirement to include a description of who and how others might be consulted;
- executive decisions taken by officers were now subject to the same requirements as executive members.

Cabinet Members were advised that officers would be seeking further clarification on the new regulations and looking at what measures other authorities were taking to bring these changes into effect.

Alternative options considered and reasons for decision:

As set out in the report.

Agreed -

- (1) that the Monitoring Officer is designated as the 'proper officer' under these

Regulations;

- (2) publication of notices under Regulations 5, including the authority to respond to representations received in response to those notices, is delegated to the Monitoring Officer (where Cabinet gives advance notice of an intention to consider matters in the absence of the press or public), and regulation 6 in relation to the calling of meetings;
- (3) to recommend to Council that it receives an annual report on the use of the 'special urgency' provision under Regulation 11 (where key decisions are taken without prior public notice).

66. **EXEMPT BUSINESS**

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

67. **CONTRACT AWARD - MENTAL HEALTH SUPPORTED ACCOMMODATION (E3)**

With reference to minute 58 above, the Director for People submitted a confidential written report on the recent tender process for a remodelled Mental Health Supported Accommodation Service.

Alternative options considered and reason for decision:

As set out in the report.

Agreed to award a three year contract, containing an option to extend the contract for a further three years, to the 'most economically advantageous tenderer' as identified in the Contract Award Report.

PLYMOUTH CITY COUNCIL

Subject:	Renewal of the city's Fairtrade City status
Committee:	Cabinet
Date:	16 October 2012
Cabinet Member:	Councillor Penberthy
CMT Member:	Anthony Payne (Director for Place)
Author:	Jackie Young, Sustainable Development Co-ordinator.
Contact:	Tel: 01752 304220 e-mail: Jackie.young@plymouth.gov.uk
Ref:	Fairtrade City Status/JYSept2012
Key Decision:	No
Part:	I

Purpose of the report:

Plymouth was granted Fairtrade City status in 2004 under the previous Labour Council and has maintained a steady interest in the promotion of Fairtrade products ever since. In 2011 the Fairtrade Foundation, who oversee this status, introduced a new renewals process; suggesting that the Council should be considering renewing its commitment.

The new process requires the production of an Action Plan and the successful renewal will rely on the extent to which five set goals can be met. The five goals include (1) Council commitment, (2) retail and catering, (3) workplace and community links, (4) media links and (5) 'making it happen' through the establishment of a citywide Steering Group. The city's Draft Fairtrade Action Plan has been in development in partnership with the city's Fairtrade Plymouth Network since March 2012 and is now being promoted for final comment before it is included in our renewal application.

Goal I of the renewals process requires the Council to adopt a Cabinet Agreement that :

- Supports the promotion and use of Fairtrade products wherever possible in the Council.
- Supports the renewal of the Fairtrade City status.

Although there is no requirement for a formal 'pledge' in support of the city's commitment to Fairtrade, the adoption process is strongly supported by the manifesto of the new Labour Administration which states (on page 4) " we also wish to see Plymouth retain and develop its Fairtrade City status. Plymouth was one of the earliest to achieve this and the co-operative and faith communities played a huge part in making it happen."

The renewed commitment to the principles of Fairtrade is considered to be fundamental to the Council's broader aspirations for co-operative action; with local opportunity and global implications underpinning much of the delivery of its agenda for change.

This report accompanies the proposed wording of a Cabinet Agreement recommended by the Fairtrade Plymouth Steering Group. It seeks formal approval and adoption of the Cabinet Agreement in support of Goal I and the requirements for renewal of the Fairtrade City status.

Corporate Plan 2012-2015: <http://www.plymouth.gov.uk/corporateplan.htm>

The Council's commitment to Fairtrade is just one expression of how the co-operative principles set out in the manifesto can be easily embedded throughout the Council's responsibilities. Although not specifically listed in the Corporate Plan 2011 to 2014, renewal of the city's Fairtrade City status is clearly set out as a commitment in the recent manifesto (page 4) and is considered to underpin many of the Council's aspirations for governance, economic growth and community wellbeing. In particular, the commitment made, and the principles shared, support the delivery of sustainable solutions that benefit local and global communities alike.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Limited revenue funds for promotional activities may be required to maintain the Council's profile with particular requirements being identified for events during the annual Fairtrade Fortnight celebrations. Funding options will be reviewed and will include the opportunity for Network members to make voluntary donations to support the planned events.

The renewal process requires the identification of a Council representative (Councillor or Officer) for the city's Fairtrade Steering Group. Councillor Penberthy has accepted this role.

Administrative and co-ordination responsibilities are currently provided by the Council's Sustainable Development Co-ordinator. This role will be reviewed to establish the most cost effective way of maintaining the Council's leading role in the initiative.

The administrative process currently requires limited use of IT (document processing and email networking). It is planned to ensure that links with the independent SW Fairtrade website, and the establishment of Fairtrade Plymouth's own website, will support the networking and promotional requirements in due course.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

No community safety, health and safety or risk management implications can be identified.

The principles of Fairtrade advocate the elimination of discrimination, equal opportunities and economic equity. By ensuring producers receive a fair price for the products they provide, Fairtrade also encourages the application of workers rights and investment in community services such as health, clean water, education and maternity care. By investing in Fairtrade products in Plymouth, local communities are investing in globally sustainable solutions and supporting local retailers and social enterprises. The Fairtrade Mark (the green/blue yin/yang symbol) has become easily identifiable as a brand that can be trusted to provide this internationally co-operative approach; a link identified in research undertaken by local CoOp Stores that revealed a surprising level of understanding and solidarity with the global producers amongst some of Plymouth's most deprived neighbourhoods. Globally Fairtrade has a significant impact on child poverty – with projects supporting health, education and maternity care supported by many of the co-operative initiatives established by local workers. Fairtrade therefore plays an important role in direct improvement and in raising international awareness of the impact child poverty has on life choices; giving consumers the option of making a definite choice in favour of positive change.

To date, an EIA has not been undertaken to date but will be completed following agreement on the Action Plan. Work has begun to compile the information required for this appraisal.

Recommendations & Reasons for recommended action:

It is recommended that Cabinet :

- I. Adopts the Fairtrade Agreement.

Reason :

Adoption of this Agreement is required to guarantee the renewal of Plymouth’s Fairtrade City status. The clear commitment from the Council is considered to be essential to the renewal process and the successful delivery of local actions to promote Fairtrade.

Alternative options considered and reasons for recommended action:

Few alternative options can be identified as the adoption of a Council ‘commitment’ is a stated requirement within Goal I of the renewal process established by the Fairtrade Foundation.

(1) Consider adoption of the Cabinet Agreement at a later date – it is hoped to secure the renewal by Feb 2013 in time for significant celebrations during Fairtrade Fortnight (25.02.13 to 10.04.13). To ensure the completion of this process the latest date for formal consideration would be November 2012.

(2) Submitting the renewal application without approval of the Cabinet Agreement – is a possibility but formal adoption would still need to be listed as an intention in the renewal action plan. Failure to do so would jeopardise the renewals process.

