

# Agenda

## Policy and Resources Committee Meeting

Date: Wednesday, 12 July 2023

Time 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT\*

Membership:

Councillors Mike Baldock (Vice-Chair), Monique Bonney, Lloyd Bowen, Derek Carnell, Tim Gibson (Chair), Angela Harrison, Mike Henderson, James Hunt, Mark Last, Rich Lehmann, Richard Palmer, Julien Speed, Mike Whiting, Ashley Wise and Dolley White.

Quorum = 5

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Pages

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- (d) Anyone unable to use the stairs should make themselves known during this agenda item.

## 2. Apologies for Absence

## 3. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves, their families or friends.

The Chair will ask Members if they have any disclosable pecuniary interests (DPIs) or disclosable non-pecuniary interests (DNPIs) to declare in respect of items on the agenda. Members with a DPI in an item must leave the room for that item and may not participate in the debate or vote.

Aside from disclosable interests, where a fair-minded and informed observer would think there was a real possibility that a Member might be biased or predetermined on an item, the Member should declare this and leave the room while that item is considered.

Members who are in any doubt about interests, bias or predetermination should contact the monitoring officer for advice prior to the meeting.

## 4. Minutes

To approve the [Minutes](#) of the Meetings held on 22 March 2023 (Minute Nos. 790 – 801), the [17 May 2023](#) (Minute Nos. 17 – 18) and the [14 June 2023](#) (Minute Nos. 90 - 96) as correct records.

## **Part B Reports for Decision by the Policy and Resources Committee**

- |    |   |         |
|----|---|---------|
| 5. | 2022/23 Outturn Report  | 5 - 14  |
| 6. | Award of Contract for Insurance Coverage and Associated Service | 15 - 20 |

7. Exclusion of the Press and Public

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3.

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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|-----|--|---------|
| 8.  | Award of Contract for Insurance Coverage and Associated Service - Exempt Appendix 1              | 21 - 40 |
| 9.  | Forward Decisions Plan   | 41 - 42 |
| 10. | Recommendations from the Swale Joint Transportation Board meeting held on 26 June 2023 to-follow |         |
| 11. | Accounts to Write Off  | 43 - 46 |
| 12. | Exclusion of the Press and Public  |         |

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3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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|-----|---|---------|
| 13. | Accounts to Write off - Exempt Appendix 1 | 47 - 48 |
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**Issued on Tuesday, 4 July 2023**

The reports included in Part I of this agenda can be made available in alternative formats. For further information about this service, or to arrange for special facilities to be provided at the meeting, please contact **DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Committee, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

**Chief Executive, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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<b>Policy and Resources</b>		<b>Agenda Item:</b>
<b>Meeting Date</b>	12 July 2023	
<b>Report Title</b>	Financial Management Report – Outturn 2022/23	
<b>EMT Lead</b>	Lisa Fillery, Director of Resources	
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement	
<b>Lead Officer</b>	Caroline Frampton, Principal Accountant	
<b>Classification</b>	Open	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the revenue underspend of £29k.</li> <li>2. To note the level of reserves at 31 March 2023 as detailed in table 3.</li> <li>3. To note the capital slippage of £7,187k and capital expenditure of £6,967k against the Revised Budget as detailed in table 4 and appendix I.</li> <li>4. To approve the capital rollovers of £7,187k as detailed in appendix I for approval.</li> <li>5. To request delegation to the Director of Resources to work with budget holders to review the rollover requirements and amend the capital programme as necessary, to make best use of capital funding streams and minimise the impact on the Council's financial resources.</li> </ol>	

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the revenue and capital outturn position for 2022/23. The report is based on service activity for the whole of 2022/23 and is based on the final spend and income in the year, including transfers to and from reserves.
- 1.2 The purpose of the report is to compare the actual spend and income incurred in 2022/23 to the budget and to provide explanations for any variances. The report also requests the rollover of capital budgets, along with delegation for the Director of Resources to review rollover requirements and make amendments for the good of the Council
- 1.3 The headline figures are:
  - Total revenue underspend of £29k – Table 1;
  - Capital expenditure of £6,967k – Table 4; and,
  - £7,187k rollover requests of capital underspends – appendix I.

## 2. Background

- 2.1 The Council operated a budget monitoring process at Head of Service level, with regular reports during 2022/23 to the Policy & Resources Committee and the Strategic Management Team.

