



## **Contract and Financial Procedure Matters Report**

### **SUMMARY**

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under contract and financial procedure rules:
- the one-off revenue budget required to complete the job evaluation implementation, and the associated funding
  - Education capital scheme commencement for Woodlands Community School pool refurbishment.
- 1.2 Following a competitive tendering process to award the contact for the management of the Council's golf courses.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendations.

### **RECOMMENDATION**

- 2.2 To approve a one-off revenue budget of £239,298 in 2005/06 and £223,475 in 2006/07 funded from £198,000 earmarked job evaluation reserve and £265,000 2005/06 job evaluation revenue budget.
- 2.2 To approve a capital scheme commencement for the swimming pool refurbishment at Woodlands Community school.
- 2.3 To award the contract for the management of the Council's golf courses to Commercial Services department for a period of two years from 1 January 2006.



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### **SUPPORTING INFORMATION**

#### **1. Job evaluation budget and funding**

- 1.1 The Local Government Single Status Job Evaluation Scheme which the Council has adopted was developed jointly by the National Joint Council for Local Government Services. For a Job Evaluation (JE) project to gain maximum acceptance in the workplace it needs to be “owned” by both the employer and the employee. Council’s are also encouraged to support the use of the scheme by involving trade union representatives from all the main unions to ensure that decisions are free from bias. Providing training, advice and guidance to support the use of the scheme is also encouraged.
- 1.2 To carry out this programme a one-off revenue budget of £462,773 is required as detailed in Appendices 2 and 3, made up of £239,298 in 2005/06 and £223,475 in 2006/07. £198,000 was already provided to cover estimated costs in 2005/6. The project costs have now been re-evaluated and this has resolved the need for additional trade union support. The 2006/7 budget requirement is also identified so that stability of the secondments can be achieved. The additional requirement for this is £265,000.
- 1.3 The budget covers the costs of the Job Analysts, the Administration staff, costs of trade union involvement on each interview that is held and the Co-ordination Panel which assesses and evaluates all jobs. In addition, day to day budgets are required for training and supplies and services, which include the purchase of the appropriate and necessary equipment required to ensure that the Scheme is able to operate in the most effective manner.
- 1.4 The trade union representatives are seconded from their substantive posts and the cost represents the requirement to back-fill.
- 1.5 An explanation of the nature of the staffing posts and the Coordination Panel is provided in Appendix 4.
- 1.6 It is proposed to fund this budget as follows:
  - £198k from the balance of the earmarked job evaluation reserve available at 1 April 2005
  - £265k from the 2005/6 corporate revenue budget provision of £800,000 for job evaluation included in the approved 2005/06 budget

## 2. Capital Programme scheme commencement

- 2.1 Capital scheme commencement approval is sought for an Education schemes over as follows:

### **Woodlands Community School – swimming pool refurbishment**

Total cost £524k

	2005/6 £000	2006/7 £000	future years £000	Total £000
Funding				
New Opportunities fund	249	85		334
New Deal for Schools funding		90		90
Schools devolved capital funding		84	16	100
Total cost	249	259	16	524

- 2.2 This is in line with the approved capital programme.

## 3. Management of the Council's golf courses contract

- 3.1 Invitations to tender were sent to three interested parties and two tenders were received and evaluated. The annual concessionary fees offered, which is income to the Council, were:

- Tender A -Commercial Services department £276,000
- Tender B - £184,901.

- 3.2 The concessionary fee offered by Derby City Council's Commercial Services department is the most beneficial tender and it is proposed that this tender should be accepted and the contract awarded to them for a period of two years from 1 January 2006.

- 3.3 This lower concessionary fee will represent a reduction in income as the current contractor pays £312,000. This has been anticipated and built into the 2006/7 budget proposals.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Job Evaluation budget summary

<b>IMPLICATIONS</b>
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**Financial**

1. As set out in this report.

**Legal**

2. None

**Personnel**

3. As set out in this report.

**Equalities impact**

4. None

**Corporate objectives and priorities for change**

5. The recommendations are consistent with the Council's corporate objectives and priorities.

Appendix 2

JOB EVALUATION BUDGET SUMMARY 2005/6 AND 2006/7

JOB EVALUATION COSTS	05-06	06-07 to end Dec 06	TOTAL COST	COMMENTS
	£	£	£	
<b>Employee Costs</b>				
Salaries and overheads*	196,490	207,125	403,615	
Training Exps	1,750	1,750	3,500	
Recruitment Costs	1,000	1,000	2,000	
<b>Sub Total</b>	<b>199,240</b>	<b>209,875</b>	<b>409,115</b>	
<b>Supplies and Services</b>				
Office Equipment	10,540	1,000	11,540	
Computer Equipment	9,568	1,000	10,568	
Printing	550	300	850	
Software Licences	4,000	0	4,000	
Software Maintenance	1,200	1,200	2,400	
Provisions	1,000	1,000	2,000	
Photocopying	4,000	2,000	6,000	
Stationery	3,000	1,500	4,500	
Postages	1,000	500	1,500	
Telephones	200	100	300	
<b>Sub Total</b>	<b>35,058</b>	<b>8,600</b>	<b>43,658</b>	
<b>Agency Payments</b>				
Consultant Costs	5,000	5,000	10,000	Pay Modeller Support
<b>Sub Total</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>	
<b>TOTAL</b>	<b>239,298</b>	<b>223,475</b>	<b>462,773</b>	
less already estimated			198,000	
			264,773	

\*This includes the costs of the job evaluation team plus the secondment of trade union representatives to the evaluation team