Background papers:

(Appendix 1) The wording of the Cabinet Agreement recommended by the Fairtrade Plymouth Steering Group and supported by the Fairtrade Foundation.

(Appendix 2) The recommended draft of the Fairtrade Plymouth Action Plan (for information) – available at :

<http://www.plymouth.gov.uk/homepage/environmentandplanning/sustainableplymouth/fairtradeplymouth.htm>

Sign off:

Fin	PC.Place F PC 1213006. 210912	Leg	AG/ 1566 8/21. 9.12	HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	CJT/ 108/ 2109 12
Originating SMT Member : Paul Barnard, Assistant Director for Planning											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 The Background to Fairtrade in Plymouth

1.1 Fairtrade has been supported in the UK for over 60 years and shares many of the principles of both co-operative and sustainable development with the Council's aspirations for change. Over the last few years, and with the support of the Fairtrade Foundation, the promotion of Fairtrade has developed beyond its traditional NGO support to provide over 4600 different products on the UK's high streets and supermarket shelves. Fairtrade products are sold in 22 countries across the world and are sold by leading brands and its growth, at over 40% year on year, is noted as one of the sectoral success stories despite the impact of the recession.

1.2 Across the World, Fairtrade is commonly delivered through co-operatives or collaborations; supporting the rights and interests of women, young people, vulnerable communities and marginalised producers, promoting fair prices and eliminating the restrictive practices applied by some marketing corporations. Its commitment to equity has encouraged a sense of solidarity and local communities in Plymouth have highlighted their support for the opportunity Fairtrade offers to the provision of health, water, educational and housing services in the countries where the investment in community infrastructure would otherwise be limited.

1.3 Politically, this commitment is also closely reflected in Plymouth's historic commitment to co-operative working and the promotion of equity, workers rights and equal opportunities and the emphasis places on the renewal of the city's Fairtrade status in the manifesto has met with considerable support regionally and nationally.

1.4 The 'Fairtrade City status', granted to Plymouth in 2004, was introduced by the Fairtrade Foundation in the early 2000s as part of the national Fairtrade Cities and Towns campaign¹. Over 500 cities and towns have now achieved this status in the UK but Plymouth remains one of the first to do so and will be celebrating its 10th anniversary in 2014.

2.0 Recognising and Promoting Fairtrade



2.1 The Fairtrade Foundation (See : <http://www.fairtrade.org.uk/>) was founded in 1994 as the association responsible for national labelling in the UK. It manages the use of the Fairtrade Mark and the promotion of Fairtrade and the Mark itself is an international certification label awarded to the products that meet specific independent standards set by the Fairtrade Labelling Organisation (FLO). It is now recognised by 72% of British adults.

2.2 In the UK, 450 local authorities support Fairtrade with specific commitments in their local procurement, environmental or sustainability policies² The Fairtrade Foundation supports this commitment; stating that the commitment of the local authority :

- Demonstrates a commitment to sustainable development.
- Creates opportunities to work with and engage the community.
- Demonstrates effective citizenship and real leadership.
- Promotes civic pride.
- Benefits the local community.
- Provides a positive impact on the recruitment and motivation of employees.
- Makes a real difference to the lives of the producers.

¹ See http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/default.aspx

² See http://www.fairtrade.org.uk/includes/documents/cm_docs/2010/ll/local_authorities_guide_final_2010.pdf

2.3 In Plymouth support for Fairtrade emphasises the Council's support for co-operative principles by recognising the role Fairtrade plays in boosting local and global sustainable development, equity and the local economy and in the provision of choice. These choices are reflected in the actions already taken to introduce Fairtrade options in the Council's 17 vending machines, the refreshments offered at high profile meetings and the choice of Fairtrade food items in 79% of our local schools; a figure way above the recommended target of 30%.

2.4 The commitment to Fairtrade is shared across Plymouth. Changes in supply and the availability of recognised produce now means that many of the Fairtrade options, from chocolate to cosmetics and clothing, are available in the city. Although a further survey of retailers will be required, the number of recognised retailers in Plymouth has risen from 39 in 2009 to 111 in 2012; with over 50 catering outlets offering the choice. Once again this meets the required targets of 36 and 18 outlets respectively.

2.5 In addition Plymouth University, City College and the University College of St Mark and St John (Marjons) have all achieved Fairtrade College status and are closely involved in the current renewal process.

3.0 Renewing the Status.

3.1 The formal renewal process has changed considerably since Plymouth first became a Fairtrade City in 2004. For a number of reasons, support for Fairtrade has varied over the years and our renewal of the formal status is now well overdue.

3.2 The renewal process now requires the production of an 'Action Plan'³ which, in turn, is driven by five 'goals'. Goal 1⁴ is specifically related to local authority support and action and is seen as crucial to the renewal process. It requires that the "Local council passes a 'resolution' supporting Fairtrade, and agrees to serve Fairtrade products (for example, in meetings, offices and canteens)".

3.3 The adoption of a Cabinet Agreement supporting the promotion of Fairtrade by the Council and the renewal of the Fairtrade City status is required as part of our commitment to Goal 1.

3.4 The Action Plan should cover at least two years. The city's renewed status will be reviewed after one year and, then, on a regular basis every two years giving the option of a regular 'updating' process for the Action Plan and a delivery role that the Council can support through its continued commitment to co-operative leadership.

4.0 Progress To Date.

4.1 Plymouth was made aware of the new renewals process in late 2011 and took action in March 2012 to convene a 'scoping meeting' to review how the five goals might be met. The outcome of this meeting was encouraging as positive actions could be identified in all five categories.

4.2 Suggested actions have been brought together over the summer and the Recommended Draft Action Plan⁵ is currently being promoted for final comments. The draft has been reviewed by the

³ See http://www.fairtrade.org.uk/includes/documents/cm_docs/2009/a/action_guide_final_1208.pdf

⁴ See http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/the_5_goals.aspx

⁵ See to be inserted
Revised Jun 2012

regional Fairtrade Foundation representative and we have been advised that it is already an example of the type of publication that would support a successful renewal application.

5.0 What's Expected of Plymouth City Council ?

5.1 : The Adoption of a Cabinet Agreement Confirming Plymouth City Council's Support.

The most significant outcome of the scoping meeting was the identified need for Plymouth City Council to reaffirm its commitment to Fairtrade City status with the formal adoption of an Agreement supporting Fairtrade. Guidance on the wording was provided by the Fairtrade Foundation and was also sought from the SW regional Fairtrade representative who supplied examples from other Fairtrade cities. The guidance suggests that the wording of the Agreement must include:

- A statement of support for Fairtrade
- A commitment to use Fairtrade products whenever possible (in meetings, offices and canteens for example).

5.2 : Practical Action and Representation

The renewal process requires the Council to :

- To adopt the suggested Cabinet Agreement,
- To continue to promote Fairtrade choices at meetings and events, in offices and canteens and, where possible, schools and other Council facilities (see section 2.3).
- To nominate a Council representative (Councillor or Officer) as a Steering Group member.

