

## **CORPORATE COMMITTEE**

**28 NOVEMBER 2018**

### **REPORT OF DIRECTOR FOR CORPORATE SERVICES**

#### **ITEMS FOR APPROVAL UNDER FINANCIAL PROCEDURE RULES**

##### **1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to submit requests for approval of this Committee under Financial Procedure Rules and to provide information on amounts approved under delegated powers and to report the impact of these on the Council's reserves and balances. The opportunity has also been taken to secure delegated authority for finalising legal fees and charges as well as entering into contracts with other parties for the provision of procurement services.

##### **2.0 RECOMMENDATIONS**

**It is recommended that:-**

- 2.1 **the virements approved under delegated powers (para. 3.1.1 refers) be noted.**
- 2.2 **The business case discussed in para 4.1 be approved and a supplementary estimate of £20,000 be approved from the Play Areas Repairs and Renewals Fund to replace equipment Kirby Fields & Melton Country Park Climbing forest Play Areas**
- 2.3 **That delegated authority is requested for the Chief Executive in consultation with the Leader to approve a supplementary estimate from the Corporate Priority Reserve to meet the cost of the leisure commercial appraisal should there not be sufficient funds within the current years budget**
- 2.4 **That delegated authority is given to the Director for Legal Services in consultation with the Director for Corporate services to finalise the legal charges in line with the parameters set out in para 5.1.**
- 2.5 **That delegated authority is given to the Director for Corporate Services to finalise and sign any contracts for services to enable the Council to delivery procurement services to other parties as set out in para 6.1.**

##### **3.0 VIREMENTS**

###### **3.1 Delegated Authority**

- 3.1.1 Since the last meeting the Director for Corporate Services has approved seven requests for virement within the same service totalling £202,280 and three requests for virement between services totalling £218,160. More details of those requests in excess of £10,000 can be found in Appendix A.

#### 4.0 SUPPLEMENTARY ESTIMATES

4.1 The under mentioned schemes (business cases attached as Appendix B) are submitted for approval

Committee	Scheme	← Funding →		
		Amount	Year	Source
Place	Play Areas - Kirby Fields and Melton County Park Climbing Forest	£20,000	2018-19	Play Areas Repairs and Renewals Fund

4.2 At a meeting of the Place Committee on 31 October 2018 the business case for replacement of the play area equipment at Kirby Fields and Melton County Park Climbing Forest was approved and that a request be made to this committee for the required capital funding of £20,000 from the Play Areas Repairs and Renewals Fund. Further detailed information on this capital scheme can be found in the business case attached as Appendix B.

4.3 At the meeting of the Place committee on 31 October 2018 an update was provided on the work on the Council's Leisure Facilities. The report highlighted the need to undertake a wider piece of work to undertake a full commercial development appraisal to explore how the council extracts the most value from the leisure sites and identify ways to fund the council's plans for future leisure provision. An initial estimate for this work is £60k. This estimate will be tested through the procurement process. The latest budget monitoring position for 2018/19 indicate this could be met from existing budgets however the financial position for the current and future year is proving challenging. As such if the cost of this work cannot be met from the existing budgets, delegated authority is requested for the Chief Executive in consultation with the Leader to approve a supplementary estimate from the Corporate Priority Reserve.

#### 5.0 FEES AND CHARGES

5.1 A review of the charges legal services make for drafting agreements such as S106 etc. is required as it is been identified that the Council's charges are not reflective of either the work involved in some cases or are out of line with other councils. It is desirable that these charges are implemented as soon as possible and certainly the implications need to be incorporated into the budget for 2019/20. As such delegated authority is required for these to be considered and determined outside of the meeting. The fee set will consider the actual costs involved in undertaking such work as well as information on benchmarking from similar authorities. In line with the Council's strategic direction being to move to a more commercial approach charges for such services should be reflective of the market.

#### 6.0 PROCUREMENT UNIT

6.1 Following the disbandment of the Welland partnership Melton continues to be the

lead authority for delivering a procurement services to a number of other councils across the East Midlands. These currently include Blaby, Wellingborough, Rutland and East Northants. In line with the councils commercial ambitions the procurement service is always exploring opportunities to generate further income through securing additional organisations to work with. We have recently been successful in gaining two new Councils – South Kesteven and Newark & Sherwood who are wanting to come on board and therefore we are looking to finalise the contractual arrangements with them shortly. This is great news for the service to enable the team to strengthen the procurement offer.

## **7.0 POLICY AND CORPORATE IMPLICATIONS**

- 7.1 Policy and corporate implications are considered for each new budget proposal as part of the Council's priority assessment process. The results of this are reported to members as part of the budget setting process.
- 7.2 The proposals regarding the legal charges is to ensure these are in line with the council's charging policy and commercial strategy.

## **8.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 8.1 The current level of balances and reserves are shown in Appendix C.
- 8.2 The financial implications of the review of legal charges will be incorporated into the budget for 2019/20.

## **9.0 LEGAL IMPLICATIONS/POWERS**

- 9.1 Any legal implications arising from these movements in funds will have been addressed during the approval process.
- 9.2 The Council is able to charge fees pursuant to s.93 of the Local Government Act 2003. Where fees and charges are set under s.93 the Council has a duty to secure that, taking one financial year with another, the income from the charges does not exceed the cost of providing the service.
- 9.3 The arrangement for the additional authorities seeking to join the Melton procurement service should be formalised by way of a service level agreement. The Local Government (Goods and Services) Act 1970 introduced the power to supply goods, material and services between local authorities and to other public bodies. The Council has the power to enter into contracts/agreements pursuant Local Government Act 1972 (s111) and the Local Government (contract) Act 1997 (s1).

## **10.0 COMMUNITY SAFETY**

- 10.1 Individual budgets could have links to community safety issues. These are covered in any associated reports and financial forms that refer to these budgets as they progress through the decision making process. As community safety is a corporate priority this is considered as part of the priority assessment and budget setting process when considering individual budget proposals.

## 11.0 EQUALITIES

11.1 The equality issues of each specific budget are considered as they progress through the approval process. The impact of the legal charges will be monitored to understand the impact, if any, following the introduction.

## 12.0 RISKS

12.1 There will be risks associated with all budgets and these should be considered as part of the consideration of these individual budget proposals through the decision making process.

## 13.0 CLIMATE CHANGE

13.1 Individual budget heads could have climate change issues but these are considered individually as they progress through the approval process.

## 14.0 CONSULTATION

14.1 Any proposed adjustments to budgets are made in consultation with budget holders and the Management Team where appropriate.

14.2 Benchmarking will be undertaken to review comparable local authorities to ensure legal charges are consistent with the market and set accordingly based on the services offered at Melton.

## 15.0 WARDS AFFECTED

15.1 All wards are affected.

Contact Officer	D Scott – Corporate Services Manager
Date:	09 November 2018
Appendices :	Appendix A: Virements in Excess of £10k Appendix B – Play Areas Business Case Appendix C: Statement of Revenue and Capital Reserves
Background Papers:	Committee Papers Budget Reduction/Virements/Supplementary Estimate Forms
Reference :	X: C'tee, Council & Sub-C'tees/Corporate Committee/2018-19/28-11-18/DG-Items for Approval