### 3. Proposals

#### Revenue Outturn

**Table 1 - Variance by Service:-**

	<b>Budget 2022/23 £'000</b>	<b>Spend 2022/23 £'000</b>	<b>Over/ (Under) Spend 2022/23 £'000</b>
Chief Executive	552	541	(11)
Policy, Governance, Transformation & Customer Services	1,784	1,706	(78)
Housing & Community Planning	4,563	5,660	1,097
Environment & Leisure	965	1,182	217
Regeneration & Economic Development	7,130	6,662	(468)
Finance & Procurement	668	681	13
Revenues & Benefits	811	846	35
Environmental Health	1,060	1,099	39
Information Technology	642	658	16
Internal Audit	1,377	1,318	(59)
Human Resources	194	135	(59)
Legal	491	404	(87)
	550	430	(120)
Net contributions to / (from) reserves	(2,735)	(2,791)	(57)
Corporate Items	3,948	3,451	(497)
<b>Cost of Services</b>	<b>22,000</b>	<b>21,983</b>	<b>(17)</b>
<b>Financed by:</b>			
Budget Contingency Reserve	(1,651)	(1,651)	0
Council Tax	(9,263)	(9,263)	0
Other Grants	0	(8)	(8)
Services Grant	(488)	(492)	(4)
Business Rates	(9,072)	(9,071)	1
New Homes Bonus Grant	(1,407)	(1,407)	0
Revenue Support Grant	(119)	(120)	(1)
<b>(Surplus) in Year</b>	<b>0</b>	<b>(29)</b>	<b>(29)</b>

- 3.1 The variances with brackets are underspends, i.e., income received was greater than the budget or the spend was less than budget; variances with no brackets are overspends, i.e., the income was less than the budget, or the spend was more than budget. The significant variances from budget are explained below:-

**Policy, Governance, Transformation and Customer Services (£78k)** underspend – The variance is a result of underspends on staff costs and members allowances.

**Housing & Community** £1,097k overspend – The variance is largely due to an increase in the cost of temporary accommodation. This was a mixture of an increase in demand, as well as an increase in the cost of placements.

**Planning** £217k overspend – The variance is due to increased costs of staffing due to difficulties in recruiting permanent staff, this is a net position as additional income was also achieved during the year.

**Environment & Leisure** (£468k) underspend – Parking activity has recovered well from the recent setbacks, and the final position was therefore better than anticipated. The introduction of charges for replacement wheeled bins also resulted in an underspend on the purchase of replacement bins.

**Shared Services** (£309k) underspend – There were a number of staff vacancies across the shared services that created savings within the year. Legal Services underspend was a result of lower than budgeted use of the shared Legal Service by SBC.

**Corporate items** (£497k) underspend – the main reason for the variance was higher than anticipated investment income due to the increased bank rate. This was slightly reduced by additional insurance costs that were above the budget level.

## General Fund

3.2 The General Fund is shown below. The Council's policy is to maintain a balance of at least £1.5m in the General Fund. This balance represents 11.5% of the cost of services for 2022/23 and is therefore deemed to be at an adequate level.

**Table 2: General Fund Balance**

	<b>£'000</b>
General Fund balance at 1 April 2022	(3,074)
Underspend in 2022/23	(29)
<b>General Fund Balance</b>	<b>(3,103)</b>

## Earmarked Reserves

3.3 Table 3 below sets out the earmarked reserves balances as at 31 March 2023.

**Table 3: Earmarked Reserves**

	Balance as at 1 April 2022 £'000	Contributions (to)/ from reserve in year £'000	Balance as at 31 March 2023 £'000
Budget Contingency Reserve (Planned Use)	(1,651)	1,651	0
Budget Contingency Reserve (Balance)	(1,167)	(1,753)	(2,920)
Kent Pool Economic Development Business Rates	(1,739)	55	(1,684)
North Kent Housing & Commercial Growth Business Rates	(1,580)	246	(1,334)
Special Project Fund	(1,407)	742	(665)
Business Rates Volatility	(1,395)	593	(802)
Improvement & Resilience	(794)	467	(327)
Building & Asset Maintenance	(681)	(60)	(741)
Service Reserves	(1,516)	225	(1,291)
Waste and Environment	(470)	14	(456)
ICT Equipment Reserve	(416)	(78)	(494)
Town Centre/High Streets	(424)	202	(222)
Repairs & Renewals	(342)	37	(305)
Miscellaneous	(3,594)	1,518	(2,076)
<b>Total Earmarked Reserves</b>	<b>(17,176)</b>	<b>3,859</b>	<b>(13,317)</b>
Collection Fund & Grants In Advance	(5,632)	3,902	(1,731)
Accounting Adjustments	(933)	851	(82)
<b>Total Reserves</b>	<b>(23,741)</b>	<b>8,611</b>	<b>(15,130)</b>