5.3 Although the commitment to Fairtrade in the City Council's corporate Environmental Policy and Forward Plan 2009 to 2012 is still valid⁶ it is not considered to be strong enough to support the partnership actions required by the renewal process. The commitment to the renewal process, identified in the Labour Group's 2012 election manifesto⁷, is therefore welcomed as it provides the support needed to review levels of commitment and partnership and the process required to secure renewal.

5.4 This report focuses on the adoption of the recommended Cabinet Agreement attached in Appendix I.

5.5 Once adopted, the Cabinet Agreement will provide the mandate required for the Council to develop its role in promoting and encouraging Fairtrade as a positive choice. Building on a very proactive base, options for future action will be followed up and currently include :

- The promotion of Fairtrade as a choice for meetings and events.

⁶ Under Section SPI " The Council will continue to work with local networks to support events and initiatives and to maintain Plymouth's Fairtrade City status". This was to be delivered by "Promoting wider sustainable development through the city's continued contribution to Plymouth's Fairtrade City status." (Policy commitment SP4).

⁷ We also wish to see Plymouth retain and develop its Fairtrade City status. Plymouth was one of the earliest to achieve this and the cooperative and faith communities played a huge part in making it happen. Labour Group Manifesto May 2012.

- Working with the Procurement Team to instruct those ordering supplies to choose Fairtrade products, to promote Fairtrade choice wherever possible and, where possible, to include the choice of Fairtrade as a contractual requirement.⁸
- Using interactive events to change the perception of Fairtrade products through tasting sessions and easier access to choice.

5.6 As the role of the Steering Group is developed, the Council will benefit from the collaborative partnership approach based on the co-operative principles it exemplifies, and a clear remit for its administrative responsibilities. Actions identified to support this process include :

- Working with Corporate Resources, the identification of a new lead officer for Fairtrade.
- Agreeing a handover timetable that allows for the adoption of the suggested resolution, the completion of the Action Plan and the completion of the renewal process (estimated to be October 2012).
- Agreement on the Council's representation on the Steering Group.
- The provision of ongoing support to enable the Steering Group to establish its independence.

Appendix I : The Recommended Cabinet Agreement

“ Working in partnership with the city's Fairtrade Steering Group and our local communities, Plymouth City Council recognizes the value of Fairtrade to global and local sustainability and reconfirms its support for the city's Fairtrade City status.

In doing so, the City Council agrees to boost Plymouth's role in actively promoting and supporting the production, supply, sale and consumption of Fairtrade Marked goods and services within the local community, with businesses and suppliers, with employees and with other local authorities.

Plymouth City Council agrees to contribute to the increased availability of fairly traded products by recognizing the Fairtrade Mark and by renewing Fairtrade City status for Plymouth as detailed in the Fairtrade Foundation's Fairtrade Towns Initiative. This Agreement includes a commitment to :

- Widely offer Fairtrade Marked food and drink options wherever possible and, in doing so, ensure that these options are available for internal meetings and as a choice within Council vending machines.
- The promotion of the Fairtrade Mark (using Fairtrade Foundation materials) in refreshment areas, in appropriate publications, amongst employees, in internal communications, in external newsletters and within the schools supported by the Local Education Authority.

⁸ Subject to procurement and contractual law.
Revised Jun 2012

- The provision of collective support for Plymouth's Fairtrade City Steering Group in the development, adoption and delivery of Plymouth's Fairtrade Action Plan.
- Use our influence to urge local businesses and retailers to provide Fairtrade options for their customers and to offer Fairtrade options to their staff and clients, leading by example through our own actions and commitments.
- Engage the media in publicising the Fairtrade Towns Initiative and the international benefits of co-operative working the scheme supports.
- Allocating responsibility for the delivery of the Council's role in the Fairtrade City Action Plan to a member or group of staff and, where possible, an elected member.
- Nominating a council representative (member or officer) to sit on the city's Fairtrade Steering Group supporting ongoing work to promote Fairtrade and the Fairtrade Mark.
- Supporting and co-coordinating corporate and networked events and their associated publicity for Fairtrade Fortnight and other celebrations; acting wherever possible to encourage the use of Fairtrade Marked products in refreshments and event catering.”

Appendix 2 : Recommended Draft Action Plan (for information only)

This document can be viewed at :

<http://www.plymouth.gov.uk/homepage/environmentandplanning/sustainableplymouth/fairtradeplymouth.htm>

PLYMOUTH CITY COUNCIL

Subject:	School Funding Reform
Committee:	Cabinet
Date:	16 October 2012
Cabinet Member:	Councillor Nicky Williams
CMT Member:	Carole Burgoyne (Director for People)
Author:	Anita Martin – Group Accountant (Education, Learning and Family Support)
Contact:	Tel: 01752 307433 e-mail: anita.martin@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

The Local Authority determines the local schools funding formula to ensure the equitable distribution across all schools, in consultation with the Schools Forum. On the 26 March 2012 the Department for Education (DfE) published its third consultation on the future of school funding titled Next Steps Towards a Fairer System. The national funding reform requires local authorities to simplify the formula used to fund primary and secondary schools and proposes significant change to the funding of high needs pupils in both mainstream and special schools.

The Schools Forum commissioned various working groups to undertake the large amount of work needed regarding changes to schools funding and this report sets out the recommendations from the Schools Forum following consultation with all schools.

As part of the funding reform, Local Authorities must submit a pro-forma to the Education Funding Agency (EFA) by the 31 October 2012 setting out how schools and early years settings in Plymouth will be funded from April 2013.

Corporate Plan 2012-2015:**Raising Aspiration:**

To protect the education system as far as possible during a period of significant change the principles of reducing turbulence and maintaining stability have been adopted.

Reducing Inequality:

The proposals continue to target funding at vulnerable children and young people to support their development and educational achievement.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The recommendations in this report concern the distribution of the Dedicated Schools Grant (DSG). The DSG is ring fenced and as such any changes within it will not have a direct impact on the MTFP.

A number of local authority school related functions are currently funded by the central element of the DSG. From April 2013 £4.3m of the DSG supporting those services will be delegated to schools. For some services maintained schools have opted to return the resources (de-delegate) for the authority to continue running services on their behalf. For other services the authority will need to either a) replace the funding by charging to continue delivering services on schools behalf or b) re-focus services in line with the reducing requirement to deliver services on behalf of schools.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

An Equalities Impact Assessment is currently being undertaken regarding the proposed changes to the funding of Special Educational Needs (SEN) in special schools and mainstream schools. Consideration has been taken of the impact on child poverty in the city of the revised funding formula.

Recommendations & Reasons for recommended action:

- I. The recommendations from the Schools Forum are accepted by Cabinet as follows -
 - a. The current funding formula should be reallocated across the factors permitted within the simplified approach as set out in the Plymouth Schools Funding Pro-forma. The pro-forma should be submitted to the Education Funding Agency before the 31 October 2012 detailing the formula which will be used to fund Plymouth schools from April 2013.
 - b. Early years funding from April 2013 should be allocated in accordance with the Early Years pro-forma which should be submitted to the EFA before the 31 October 2012.
 - c. A fund of £0.350m should be retained in 2013/14 to support the coordinated approach to pupil number growth related to basic need.
 - d. The future delivery of central services set out in paragraph 2.5.
 - e. Of the funding released from transferring high needs pupils to top-up funding, £0.750m should be retained within the high needs block to support schools with exceptionally high cohorts levels of SEN pupils.
 - f. A Single Banding Framework should be introduced for funded specialist provision from April 2013.

