

**OPERATIONS COMMITTEE held at COUNCIL OFFICES SAFFRON WALDEN at 7.30pm on 23 MARCH 2006**

Present: - Councillor S C Jones – Chairman.  
Councillors R P Chambers, M A Gayler, E Gower, D W Gregory, R T Harris, A J Ketteridge, A R Row and G Sell.

Officers in attendance: - M Brean, P O'Dell, C Roberts and T Turner.

**OP17 APOLOGIES AND DECLARATIONS OF INTEREST**

Apologies were received from Councillors M L Foley, T P Knight, V J T Lelliott, M J Savage and P A Wilcock.

Councillors R P Chambers, S C Jones and A J Ketteridge declared personal non-prejudicial interests in the item on the agenda concerning CCTV.

**OP18 MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Operations Committee held on 9 February 2006 were received, confirmed and signed by the Chairman as a correct record.

**OP19 PROCUREMENT HUB FOR NORTH ESSEX**

The Executive Manager Strategy and Performance presented the Committee with a report recommending a proposal for a Procurement Hub for North Essex, providing procurement advice and expertise to the Council and recommending that the Committee agree to enter into a three year agreement subject to satisfactory ongoing negotiations.

The Executive Manager Strategy and Performance referred to the Council's membership of the Procurement Agency for Essex which promoted efficiency and collaboration among Essex authorities, provided procurement support, and achieved better value through joint work and contracts. There was a need for much higher strategic and operational day to day procurement support than the PAE could currently deliver, and discussions between PAE members and the Chief Executives of Castle Point, Colchester, Maldon, Tendring, Braintree and Uttlesford had proposed a Procurement Hub for North Essex.

The report showed that services to be done by the Procurement Hub included:-

- Managing and carrying out all the procurement.
- Advising on contract law, obtaining quotations for goods and services, and sourcing suppliers. For higher spend items, eg above £7,500, offering to procure for members.

- Where supply arrangements were in place, eliminating 'off contract' spend.
- Identifying areas where joint work contracts would reduce costs, or increase efficiency.
- Regular procurement surgeries at each Council's premises. Attendance at all meetings involving procurement.
- Involvement in all service reviews, process benchmarking and pricing comparisons.

The proposal being made to Castle Point, Colchester, Maldon, Tendring and Uttlesford was to:-

- Jointly fund the cost of operating the Hub which it was considered should become self funding within three years.
- Share the running costs on the basis of the individual Council's service level agreement, the amount of its influenceable spend and a fair share of overheads.
- Agree to the Hub being run from Braintree District Council by their staff for all member councils.
- Make a three year commitment to the project and agree to give twelve months' notice of intention to withdraw from the agreement.

The report envisaged that contracts could generate enough income to allow the Hub to become self financing and that further income could reduce members' subscriptions to the PAE and make that organisation self financing. More "spend" was expected from outside of the Hub than within it and this could significantly increase income. The estimated total cost of the Hub in its third year was £314,000; the net cost to UDC in its first year, assuming targeted income levels were achieved, was £16,400 and less in subsequent years. Target levels of income were £100,000 (year 1), £200,000 (year 2) and £342,000 (year 3).

The Committee had numerous concerns about the implications of the proposed "Hub". They asked in particular whether comparisons had been made with procurement organisations such as OGCbuying.solutions and whether procurement was done in accordance with a set discipline. The Chairman expressed concern that cheaper contracts had provided poorer service and that a monopoly of contracts might cause complacency.

The Executive Manager Strategy and Performance said that Marketplace expenditure was small scale and stationery was purchased centrally, but that the total influenceable spend of the Council amounted to £8,600,000 which gave scope for substantial savings. The Hub would concentrate on the larger contracts and would use OGC too.

A Member asked why, since PAE provided procurement expertise, the Hub and PAE were both needed. He asked for an assurance with evidence that the savings to be made would more than compensate for the expenditure. The Executive Manager Strategy and Performance said that the purpose was to benefit from the expenditure of the whole organisation but that PAE, which was aware of its own limitations, was a part of the setting up of the Hub.

The Executive Manager Finance and Asset Strategy stated that £100,000 savings had been recorded in the budget as achieved via Marketplace, and the suggestion of employing a further officer to assist with Marketplace had been considered by the Executive Managers' Team and was not regarded as the best way forward.