- 3.4 As previously approved at Policy and Resources committee on 8 February 2023, an in year review and rationalisation of reserves took place and transfers were made to ensure that reserve levels support the agreed Medium Term Financial Plan.
- 3.5 There was a budgeted use of the Budget Contingency Reserve of £1.6m. Further transfers to this reserve were made in year as part of the rationalisation exercise.
- 3.6 The reserves also funded the Swale Rainbow Homes project, Improvement and Resilience, and Special Projects, Master's House redevelopment, and town centre improvements. The balances on Special Projects, Improvement & Resilience and Town Centre Reserves are all fully committed and due to be spent in 2023/24.
- 3.7 There was significant expenditure incurred from reserves that accounted for the Collection Fund deficit that arose during the Covid pandemic, and that was



funded by government grants. These were accounting adjustments that allowed us to smooth the impact of the government grant schemes.

- 3.8 Contributions were made to the building and asset maintenance reserve, and the ICT equipment reserve to ensure that future peaks in required spend can still be met.

### Capital Expenditure

- 3.9 This section of the report details actual capital expenditure and highlights any variations between the revised 2022/23 capital budget and the outturn.
- 3.10 Actual expenditure in 2022/23 was £6,967k which was 49% of the budget. There was capital slippage of £7,187k. A summary is set out in Table 4 below and further details are shown in appendix I.
- 3.11 There are a number of externally funded capital projects where the revised budget has been amended to reflect the resources made available. These are detailed in appendix I

**Table 4 – Capital Outturn**

Capital Scheme	2022/23 Revised Budget £'000	2022/23 Outturn £'000	2022/23 Variance £'000	Rollover Request £'000
Housing & Community Services	6,275	1,920	(4,355)	4,355
Regeneration & Economic Development	5,812	4,517	(1,295)	1,295
Environment & Leisure	1,923	503	(1,421)	1,346
ICT Infrastructure & Equipment	219	27	(192)	192
<b>Total Capital Programme</b>	<b>14,229</b>	<b>6,967</b>	<b>(7,262)</b>	<b>7,187</b>

The explanations for the significant capital variances and rollovers are shown below:

- **Housing and Community Services - Disabled Facilities Grant** – This accounts for £4m of the rollover request. Funding is from Central Government and is paid via Kent County Council. The grant is part of the overall Better Care Fund which incorporates aspects of health, and the Disabled Facilities Grant (DFG) money which must be used on mandatory grants that the Council administers. The money should be rolled over to the following year to continue funding grants approved within the year. The spend is dependent on applications received. Once a grant is approved the applicant has 12 months to complete the work, therefore the DFG spend is a constant rolling process that crosses financial periods.
- **Regeneration & Economic Development High Streets – Queenborough & Rushenden Klondyke Land Improvement** – This is fully funded from external grant.

## Funding of the 2022/23 Capital Programme

3.12 The 2022/23 capital programme expenditure of £6,967k was funded as set out in Table 5 below.

**Table 5: Capital Programme Funding**

	<b>2022/23 Outturn £'000</b>
Capital grants and other contributions	3,338
Capital receipts	28
Earmarked reserves	1,812
Direct revenue funding	129
Borrowing	1,660
<b>Total Capital Funding</b>	<b>6,967</b>

## 4. Alternative Options

4.1 None identified – this report is largely for information.

## 5. Consultation Undertaken or Proposed

5.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

## 6. Implications

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report
Legal, Statutory and Procurement	The outturn report is not a statutory requirement, but it is a requirement of the Council's Financial Regulations.
Crime and Disorder	None identified at this stage.
Environment and Climate/ Ecological Emergency	The report identifies a wide range of expenditure headings which support the Council's Climate and Emergency Action Plan.
Health & Wellbeing	None identified at this stage.