Alternative options considered and reasons for recommended action:

This is a legal requirement to implement school funding reform therefore no alternative options are appropriate.

Background papers:

Consultation on the funding of maintained schools and academies from 2013/14
Consultation on the funding of early years settings from 2013/14
School Funding Reform Consultation Results
Web link: [Plymouth City Council - Schools finance](#)

Sign off:

Fin People F EC121 3 006		Leg	LT 1570 I	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Maggie Carter											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

- 1.1 On the 26 March 2012 the Department for Education (DfE) published its third consultation on the future of school funding titled Next Steps Towards a Fairer System. Whilst the previous consultations mainly focused on the national funding formula used to fund local authorities, the third consultation confirms the DfE's intention to move towards a national funding formula in the next spending review period but there will be minimal change to the funding each Local Authority receives in 2013/14.
- 1.2 The national funding reform proposals outlined in the third consultation focused on the simplification of the formula used to fund primary and secondary schools and proposed significant change to the funding of high needs pupils in both mainstream and special schools.
- 1.3 As part of the funding reform, Local Authorities must submit a pro-forma to the Education Funding Agency (EFA) by the 31 October 2012 setting out how schools and early years settings in Plymouth will be funded from April 2013.
- 1.4 The Schools Forum commissioned various working groups to undertake the large amount of work needed regarding changes to schools funding and this report sets out the recommendations from the Schools Forum following consultation with all schools.

2.0 Dedicated Schools Grant (DSG) and Services Provided by the Local Authority

- 2.1 Local authorities will continue to receive the Dedicated Schools Grant (DSG) for all pupils in the City. The starting point for 2013/14 will be 2012/13 with a few adjustments to reflect the change to the October pupil count, and transfers from other budgets to reflect the transfer of responsibilities such as Young People's Learning Agency (YPLA) and other local authorities.
- 2.2 The DSG will be split into three blocks: Schools Block, High Needs Block and Early Years Block. In order to achieve parity between academy and maintained schools funding, services/centrally managed grants within the schools block must be delegated to schools in the first instance. There are three exceptions where funding can either be returned or retained by the LA for central service provision.

Exception 1 – Where maintained schools opt for a service to be provided centrally

Exception 2 - Historic Commitments

Exception 3 – Statutory functions of the local authority

- 2.3 Of the £13m held centrally in 2012/13 to support central services, £4.3m will be delegated to schools from 2013/14. The remainder will continue to support high needs pupils and early years provision or fund historic costs and statutory functions.
- 2.4 The further delegation will represent 'new money' to individual schools but will also crucially represent additional responsibilities. Information has been given to schools to highlight where the resource links to a new responsibility which is likely to have a comparable cost or where the new resource could be used flexibly according to the individual schools priorities.

Proposed New Delegations from April 2013

Central Service/ Centrally Retained Funding	2012/13 DSG £	Schools Forum Proposal for Future Provision
School Meals	1,669,253	Schools given option to pool resources or trade with LA
School Lunch Grant	368,586	Schools given option to pool resources or trade with LA
FSM Eligibility	22,869	De-delegate and continue central service for maintained primary and secondary schools. Traded service for special schools and academies
Ethnic Minority Achievement Service	370,549	Schools to make own arrangements.
Teachers on maternity and other absence	506,407	De-delegate and continue central service for maintained primary and secondary schools. Special schools given option to pool resources.
Union Duties	45,570	De-delegate and continue central service for maintained primary and secondary schools. Special schools and academies given option to pool resources.
Advanced Skills Teachers	304,809	Schools to make own arrangements.
Diploma Grant	100,000	Schools to make own arrangements.
School Intervention	155,342	De-delegate and continue central service for maintained primary schools. Academies to make own arrangements
General Contingency	48,930	De-delegate and continue central service for maintained primary and secondary schools. Special schools given option to pool. Academies to make own arrangements.
Behaviour Support and PIE team	689,680	Schools to make own arrangements. Offer a traded service via the Early Intervention and Prevention Service.
Life Education Caravan subsidy	11,701	Schools to make own arrangements.
Total Further Delegation	4,293,696	

3.0 Simplification of the Local Funding Formula

- 3.1 Each local authority is currently responsible for maintaining a local funding formula which is used to determine the Individual Schools Budget (ISB) for all maintained schools and academies. Local funding formulas have been designed to target funding in accordance with need whilst reflecting both national and local priorities. The DfE believes that local funding formulas has become unnecessarily complicated and have resulted in individual headteachers not understanding how their schools budgets are calculated.
- 3.2 The Education Funding Agency (EFA) uses the information published by local authorities in relation to the local funding formula to replicate the budgets for individual academies. Since the expansion of the academies programme in May 2010 it has become evident to the EFA that replication of all 152 local authority formulas is not sustainable.
- 3.3 The school funding reforms require local authorities to simplify their local funding formulae from 2013/14 to fit with a significantly reduced number of permitted factors. The School Finance Regulations will be changed to allow only 12 factors to be used in the local schools funding formula (37 are permitted currently).
- 3.4 The Schools Forum commissioned the Schools Budget Modelling Group (SBMG) to redesign the local formula to conform to the factors permitted within the simplified formula. A significant amount of time was spent assessing the risk of each current factor and modelling the impact of

the change on individual schools. The journey taken by the SBMG is set out in the Consultation on the funding of maintained schools and academies from 2013/14 document.

3.5 The Minimum Funding Guarantee (MFG) protects the per pupil funding of schools from one year to the next against significant changes in funding formulae or changes to data not directly related to pupil numbers. The MFG has been set at minus 1.5% per pupil for 2013/14 and 2014/15. Where a school is losing more than 1.5% per pupil, it relates to the change to the funding of high needs pupils which is excluded from the MFG.

3.6 The simplified formula proposed by the Schools Forum following consultation with all schools is shown in Annex A. The pro-forma must be submitted to the EFA before the 31 October 2012.

4.0 High Needs Pupils

4.1 Proposed changes to the funding for high needs pupils is linked to the SEN Green Paper on Special Educational Needs (SEN) and Disability which sets out an ambitious reform agenda for raising aspirations and improving attainment of pupils and students who require additional specialist and often costly educational support. The Government believes that reform of high needs funding is necessary to support the development of personal budgets, the local offer and a single assessment plan from birth to 25.

4.2 The definition of high needs pupils and students are those requiring provision costing more than around £10,000 per year. A financial threshold as opposed to an assessment threshold, such as a statement of SEN, has been selected.

4.3 High needs pupils and students include:

- a) Pupils aged from birth to 19 with high levels of SEN in schools, academies and other settings
- b) Students aged 16-25 with high level learning difficulties or disabilities (LDD) in FE
- c) School aged pupils in Alternative Provision.

