

TRADING BOARD

18 November 2015

Present :- Councillor Julia Havis (Chairman)
Councillors Roger Buston, Kevin Bentley, Robert Davidson, Andrew Ellis, Martin Goss, Dave Harris and Justin Knight

Substitute Members:- None

Also Present: - Councillors Bill Frame, Paul Smith and Dennis Willetts

94. Minutes

RESOLVED that the minutes of the meeting held on 23 September 2015 be confirmed as a correct record.

95. Recharges

The Board considered a report from the Assistant Chief Executive setting out the Council's current arrangements for corporate recharges. This followed up on a report to the Board in July 2014 and provided an update on the work undertaken as part of the 2015/16 budget and how the Council's' approach to recharges was developing.

The 2015/16 budget had incorporated a new approach to recharges. This had resulted in more charges going to levels below Heads of Service to individual cost centres. This increased transparency as it demonstrated more clearly where the costs were being allocated. In addition new more relevant methodologies were being used for charges. For example ICT costs were allocated on the number of e-mail accounts and employees using IT and Human Resource costs were allocated on the basis of number of employees.

The scope and scale of recharges depended on how the Council chose to organise its services. For example services such as repairs and communications had previously been delivered through the services via a direct budget, but the services had been centralised and therefore needed to be funded through recharges. Most recharges were costs that most stand-alone business would incur. Moving forward, the Council would continue to review the methodologies it used and would encourage Heads of Service to scrutinise and challenge those recharges which appeared out of line with the service they received. In terms of the work of the Trading Board, the new approach should help ensure that business cases presented to the Board contained more detail about the extent and nature of the recharges.

Members of the Board welcomed the increased transparency that would result from the new approach to recharges and stressed that it had helped with the Board's consideration of the Sport and Leisure Business Case. In discussion, members of the Board raised the following issues:-

- Whether the use of recharges held the commercial services back and whether these services could be delivered more cheaply through the market. Sean Plummer explained that some of the commercial services had identified the need for additional specific support and that this did not always need to be provided centrally. However, it needed to be borne in mind that even when support services were provided externally, certain central services would remain and needed to be accounted for. For example, if a service was to seek an external accounting service, this would not remove the need for the Council to retain a central accounts team and a Section 151 officer. It would also have an impact on the benefit the Council gained from the economies of scale that resulted from services being delivered on a Council wide basis and the Council needed to be mindful of the need to ensure value for money.
- Many large private sector organisations also operated in a similar way with centralised support services, the costs of which would be recharged to other areas of the business.
- Centralised budgets allowed a certain amount of flexibility in dealing with exceptional and unforeseen expenditure in that rather than being funded directly from a service budget, they could be covered from savings elsewhere in a larger budget.
- The need for processes and terminology to be clear and easily understood.
- How the approach to recharges could be developed further to make them even more informative and increase transparency further.

RESOLVED that the Trading Board noted:-

- (a) the developments made to the Council's approaches to recharges in the 2015/16 budget.
- (b) the next steps being taken to review the impact of recharges set out in paragraphs 4.5 to 4.9 of the Assistant Chief Executive's report.

96. Work Programme

The Board considered a report from the Assistant Chief Executive setting out the draft work programme for the 2015-16 municipal year.

It was suggested that as the bid for devolution for Greater Essex was due to be submitted shortly, the Board should be looking at the potential opportunities that would arise at a local level from devolution. Following discussion it was agreed that the Board could look at issues relating to public sector reform, such as shared services and improved use of digital communication channels at its meeting in January 2016. It was also suggested that the scope of the item on the Waste Minimisation project scheduled for March 2016 was rather narrow and should be expanded to look more generally at the work of the Essex Waste Partnership Board.

In addition, the Board should consider a first draft of the Annual Report 2015-16 at its March meeting.

RESOLVED that the draft work programme for 2015-16 be noted and that the following additions and amendments be made to the work programme:-

- (a) an item on public sector reform arising from the devolution agenda be added to the meeting on 13 January 2016;
- (b) the scope of the item on the Waste Minimisation Project scheduled for 23 March 2016 should be expanded to look at the work of the Essex Waste Partnership Board more generally;
- (c) the Annual Report 2015-16 be added to the meeting on 23 March 2016.

97. Commercial Business Development and Procurement Savings

The Board considered a report from the Head of Commercial Services providing some public background and context to the Commercial Business Development and Procurement Savings reports, which contained commercially sensitive information and were published on part B of the agenda.

RESOLVED that the contents of the Head of Commercial Services report be noted.

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

98. Minutes

RESOLVED that the not for publication extract from the minutes of the meeting held on 23 September 2015 be confirmed as a correct record.

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

99. Essex Building Control Shared Service – Host Bid

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

100. Commercial Business Development – Building Control

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

Councillor Bentley (in respect of his membership of Essex County Council) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

101. Commercial Business Development - Helpline

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

102. Commercial Business Development – Monitoring/CCTV

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

103. Commercial Business Development – Bereavement Services

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

104. Trading Services Summary

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)

The Board resolved under Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item as it involved the likely

disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

105. Commercial Business Development – Procurement Savings

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information.)