Issue	Implications
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	The Council's overall financial position is a key risk in the Council's Corporate Risk Register.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## 7. Appendices

7.1 The following documents are published with this report and form part of the report:

- Appendix I: Capital Outturn 2022/23

## 8. Background Papers

- Council Meeting Agenda and Minutes 22 February 2023 Item 11
- Policy & Resources Committee 8 February 2023

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## Capital Outturn 2022/23

	Funding	2022/23 Working Budget £	2022/23 Outturn £	2022/23 Variance £	Rollover Request £	Notes
<b>Housing &amp; Community Services</b>						
Disabled Facilities Grant Mandatory & Discretionary	Grant	5,719,860	1,679,389	(4,040,471)	4,040,471	
Forstal Community Association Village Hall	Reserves	45,000	45,000	0	0	
HRG - Housing Repair Grants Over 60	Grant	1,998	1,998	0	0	Revised budget amended
RHB2 Decent Home Loans Owner Occupier	Long term loans/grants	24,937	24,937	0	0	Revised budget amended
Winter Warmth Grants	Grant	71,582	71,582	0	0	Revised budget amended
Local Housing Company	Reserves	360,000	97,336	(262,664)	262,664	
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark	Reserves	52,060	0	(52,060)	52,060	
<b>Total Housing &amp; Community Services</b>		<b>6,275,438</b>	<b>1,920,243</b>	<b>(4,355,195)</b>	<b>4,355,195</b>	
<b>Regeneration &amp; Economic Development</b>						
Central House - Lift Refurbishment	Reserves	20,220	20,221	1	0	
Sittingbourne Town Centre	Borrowing	641,080	(12,496)	(653,576)	653,576	
High Streets	Reserves	248,000	0	(248,000)	248,000	
St Micheal's Church Boundary Wall	Reserves	120,000	69,640	(50,360)	50,360	
Coronation Clock Tower Sheerness	Reserves	143,600	82,920	(60,681)	60,681	
Redevelopment of Master's House, Sheerness	Reserves/Grant	1,382,827	1,382,827	(0)	0	Revised budget amended
Swale House Refurbishment - Internal/External	Borrowing	1,954,630	1,672,587	(282,043)	282,043	
Queenborough & Rushenden Klondyke Land Improvement	Grant	1,252,982	1,252,982	0	0	Revised budget amended
Wayfinding signage Project - Faversham	Reserves	9,230	9,230	0	0	Revised budget amended
UKSPF	Grant/Revenue	39,200	39,192	(8)	0	
<b>Total Regeneration &amp; Economic Development</b>		<b>5,811,769</b>	<b>4,517,103</b>	<b>(1,294,666)</b>	<b>1,294,660</b>	

## Capital Outturn 2022/23

	Funding	2022/23 Working Budget £	2022/23 Outturn £	2022/23 Variance £	Rollover Request £	Notes
<b>Environment &amp; Leisure</b>						
Barton's Point Coastal Park - replacement bridge	Capital receipts	39,000	7,918	(31,082)	31,082	
Barton's Point Drainage Project	Capital receipts	70,000	19,623	(50,377)	50,377	
Coach Parking	Reserves	35,000	0	(35,000)	35,000	
Coast Protection	Grant	54,209	54,209	0	0	Revised budget amended
Swallows Roof Replacement	Reserves	17,340	17,340	(0)	0	
Faversham Recreation Ground Improvement	Grant	2,729	2,729	0	0	Revised budget amended
Gunpowder Works Oare Faversham	S106	29,890	0	(29,890)	29,890	
Leisure Centre Condition Surveys Improvements	Borrowing	287,180	0	(287,180)	287,180	
Milton Creek Access Road	Reserves	75,000	0	(75,000)	0	Project was completed and accounted for within the revenue budget using the reserve as planned
Open Spaces Play Equipment and Improvements	S106/Grant/Reserves	793,620	272,978	(520,642)	520,642	
Sheerness Public Toilets	Reserves	120,000	0	(120,000)	120,000	Spend due in early 2023/24
The Forum Public toilets	Reserves	42,080	0	(42,080)	42,080	
Barton's point shower & toilets	Reserves	180,000	0	(180,000)	180,000	Spend due in early 2023/24
Changing Places - Swallows	Grant	49,500	0	(49,500)	49,500	
New Parking Meters	Reserves	111,986	111,986	0	0	Revised budget amended
Resurfacing Promenade, The Leas	Grant	12,250	12,250	(0)	0	Revised budget amended
Resurfacing Shellness Road, Leysdown	Reserves/Revenue	3,677	3,677	0	0	
<b>Total Environment &amp; Leisure</b>		<b>1,923,461</b>	<b>502,710</b>	<b>(1,420,752)</b>	<b>1,345,752</b>	
<b>ICT</b>						
ICT Infrastructure & Equipment Replacement	Reserves	218,520	26,758	(191,762)	191,762	
<b>Total ICT</b>		<b>218,520</b>	<b>26,758</b>	<b>(191,762)</b>	<b>191,762</b>	
<b>Total Capital Programme</b>		<b>14,229,188</b>	<b>6,966,813</b>	<b>(7,262,375)</b>	<b>7,187,369</b>	