4.4 A new Place-Plus approach will see provision for high needs pupils and students funded on a mixture of a place and a pupil led basis. More funding will be based on actual pupil numbers but will combine a base level of funding to offer specialist providers more stability.

4.5 The place-plus approach is set out below:

	Pre-16 SEN and AP		Post-16 SEN and LDD
	Mainstream Settings	Specialist Settings	All Settings
Element 1: Core Education Funding	Mainstream per pupil funding (Basic Entitlement)	Base funding of £10,000 for SEN and £8,000 for AP placements – roughly equivalent to mainstream provider contribution. Based on planned places	Mainstream per pupil funding as calculated by the national 16-19 system
Element 2: Additional Support Funding	Contribution of £6,000 additional support from notional SEN budget		Contribution of £6,000 to additional support required
Element 3: Top-up Funding	"Top-up" funding from commissioner to meet needs of each pupil or student placed in the institution		

- 4.6 The proposed reforms for pupils in mainstream classes, is similar to the system which was introduced in Plymouth from April 2011. Plymouth has been allocating top-up funding for all new cases since April 2011 and expecting the school to make a contribution similar to the proposal from the individual budget share. The major impact of this element of the reform for Plymouth is the requirement that all pupils must be migrated onto the new system from April 2013, where it had originally been planned to phase-out the old system as pupils left the school.
- 4.7 All pupils have been transferred onto the new system which has involved reducing the Individually Assigned Resource (IAR) to a top-up allocation and reallocating the funding released from this across factors within the simplified formula.
- 4.8 Given that there are a number of schools in the city with large cohorts of Special Educational Needs (SEN) pupils who have an IAR allocated under the old system and that changes to funding for high needs pupils is not included in the Minimum Funding Guarantee, unfortunately the simplification has given less flexibility and has created some significant losers, particularly for SEN pupils.
- 4.9 In order to continue to support the education of these high needs pupils, the schools forum is recommending that £750,000 of the funding released from transferring pupils to top-up funding, is retained within the High Needs Block. The Authority will use this funding to support schools with exceptionally large cohorts of SEN pupils according to a policy which will be drafted shortly.
- 4.10 Special schools and specialist mainstream units will no longer be funded using the local funding formula. Instead all settings will receive a base allocation of £10,000 for an agreed number of pre 16 places which is roughly equivalent to the mainstream provider contribution. For post 16 pupils the EFA will allocate a national 16-19 per pupil amount plus £6,000 additional support per high needs pupil. A top-up allocation would then be paid by the commissioner based on the assessed needs of the individual pupil.
- 4.11 The commissioner is the body that has the statutory responsibility for arranging the educational provision for the pupil, which will usually be the local authority in which the child lives. Each setting will have a direct relationship with the commissioner so where a special school takes a child from another local authority the school would negotiate on cost and be paid direct from the other authority. This in theory should remove the need for inter authority recoupment at a local authority level.
- 4.12 This will represent a significant change for special schools in particular as they will no longer have stability of funding. There will however be benefits of receiving real time funding for individual pupils but it will be challenging for schools to manage the recruitment and retention of skilled staff to support pupils with complex needs.
- 4.13 A single banding system has been developed which builds on the recently introduced mainstream school system and then escalates through to specialist unit, special school and in extreme cases independent sector placements. Work has begun to cost the bands within the single banding approach. Supplements would be paid for Private Finance Initiative (PFI) schools and residential placements.
- 4.14 Banding descriptors are being developed to support the framework using the experts currently education these pupils. An audit and moderation of pupils in specialist provision, using the proposed banding system and descriptors, will be carried out before the October half term.
- 4.15 A return has been submitted to the DfE stating the number of high needs places in each special school, special unit and in the Alternative Complimentary Education (ACE) service. The DfE will

shortly release the details of the High Needs Block showing how the funding will transfer between local authorities and from the EFA in relation to the transfer of responsibilities to the Authority. The overall impact of the reforms for specialist provision will be modelled once this funding has been confirmed, including the issues raised above. We as a Local Authority will be supporting schools through this.

- 4.16 Special schools will receive transitional protection in the first year for pupils placed by the maintaining local authority. When funding the placement of a pupil in schools that an authority maintains or used to maintain, the level of per pupil top-up funding in 2013/14 must be such that the sum of base and top-up funding would not be more than 1.5% less than the “place value” (total budget divided by the total number of places) in 2012/13.

5.0 Early Years

- 5.1 The free entitlement to Early Education is funded from the Dedicated Schools Grant (DSG) and will be funded from the Early Years Block from 2013/14. The national funding reform proposals seek to further simplify the Early Years Single Funding Formula (EYSFF).
- 5.2 The review focused on confirming the standard hourly rate to be paid to settings, updating the deprivation supplement to match the national reform proposals, considering whether a quality supplement should be introduced and reviewing the funding for early years special educational needs. The journey taken by the Early Years Funding Group is set out in the Consultation on the funding of early years settings from 2013/14 document.
- 5.3 The review of the standard hourly rate showed that the nursery units and Private, Voluntary and Independent (PVI) base rates from the updated business model were 20p and 6p lower per hour respectively than the current funded rate. The nursery schools rate was 50p per hour higher than the current funded rate and the childminder rate was broadly similar to the current rate.
- 5.4 Consideration was given to the potential sustainability of settings if a lower standard rate per hour was applied and the negative impact this could have on outcomes for children. After much discussion it was agreed to moderate the economies of scale applied to premises and admin costs for the nursery units and to bring forward the funding for mandatory pension payments (due in 2014/15) in the PVI's to ensure that no setting experiences a reduction in standard funding per hour. Nursery schools will receive an increase of 50p per hour in line with the business model.
- 5.5 Plymouth currently funds deprivation by setting. The DfE have stated that in future deprivation funding should be applied to individual children and not by setting. A simple banding system linked to the Income Deprivation Affecting Children Index (IDACI) will be permitted to target funding at pupils living in the most deprived areas of the City through the IDACI method. This change has the most impact on settings given that it smooths funding across all settings including those that currently do not attract any deprivation funding. This principle was supported as it means that funding will follow the child and ensure that all settings are appropriately resourced to support children and their additional needs. We will monitor this very closely.
- 5.6 No separate quality supplement will be introduced however the funded teacher costs in the maintained sector and the graduate leader fund for the PVI sector will be deemed as a quality allocation.
- 5.7 Funding for SEN will continue to be allocated by the Early Years Inclusion Resource Panel (EYIRP) based on the individual assessment of pupil need with improvements to the process.

- 5.8 The early years funding formula proposed by Schools Forum following consultation with all settings is shown in Annex B.