A Member expressed unease about the Hub and asked that it be referred to the next meeting in June with details of the PAE savings, and that in the meantime the Chairman and Vice-Chairman be consulted on this matter. It was suggested by another Member that the report should demonstrate how £43,000 could be taken out of budgets as savings to fund the expenditure of £16,000 in the first year of the Hub. Another Member was keen that the possibilities of existing contracts be explored before a decision was taken about the Hub.

The Executive Manager Strategy and Performance said that an early decision was critical to the ability of Braintree Council to recruit appropriate staff. The Executive Manager Finance and Asset Strategy stated that funding would be by virement, if necessary with a supplementary estimate, and could be progressed between committee meetings.

A Member expressed concern about use of reserves and virements and another suggested that funding should be obtained by reducing the budget heads which were expected to make savings from the activities of the Hub. It was agreed that a referral to Council would meet the considerations of urgency put forward by the Executive Manager.

RESOLVED that this item be referred to the Council for decision and that the Executive Manager Strategy and Performance submits a further report to the next meeting of the Council to cover the answers to the questions raised by members at the meeting.

OP20

## **CCTV – SAFFRON WALDEN**

The Executive Manager Finance and Asset Strategy presented the report of the Community Safety Manager on a request from the Saffron Walden Town Council to take over the complete management and responsibility for the CCTV System operating within the confines of Saffron Walden.

The report explained that in July of 2000, the Council with a grant from the Home Office installed CCTV in the three major conurbations in the District. The grant reflected the excellent partnership arrangements with Town and Parish Councils.

Saffron Walden Town Council had agreed to host the system in its offices (as had Stansted PC). The Town Council contributed both to maintenance costs and to the line rental from British Telecom, currently a 50/50 split in costs with the District.

If the Town Council took over the complete management of and responsibility for the system, this would result in an annual saving of approximately £6,000 to the District Council plus the cost of future inflation and replacements.

The Executive Manager Finance and Asset Strategy mentioned that some members had personal non-prejudicial interests. He confirmed that the saving would be about £6,000 per annum which would be a good financial deal for the District Council.

A Member suggested that the offer be accepted and another Member that the Dunmow CCTV system should be treated in the same way. The Executive Manager Finance and Asset Strategy had been asked, minutes before the meeting started, to provide details of all the Council's spending on CCTV around the district, and had asked one of his staff still at the offices to get the details. He left the meeting at this stage to chase up this information. The Executive Manager Strategy and Performance also left the meeting.

A Member proposed that the offer from Saffron Walden Town Council be accepted and Councillor Gayler asked about "contribution". Another Member suggested that Standing Orders should be suspended "to allow councillors with interests to speak" but this was not seconded. Councillor Ketteridge stressed that the Town Council's offer was a generous one and Councillor Row asked why the Town Council was making the offer. Councillor Ketteridge continued to speak about the generosity of the offer. *Councillors Jones and Chambers left the room at 8.18pm and Councillor Harris took the Chair for the remainder of the discussion on this item.*

The Executive Manager Finance and Asset Strategy said that presumably the Town Council thought they could run the CCTV better and Councillor Gayler said he assumed they thought they could use it more widely than at present.

The Executive Manager Finance and Asset Strategy gave details of the rent, maintenance and total running costs of the CCTV camera system and the amount spent on a recent upgrade.

A Member referred to previous criticisms of the CCTV system and suggested that it would be better to link all three systems with a control centre in Hertfordshire whereby they could all be monitored. Lack of monitoring seemed to be the cause of discontent with the systems, but it was accepted that the Saffron Walden Town Council would run the system as they thought best.

RESOLVED that the kind offer of the Town Council to take over the complete management and responsibility for the CCTV system be accepted.

At that stage Councillors Chambers, Jones and Ketteridge returned to the room and Councillor Jones again took the Chair.

OP21

## **REPLACEMENT PHOTOCOPIER CONTRACT**

The Committee received the report of the Executive Manager Customer Services seeking approval for the replacement of six photocopiers under a four-year contract with Canon UK Limited and for the exception to requirement of competition to be applied.