<b>EMT / Policy and Resources Committee</b>	
<b>Meeting Date</b>	12 July 2023
<b>Report Title</b>	Procurement of Insurance coverage and associated service (excluding broker services)
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement
<b>Lead Officer</b>	Claire Stanbury, Head of Finance and Procurement
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That lots 1, 3 and 5 are awarded as a package through lot 8, being the most advantageous option.</li> <li>2. That the Committee approves the appointment of Company A as provider of the Council's insurance services for lots 2 and 8 from 31 July 2023 for an initial period of three years at a value of £907,328.</li> <li>3. That the Committee approves the appointment of Company C as provider of the Council's insurance services for lots 4, 6 and 7 from 31 July 2023 for an initial period of three years at a value of £58,913.</li> </ol>

## 1 Purpose of Report and Executive Summary

1.1 The current Contract expires on 30 July 2023. A one stage tender process was carried out based on the most economically advantageous tender (MEAT). The Contracts are to provide insurance coverage and associated services (excluding broker services). External consultants, Gallagher were appointed to support the Authority as technical advisor throughout the process. The tender was broken into 8 Lots:

- Lot 1: Property including Computers, Contract Works, Business Interruption, Special (all) risks and Money
- Lot 2: Commercial & Industrial properties let to tenants
- Lot 3: Casualty insurance including Employers/Public/Products Liability, Officials Indemnity, Professional Negligence, Hirers Liability.
- Lot 4: Fidelity Guarantee
- Lot 5: Motor Fleet insurance
- Lot 6: Personal Accident
- Lot 7: Engineering services (Inspection and Insurance)
- Lot 8: Package encompassing Lot 1 – Property, Lot 3 – Casualty and Lot 5 – Motor Fleet.

1.2 The majority of the Lots were evaluated on 58% price, 35% quality and 7% social value with the exception of Lot 4 – Fidelity Guarantee and Lot 6 – Personal Accident & Travel which did not include social value.

1.3 This report summarises the procurement process and its results, and seeks Committee approval to contract with the recommended tenderers.

## 2 Background

2.1 The opportunity was advertised in accordance with current contract standing orders and the Public Contracts Regulations 2015, with interested parties asked to complete an Invitation to Tender. Three submissions were received and scores were allocated according to the criteria explained in the tender document.

2.2 The main evaluation panel consisted of Gallagher, the Insurance Shared Services Officer and the Insurance Shared Service Assistant. The social value section was evaluated by the Commissioning Manager, Principal Accountant and the Senior Accountant. Each panel member scored individually and then came together to discuss and moderate to collectively agree the scoring of the tender submissions. The scores were as follows:

Lot 1:

Company	Price Score	Quality Score	Social Value	Total
A	58	32	3.5	93.5
B	39.06	26	1.4	66.46
C	43.75	21	4.9	69.65

Lot 2:

Company	Price Score	Quality Score	Social Value	Total
A	58	32	3.5	93.5
B	30.62	23	1.4	55.02
C	38.86	20	4.9	63.76

Lot 3:

Company	Price Score	Quality Score	Social Value	Total
A	58	26	3.5	87.5
B	42.64	23	1.4	67.04
C	52.18	31	4.9	88.08

Lot 4:

Company	Price Score	Quality Score	Total
A	No bid	No bid	No bid
B	No bid	No bid	No bid