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LA Name

Plymouth

Pro-forma for Cabinet approval 16/10/12

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Reception Uplift				n/a		n/a	n/a
Primary (including reception)		£2,665		18207		£48,530,382	£103,526,389	76%
Key Stage 3		£3,619		8205		£29,697,844		
Key Stage 4		£4,408		5739		£25,298,163		
2) Deprivation	Description	Primary amount per pupil (£)	Secondary amount per pupil (£)	Number of eligible primary pupils	Number of eligible secondary pupils	Sub Total (£)	Total (£)	Proportion of funding
	Indicator: FSM	£1,338	£1,699	3,844	2,175	£8,836,776	£16,232,556	12%
	IDACI Score 0.2 - 0.25	£0	£0	1,555	1,200	£0		
	IDACI Score 0.25-0.3	£0	£418	1,353	881	£368,717		
	IDACI Score 0.3- 0.4	£352	£471	2,110	1,567	£1,479,156		
	IDACI Score 0.4-0.5	£783	£768	1,894	1,200	£2,405,237		
	IDACI Score 0.5-0.6	£787	£1,511	1,395	846	£2,375,353		
	IDACI Score 0.6-1	£794	£1,578	486	242	£767,318		
Description		Amount (£) per pupil		Number of Pupils				
3) Looked After Children (LAC)		Indicator: LAC X Mar11		£0		143	£0	0.00%
4) Low cost, high incidence SEN	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils- Indicator: LowAtt_%_PRI_78	£560		4309		£2,414,989	£3,662,037	2.69%
Secondary pupils not achieving (KS2 level 4 English and Maths)	£778		1602		£1,247,048			
5) English as an Additional Language (EAL)	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils- Indicator: EAL_3_PRI	£506		596		£301,715	£370,548	0.3%
Secondary pupils- Indicator: EAL_3_SEC	£506		136		£68,834			
6) Mobility	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils starting school outside of normal entry dates	£0		1,761		£0	£0	0.0%
Secondary pupils starting school outside of normal entry dates	£0		621		£0			

Other Factors

7) Lump Sum	Description	Amount (£)	Unit	Number of Schools		Total (£)	Proportion of funding	
	Lump Sum		£97,922	per school	83		£8,127,526	5.97%
8) Split Sites	Description					Total (£)	Proportion of funding	
	Split Sites					£94,819	0.07%	
9) Rates	Description					Total (£)	Proportion of funding	
	Rates					£1,906,047	1.40%	
10) PFI funding	Description					Total (£)	Proportion of funding	
	PFI					£364,062	0.27%	
11) Sixth Form	Description					Total (£)	Proportion of funding	
	Existing Sixth Form Commitments					£0	0.00%	
12) Exceptional circumstances (can only be used with prior agreement of EFA)	Description					Sub Total (£)	Total (£)	Proportion of funding
	Excep Circo 1					£275,667	£275,667	0.20%
	Excep Circo 2					£0		
Excep Circo 3					£0			
13) Minimum Funding Guarantee	Description	MFG Floor		Ceiling	Scale Factor	Total (£)	Proportion of funding	
	MFG is set at -1.5%, gains may be capped above a specified ceiling a	-2%		10%	100%	£1,603,307	1%	

TOTAL FUNDING FOR SCHOOLS BLOCK FORMULA (£) :

£136,162,958

RETAINED FOR GROWTH

£350,000

PRIMARY/SECONDARY RATIO :

1 : 1.29

London fringe pay bands (only applicable to Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex)	Description	Uplift amount (%)	Unit	Number of schools	Total (£)	Proportion of funding
	Preset uplift on pupil led factors and the lump sum		check please	per pupil		0

LA Name
PLYMOUTH

Pro-forma for Cabinet approval 16/10/12

1. Base Rate(s) per hour, per provider type	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	2	3	4			
	Maintained Nursery School	4.81		92,258	443,761								
	Maintained Nursery Unit	4.63	per hour	479,903	2,221,951								
	Private, Voluntary and Independent	3.91		1,540,269	6,022,452	95%							
	Childminder	4.68		9,165	42,892								
2. Supplements (please provide in written format a short explanation of your supplement payments)	Deprivation (Mandatory)	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	IDACI Score 0.2 - 0.25	0.00		198,691	0	
							2	IDACI Score 0.25-0.3	0.00		85,841	0	
							3	IDACI Score 0.3- 0.4	0.25	per hour	298,415	73,934	5%
							4	IDACI Score 0.4-0.5	0.57		171,994	98,579	
							5	IDACI Score 0.5-0.6	0.85		174,640	147,868	
6	IDACI Score 0.6-1	1.15		149,369	172,513								
Quality (if applicable)	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	Not applicable				0	0%
Flexibility (if applicable)	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	Not applicable				0	0%
Sustain-ability (if applicable)	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	Not applicable				0	0%
3. Other formula factors and lump sums (if applicable)	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
							1	Not applicable				0	0%
4. Additional funded free hours eg full time places (if applicable)	Description	Amount (£)	Unit	Number of units	Anticipated Total Budget (£)	Proportion of funding							
												0	0%
TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA :													
					9,223,950	100%							

5. Early years contingency funding	Description	Anticipated total budget
	As per 2012/13	£755
6. Early years centrally retained spending	Description	Anticipated total budget
	As per 2012/13	£396,098

PLYMOUTH CITY COUNCIL

Subject: Community Right to Challenge
Committee: Cabinet
Date: 16 October 2012
Cabinet Member: Councillor Penberthy
CMT Member: Adam Broome (Director for Corporate Services)
Author: Tim Howes, Assistant Director for Democracy and Governance
Contact: Email: tim.howes@plymouth.gov.uk Tel: 01752 305403
Ref:
Key Decision: No
Part: I

Purpose of the report:

To recommend the detailed process for the administration of expressions of interest under the community right to challenge.

Corporate Plan 2012 – 2015:

The community right to challenge provides a mechanistic approach to forcing services to be tendered. It does not mean that those expressing an interest will win the tender. The statutory process indirectly supports the aim of the Council to ‘create a strong sense of togetherness and ownership of council supported services, amenities and assets, so that they can be more effectively and efficiently used and support the delivery of the city’s vision and growth agenda.’

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The costs of administering the process will be absorbed within current resources. Additional resources will be required to undertake any procurement exercise resulting from the acceptance of an expression of interest.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

None specifically at this stage.

Recommendations & Reasons for recommended action:

In considering expressions of interest under the community right to challenge it is recommended:

1. The Council receives expressions of interest for any service twice a year (in the months of February and August).
2. The expressions of interest are approved, rejected or amended by the Monitoring Officer in consultation with the Cabinet member for Cooperatives and Community Development. Where the expression of interest has a particular impact on a specific ward, then the ward councillors should also be consulted.

3. The expression of interest should include the following additional requests for information:
 - a. Explain how a local (city based) workforce would be maintained and guaranteed?
 - b. Identify what are the positive impacts to be brought to the local economy.
 - c. State where the contract would be managed from.
 - d. How would your bid ensure compliance with the Public Services (Social Value) Act 2012?
 - e. Please explain how you would support the Council's corporate plan and vision for the City.

4. The maximum response time for responding to expressions of interest will be 30 days from the end of February/August.

5. In setting the time for the commencement of the procurement exercise, the Council follow our current procurement rules which are appropriate for the particular expression of interest.

Alternative options considered and reasons for recommended action:

A variety of options were considered as described in the supplemental report to the overview and Scrutiny Management Board and are set in later in this report.