The report referred to rules governing when exceptions to requirements of competition might apply and explained that the Office of Government Commerce (OGC), an independent office of the Treasury, worked with public sector organisations to improve efficiency and value for money of their commercial activities. OGCbuying.solutions, an Executive Agency of the OGC, offered products and services to the public sector through framework agreements in a catalogue. Each agreement followed a rigorous procurement process and suppliers had already shown themselves able to be the least expensive. Canon UK Limited had an OGCbuying.solutions contract (number A337223/A) through the office equipment framework agreement for the supply of photocopiers. Based on a four-year lease, savings would be realised of £42,000 over four years.

Under the Council's Financial Regulations and Standing Orders an exception could apply where procurements were made through or on behalf of any consortium, associated or similar body provided that tenders or quotations were invited and contracts placed in accordance with procedures which were equivalent to those in the Council's Standing Orders Relating to Contracts. The Executive Manager (Corporate Governance) had confirmed that the arrangement fell within these rules and he would ensure that the contract terms and conditions were vetted if the Committee approved the recommended course of action in the report.

The report also made the point that in addition to the savings the new contract would bring significant improvement in the quality of service and ongoing maintenance support arrangements.

In answer to a question about possible costs had the Procurement Hub been asked to renew the lease, the Executive Manager Customer Services said that the costs might have been the same.

Members asked that their thanks and congratulations be conveyed to Stuart Huskie whose research had resulted in this major saving.

Councillor R P Chambers declared an interest in so far as he had dealings with the OGC.

The question was raised of making greater use of recycled paper in photocopying and the Executive Manager Customer Services noted this for investigation.

RESOLVED

- 1 That the replacement of the photocopiers through the Office of Government Commerce framework agreement contract with Canon UK Limited be approved and that the exception to requirement of competition be applied in accordance with Financial Regulations and Standing Orders KK12 (f).
- 2 That the Committee's thanks be expressed to Mr S Huskie, the Reprographics Supervisor for his assistance in this matter.

OP22

**NORTHGATE FRONT OFFICE CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM LICENCE**

The Committee considered the report of the Executive Manager Customer Services about the action taken in accordance with the Council's Financial Regulations, Standing Orders and new Constitution in upgrading the Northgate Front Office Customer Relationship Management (CRM) system licence from 20 users to unlimited user access. The Executive Manager Customer Services sought the Committee's approval of this course of action.

RESOLVED that the action taken in accordance with the Council's Financial Regulations, Standing Orders and new Constitution in upgrading the Northgate Front Office Customer Relationship Management (CRM) system licence from 20 users to unlimited user access be approved.

OP23

**INTEGRATED CUSTOMER MANAGEMENT (ICM) PROGRESS REPORT**

Members were informed about the progress of the ICM project. The Customer Relationship Management (CRM) system, and the new ways to pay initiative. They heard that the ICM JMT Premises Group had been consulting staff on the proposed lay out of the new customer service centre, and that the new ways to pay initiative had been communicated to those customers most affected. The business process re-engineering programme start had been delayed and was now going to start in early April 2006. Staff most affected by ICM were being consulted, and the JMT Risk Group was meeting regularly to re-evaluate the risks. Targets were a system of Integrated Customer Management (ICM) such that customers dealing with the Council should have a common experience.

RESOLVED that the Committee notes this progress report with pleasure and congratulates the Executive Manager Customer Services on the progress made.

OP24

**VAT ON CAR PARKING**

The report of the Executive Manager Finance and Asset Strategy explained that following a recent court case councils might have no need to charge VAT

on car parking which could result in the Council being due a refund. It also had a potential effect on current and future car park charges.

The Council would need to decide whether to leave car park charges unchanged if any final ruling removed VAT. Alternatively, the Council could decide to reduce car park charges by an appropriate amount. There was also the possibility that the Government might make a reduction in council funding to recover the loss of the VAT.

RESOLVED That the report be noted.

OP25

### **INDUSTRIAL ACTION**

The Executive Manager Finance and Asset Strategy gave an update on this matter which Members noted.

Councillor M A Gayler declared an interest in this item in so far as he was a member of the Local Government Pension Scheme and an employee of the Essex County Council but not a member of Unison.

The meeting ended at 8.58 pm.