C	65	28	93
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Lot 5:

Company	Price Score	Quality Score	Social Value	Total
A	48.25	32	3.5	83.75
B	37.47	25	1.4	63.87
C	58	31	4.9	93.9

Lot 6:

Company	Price Score	Quality Score	Total
A	No bid	No bid	No bid
B	No bid	No bid	No bid
C	65	23	88

Lot 7:

Company	Price Score	Quality Score	Social Value	Total
A	No bid	No bid	No bid	No bid
B	No bid	No bid	No bid	No bid
C	58	23	4.9	85.9

Lot 8:

Company	Price Score	Quality Score	Social Value	Total
A	58	19.08	3.5	80.58
B	No bid	No bid	No bid	No bid
C	51.47	20.62	4.9	76.99

### 3 Proposals

- 3.1 The Committee is requested to approve the proposal to enter into contracts with Companies A and C for an initial period of three with the option to extend by two further periods of one year.

### 4 Alternative Options Considered and Rejected

- 4.1 The current insurance contract is due to expire on 30 July 2023 with no further extension options. If we do nothing, then the Council will not be insured and will have to face the full financial impact of any damages.

- 4.2 The full contract could be awarded to one company. Only Company C tendered for all lots, and so would be awarded the full contract, resulting in higher fees, so this is not advisable.
- 4.3 Lots 1, 3 and 5 could be awarded individually. This would change the balance of awards between Companies A and C, but when reviewed side by side, the option to award as a package through Lot 8 is more economically advantageous.
- 4.4 Company C also provided a tender submission giving a package price for all lots. A review was carried out to compare this against the individual awards as recommended, and the letting of individual lots is still the most economically advantageous option.

## 5 Consultation Undertaken or Proposed

- 5.1 The Finance and Procurement team worked with Gallagher Insurance Brokers to ensure that the insurance market was engaged with, and to advise on the tenders received.
- 5.2 A full report has been provided by Gallagher, along with the moderated scoring results. The full report provides full analysis and can be used to evidence the scores assigned.
- 5.3 The scoring matrix is attached at appendix I.

## 6 Implications

Issue	Implications
Corporate Plan	Appointing a provider that provides a good quality service and good value for money contributes towards all the corporate priorities as it ensures that the Council hold sufficient insurance cover at a cost that is within the budget framework.
Financial, Resource and Property	Anticipated annual spend on the Insurance contracts is £322,080. The total contract value if both extension options are utilised is therefore estimated as £1,610,402.  The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended ("TUPE") do not apply to this contract and the implications of this have been addressed in the procurement process.
Legal, Statutory and Procurement	The contract will be drawn up using terms and conditions which have been approved by Mid Kent Legal Services and Finance.

	Public Services (Social Value) Act 2012 – Company A will engage with the local community through volunteering support, and will raise awareness of the industry through attending school career events.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	Part of the procurement process ensures that tenderers are fully competent to provide the required level of service.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

Appendix I: Award Criteria Scoring

## **8 Background Documents**

None

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**Regeneration and Property Committee Forward Decisions Plan**

<b>Report title, background information and recommendation(s)</b>	<b>Date of meeting</b>	<b>Open or exempt</b>	<b>Lead Officer and report author</b>
Central Stadium, Sittingbourne	September 2023		Head of Service: Joanne Johnson Report author: David Johnson
Property Asset Strategy Refresh and Property Procedure Rules (PPR)	September 2023		Head of Service: Joanne Johnson Report author: David Johnson

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<b>Policy &amp; Resources Meeting</b>	
<b>Meeting Date</b>	12 July 2023
<b>Report Title</b>	Accounts to write off
<b>EMT Lead</b>	Lisa Fillery Director of Resources
<b>Head of Service</b>	
<b>Lead Officer</b>	
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. The committee consents to the write off of the debts in excess of £10k.

## 1 Purpose of Report and Executive Summary

- 1.1 This report schedules those debts in excess of £10,000 to be written off as irrecoverable which it has been agreed will be reported to Committee prior to the Director of Resources authorising the write-offs.