Background papers:

None

Sign off:

Fin	mc1 213. 012	Leg	TH 0057	HR		Corp Prop		IT		Strat Proc	CP 296 14/9/12
Originating SMT Member Tim Howes											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

The Council's corporate plan says:

The Council has made an overriding commitment to become a Co-operative Council. This is about putting people in control of their own communities and the services they receive, as well as council staff having a stronger stake in delivery. It is about working together co-operatively.

The aim of the Council is to create a strong sense of togetherness and ownership of council supported services, amenities and assets, so that they can be more effectively and efficiently used and support the delivery of the city's vision and growth agenda. It is a concept that will involve residents, service users, staff, partners and members with a strong focus on people's personal development and having a greater say over service delivery and how money is spent.

Whilst it had been hoped that the community right to challenge might support these Council objectives. In fact, the right to challenge is a mechanistic process to put services out to tender with no guarantee that the community might gain from the process. Indeed the process is open for use as a 'stalking horse' by large companies and bypassing the community.

This report and the work of the Overview and Scrutiny Management Board have attempted to align this prescribed process as far as possible with the ethos of a co-operative council.

Cabinet will recall that the community right to challenge is a provision under the Localism Act 2011, which gives community and voluntary sector organisations and groups of council staff the right to challenge local authorities by putting forward an expression of interest in running Council services.

Cabinet first considered the community right to challenge on the 14th August 2012 where it was agreed:

- (i) An initial timetable to be published for the receipt of expressions of interest
- (ii) That any expressions of interest under the community right to challenge are not accepted until after the 5th November 2012

It was also agreed that the community right to challenge process would be subject to pre-decision scrutiny. That process was undertaken at the Overview and Scrutiny Management Board on the 5 September 2012 where Cllr Penberthy and Officers outlined a number of options for managing the community right to challenge process.

The report sets out the detailed administrative processes which were recommended by the Overview and Scrutiny Management Board for adoption by Cabinet.

2.0 The Process

The Overview and Scrutiny Management Board looked at five specific areas, which are set out below.

1. The timetable for the receipt of expressions of interest

There are a number of options for a timetable:

- Have no timetable and take expressions for any service at any time
- Set specific dates for an expression of interest for any service
- Set specific dates for different services

Recommended the Council set specific dates for an expression of interest for any service

Some authorities have a single period (generally 3 months) once a year; others have two periods (of a month each) a year.

Recommended the Council set two one month periods a year in February and August for the Expression of interest in all services.

2. The Evaluation of expressions of interest

It is common practice for administrative processes to be undertaken by officers, for example, the evaluation of tenders. The evaluation of expressions of interests is a similar exercise but a political input would be helpful as a means of challenge.

Recommended, that the evaluation of expressions of interest (including their approval, rejection and amendment) is undertaken by the Monitoring Officer in consultation with the Cabinet member for Cooperatives and Community Development.

Where the expression of interest has a particular impact on a specific ward, then the ward councillors should also be consulted.

The Monitoring Officer would also seek advice from other officers including representatives from Finance, HR, Procurement, Property and others as appropriate to the particular expression of interest.

3. Does the Council want request additional information to be included in an expression of interest?

It is open to the Council to additional information, although under the law, the person or body submitting an expression of interest is not obliged to respond to them.

One area for further questioning surrounds the promotion of the social, economic or environmental well-being and how an expression of interest would comply with the Council's corporate plan and vision for the City.

Recommended that the following additional information is requested:

- Explain how a local (city based) workforce be maintained and guaranteed?
- Identify what are the positive impacts to be brought to the local economy
- State where the contract would be managed from
- How would your bid ensure compliance with the Public Services (Social value) Act 2012?
- Please explain how you would support the Council's corporate plan and vision for the City

4. Setting the maximum time for responding to an expression of interest

In the absence of additional resources to respond to any expressions of interest and officers will need the maximum time to respond. The maximum allowed time is, 30 days from the closing of the period for submissions of expressions of interest.

Recommended that the maximum time be allowed for a response which is currently 30 days.

5. What is the time period between accepting an expression of interest and the starting of the procurement exercise?

The time period before commencing a procurement exercise will depend on the type and complexity of the service involved, how it is packaged and what procurement regimes apply (e.g. do the EU rules apply?)

Recommended those submitting expressions of interest are informed that the Council will follow our current procurement rules which are appropriate for the particular expression of interest.

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PLYMOUTH CITY COUNCIL

Subject:	To Procure a Framework for Emergency Repairs and Statutory Compliance for Plymouth City Council Corporate Property
Committee:	Cabinet
Date:	16 th October 2012
Cabinet Member:	Cllr Lowry
CMT Member:	Adam Broome (Director for Corporate Services)
Author:	Graham Potter (Corporate Property Manager)
Contact:	Tel: 01752 304166 e-mail: graham.potter@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

To procure a framework for the provision of emergency repairs and statutory compliance for Plymouth City Council Corporate Property (to be made available to Schools as required)

Corporate Plan 2012-2015:

The proposals in this Cabinet report will provide value for money for communities by risk managing a major area of Council expenditure, creating opportunities to make efficiencies and ensuring a safe and secure environment for customers and staff within Council property.

Implications for Medium Term Financial Plan and Resource Implications:**Including finance, human, IT and land**

- In 2011/12 the Council spent £3.3 million on repair and statutory compliance works (excluding schools).
- In 2011/12 over 2000 maintenance and statutory compliance invoices were processed, this proposal will reduce invoice processing by up to 75%.
- £150,000 annual savings are anticipated by utilising the economies of scale by packaging similar works into framework lots. Additionally, £20,000 will be saved from process savings through adopting the recommended option. There is potential for further savings to be made in the Transaction Centre which will be reviewed as a wider piece of work.

Other Implications:

The proposal will:

- Improve the management of services and ensure the required levels of Health and Safety and Statutory Compliance within Council occupied buildings.
- Support the effective implementation of the Asset Management Plan objectives of reducing backlog maintenance.
- Support the mitigation of risk associated with high levels of expenditure of £3.3m per annum through improved supplier management.

- Improve data collation and management processes facilitating improved planned/reactive maintenance ratio's delivering better value for money.

Recommendations & Reasons for recommended action:

Cabinet is recommended to approve the procurement of a framework for emergency repairs and statutory compliance services, for a maximum term of four years, with a break clause at year three. The framework will be split into appropriate lots related to discipline: building repairs, mechanical repairs, electrical repairs, mechanical & electrical compliance works, security and fire services, water hygiene compliance, catering equipment and specialist services (lift maintenance). Maintenance and process costs will reduce by £170,000 per annum.

This provides the Council with a traditional approach to the market with lower risks to the organisation. As well as simplifying the existing procurement process, the proposal will maximise opportunities for Plymouth SME's. This will be achieved through reviewing contract requirements within the 'lots', ensuring that sub-contracting has to give appropriate consideration to local businesses. Prompt payment to, and performance indicators for use of, local suppliers and SMEs will also be within the contract documentation. Suppliers will be provided with the security of a contract for a three year term, so incentivised to invest in the service. Creation of local jobs and apprenticeships will form part of the evaluation process.