## 2 Background

- 2.1 The Accounts and Audit Regulations 2003 (as amended) require that decisions to write of accounts are taken with the authority of the responsible financial officer.
- 2.2 The council’s constitution (D5.9) states that once raised, no bona fide debt or part of the debt may be written off, unless the reason for write off is fully documented and approved by the Director of Resources.
- (a) all debts arising from bankruptcies and liquidations, which are not covered by distributions from liquidators, receivers or administrators; and
- (b) any other single amount due to the Council up to £5,000 or with Management Team approval £10,000. Any outstanding debt in excess of this amount can only be written off with the consent of the Policy and Resources Committee.
- 2.3 From year to year it is not possible to predict the level of write offs. What is possible is to ensure that procedures are in place to deal with these accounts properly; that proper claims are made in respect of bankruptcy and liquidation cases, executors are informed of liabilities and that all tracing enquiries are made in respect of absconded cases.

### 3 Proposals

- 3.1 The Director of Resources receives regular reports requesting the write off of debt, that has followed the due process for collection and is deemed to be irrecoverable. The debts that are within the delegation limits of the Director of Resources and Senior Management Team are reviewed and where appropriate are approved for write off.
- 3.2 Debts in excess of £10,000 that require the consent of Policy & Resources to write off are listed below with the justification for the write off request. This request will be made on an annual basis from 2023/24.
- 3.3 Business Rates

Business Rate debt write offs are accounted for through the collection fund where provision is made for the non payment of debts. The provision and the write off amounts are proportionate to the preceptors share of the business rates collection fund.

Table 1.

Account number	Amount	Details
327231581	£13,452.71	Company ceased trading with proposal to strike off pending with no likelihood of payment due to no assets or funds available
327017357	£21,685.63	No trace of company who has absconded. Debt covers period 2013/14 to 2016/17.

#### 3.4 Housing Benefit

Housing Benefit overpayments arise when claimants' circumstances change and cancellations or reductions of their benefit entitlement is back dated to the date of the change. Deductions to recover overpayments can be made from any ongoing or reinstated benefits where possible. When benefits are no longer payable and tracing and other collection methods are unsuccessful and the debt is deemed irrecoverable, then the request to write off those debts is made. If new information is received once a debt has been written off the cases will be revisited to recommence recovery action.

The cases in excess of £10,000 are as follows

Table 2

Amount	Details
£10,740.36	Overpayment period 2015-2019 due to not declaring non dependent children. Claim was reassessed with new information that reduced the initial overpayment amount and repayment plan was in place from ongoing benefit payments until the death of the claimant. There is no money in the estate to cover the outstanding amount.
£13,001.86	Overpayment period 2008 -2011 following DWP investigation leading to cancellation of housing benefit as claimant was living with a partner who was working. Debt referred to debt collection agency after no response to reminders and final notices. Minimal payment received initially along with direct debit set up which was cancelled after 9 months. No trace of claimant via DWP, Searchlight, employment checks or debt collection agent.
£20,547.71	Overpayment period 1994 -2016 following an investigation in 2004 which decided the claimant had been working since 1994. Deductions applied to new claims and cancelled successively between 2005-2010. 2013-2019 repayments recovered from another local authority's benefit claims. No success from debt collection agents and DWP have refused debt recovery via benefit payments as there are already deductions in place and debt is deemed irrecoverable.

3.5 There are no requests to write off debts in excess of £10,000 for Council Tax or Sundry Debts.

3.6 Allowance is made in the accounts for the non-recovery of a small proportion of debts. The Collection Fund bears the cost of write offs for council tax and business rates, and these losses are shared with the precepting authorities for council tax and includes the government for business rates. The council has a bad debt provision for sundry debts and housing benefit payments.

## **4 Alternative Options Considered and Rejected**

4.1 The council has done all it can to recover the debts listed above. The alternative option would be to hold the debt on record but without the likelihood of any future recovery this option is not recommended.

## **5 Consultation Undertaken or Proposed**

5.1 No consultation has taken place. The Director of Resources is authorised to write off debts and this report to Committee is an element of consultation in that process.

## 6 Implications

Issue	Implications
Corporate Plan	The recommendation in this report supports the business of council and making it fit for the future.
Financial, Resource and Property	The council provides
Legal, Statutory and Procurement	In accordance with Accounts and Audit Regulations (2003) as amended the responsible officer must authorise the write off of debts.
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
Health and Wellbeing	None identified at this stage
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

## 7 Appendices

7.1 Exempt appendices are attached detailing the cases to write off in respect of the business rate debts summarised in Table 1

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