Alternative options considered and reasons for recommended action:

1. Do Nothing – Does not address the current inefficient procurement processes and management of repair and statutory compliance services. The Council will be exposed to fluctuations in the market and the risk of increased costs.
2. Outsourcing the repairs and maintenance service to a single supplier over a longer term contract (e.g. 10 years). For this to be effective the Council requires a much higher level of data around condition, trends, volumes and the strategic direction of its portfolio. This type of model would require an extended period of contract preparation, staff, Member and market consultaion. This option might provide financial efficiencies in the long term – but has been discounted due to the complexities involved and the exclusion of local SMEs through contracting with a single large supplier.
3. Shared Service Joint Venture with another Public Sector provider. As with option two, greater detail, preparation and consultation is required and, at this time, there is limited opportunity to pursue this option. Again, such an approach would require a single supplier hence would negatively impact on local businesses.

Background papers:

None

Sign off:

Fin	DJN 1213 .011	Leg	TH 0051	HR	xx	Corp Prop	CT 1213 .007	IT	xx	Strat Proc	JK/S PU/C P/292 /0812
Originating SMT Member: Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

This report proposes that Plymouth City Council consolidates the procurement of goods and services for emergency repairs and statutory compliance servicing and maintenance of the Councils portfolio of buildings and estates, including low value capital and revenue funded refurbishment.

Building maintenance is a business critical service with statutory requirements. It is funded from the general revenue account, the spend for property maintenance in 2011/12 was £3.3m (excluding work with schools)

2.0 Current Position

There is significant fragmentation of spend in this area with over 200 suppliers currently used which limits the Councils ability to maximise its purchasing strength and creates inefficiencies in process including processing over 2,000 invoices per annum, representing about 3% of the total annual volume.

2.1 Reactive Maintenance.

As a temporary arrangement Corporate Property has now procured a number of call off contracts with local suppliers in 14 higher demand areas of maintenance such as roofing repairs, drainage, glazing, asbestos removal. These arrangements generally support jobs of below £500 in value, where costs are higher individual orders are procured in line with Council Standing orders. There are minimal financial risks for the supplier or incentive to complete the work in a timely manner. Supplier performance is monitored largely on trust and not through any consistent contract management procedure or process.

2.2 Statutory Maintenance and Compliance

This relates to regular periodic maintenance of Gas, Electrical, systems, Air Management and Water Storage systems, Lifts, Fire alarms etc. i.e. where the Council has a statutory duty to undertake maintenance as Landlord to ensure safe operation and performance.

The Council has 16 contracts in place with 13 suppliers; these contracts were awarded after competitive tender and expire in March 2013. Following the introduction of Corporate Landlord the Corporate Property Team are working through the asset register to identify gaps in maintenance, risks to health and safety, and impact on budgets.

3.0 Opportunities

The recent implementation of Corporate Landlord within the Council has helped address a lack of strategic direction in maintenance activities and has identified an opportunity to address the current fragmented approach to procuring services needed to maintain the estate. This will be achieved by:

- Providing a clear procurement strategy that will deliver an established property maintenance supply chain by April 2013
- Procuring a new suite of 'fit for purpose' contracts for repairs and maintenance
- Improving the management and level of planned maintenance

- Implementing an intelligent client regime of performance and contract management for reactive repairs
- 90% reduction in the number of suppliers (excluding major capital/grant funded projects). Taking advantage of the economies of scale should produce annual savings of £150,000 on spend on repairs and statutory compliance works
- 75% reduction, (1500), in invoice processing for reactive repairs and maintenance. This will produce a process saving of £20,000 in the corporate property and transaction centre areas.

4.0 Options

Five Options have been evaluated for the provision of emergency repairs and statutory compliance being:

4.1 Strategic Maintenance Framework

Procure a framework for a maximum term of four years, (with a break clause at year three), split into appropriate lots related to disciplines of: building repairs, mechanical repairs, electrical repairs, mechanical & electrical compliance works, security and fire services, water hygiene compliance, catering equipment and specialist services (lift maintenance).

This approach improves the Council's management of repairs whilst lowering the risk to the organisation. Opportunities for local SME's can be maximised through considering the sub-contracting arrangements within each 'lot' ensuring that quotes for work are sourced locally with adequate prompt payment clauses.

The option will provide opportunities for larger suppliers to bid for multiple contracts and provide security of contract for a three year term. This will incentivise suppliers to invest in, and improve the service.

This is the recommended option

4.2 Do Nothing;

This has been discounted as it will fail to address the current inefficient procurement processes and management of the Facilities Management, (FM), service. The Council will be exposed to fluctuations in the market and the risk of increased costs.

4.3 Strategic 'Hard' Facilities Management, (FM) Solution

This involves the outsourcing of repairs and maintenance services to a single provider in a term contract (typically a period of 10 years). Under this type of arrangement, the contracting agency defines an end outcome goal and the contractor decides how best to achieve the desired outcome for an annual fee.

This option has been discounted as it requires a significant lead in period regarding contract preparation, consultation and marketing. It also conflicts with the Council's strategic direction through not boosting the local supply chain as the contract would be let with a single large supplier with minimal opportunity to influence the contract to consider local SMEs.

4.4 Wider Strategic FM Solution

The Council has an opportunity to procure a single service provider to deliver a Total Facilities Management solution this would encompass all Hard and Soft FM services e.g. Reactive Repairs, Planned Maintenance, Statutory Maintenance, Utilities, Estate Management, Capital Maintenance Projects, Cleaning, Reception, Catering, Post and Courier, Help desk and potentially technical and administrative staff.

Similar to 4.3 but with a wider scope and therefore creates opportunities to deliver, savings and service quality improvements.

This option has been discounted as it requires a significant lead in period regarding contract preparation, consultation and marketing. Again, it restricts the engagement of local SMEs. In addition, having to align existing contract arrangements and processes across such a range of functions would require considerable investment.

4.5 Shared Service Joint Venture

The alternative to the open market is to consider a shared service model with another public or private sector partner via a Joint Venture agreement. This option could be delivered using the 'Teckal' exemption which permits public bodies to perform services for one another without open market competition and provides a quicker solution to transferring services if the option demonstrates Best Value. The commercial advantage of this approach can be delivered through lower overheads, performance management and investment in staff development.

Whereas strategically this is the preferred long term option, the Council first of all needs to consolidate its current arrangements across all of these spend areas, compile reliable trend data in terms of future likely spend, and position itself in the market alongside potential partners.

It is therefore recommended that the Procurement Framework (4.1) is the preferred option to drive efficiencies and boost local procurement in the short to medium term with a view to considering the market appetite and potential for Shared Services (4.5) after collating two years of robust management information

5.0 Conclusion and Recommendation

Cabinet is recommended to approve the procurement of a framework for emergency repairs and statutory compliance services, for a maximum term of four years, with a break clause at year three, split into appropriate lots related to discipline.

All other options either require a significant lead in period and / or do not maximise opportunities for local SME's through contracting with single suppliers.

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