

POLICY & RESOURCES CABINET BOARD

13th MAY 2010

FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF FINANCIAL SERVICES
– H. JENKINS**

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PART 1
SECTION B – MATTERS FOR INFORMATION

ITEM 1

ALL WALES CONTRACT FOR SUPPLY OF EDUCATIONAL AND CURRICULUM AIDS

1. Purpose of Report

The purpose of this report is to inform Members of the decision to extend the All Wales arrangement for the supply of educational and curriculum aids, for which Neath Port Talbot County Borough Council act as the Lead Authority. The maximum period of the extension will be until 30th September 2010.

2. Background

The supply of educational and curriculum aids is currently a collaborative arrangement available for use by any organisation within the Welsh Public Sector. A new collaborative arrangement will begin no later than 1st October 2010. The proposed contract will be available to members of the Welsh Purchasing Consortium, on which Neath Port Talbot will act as the Lead Authority.

The contract extension will ensure an arrangement is available for use by all local authorities until the contract start date of the Welsh Purchasing Consortium arrangement, and will allow for a full tender process in line with the EU Procurement Directives.

The extension has been taken up with the three existing suppliers:

- The Consortium
- Findel Education
- Office Depot

3. Financial Implications

The All Wales estimated annual expenditure for the supply of educational and curriculum aids is approximately £706,000, of which Neath Port Talbot's element is £133,900. The estimated value of the extension for this Authority is therefore approximately £33,475 over the three month period.

Action Taken

Members should note that the Authority has extended the current contract until 30th September 2010 and has gone to the market in line with EU procurement requirements to enter into a new contract from 1st October 2010.

Reason

To ensure the Authority completes a tender process in line with European Procurement Directives and to further improve the efficiency and effectiveness of the Supply arrangement.

List of Background Papers

Procurement files

Ward Affected

All

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ITEM 2

ALL WALES FRAMEWORK FOR SUPPLY OF TYRES AND SERVICING

1. Purpose of Report

The purpose of this report is to inform Members of the decision to extend the All Wales arrangement for the supply of tyres and servicing, for which Neath Port Talbot County Borough Council act as the Lead Authority.

The maximum period of the extension will be until 30th September 2010.

2. Background

The supply of tyres and servicing is a Welsh Assembly Government 'Value Wales' collaborative framework arrangement, available for use by all organisations within the Welsh Public Sector, of which Neath Port Talbot acts as the Lead Authority.

A new collaborative arrangement will begin no later than 1st October 2010, which is available to all Welsh Public Sector Bodies.

The contract extension will ensure an arrangement is available for use by all public bodies until the contract start date of the new Value Wales arrangement, and will allow for a full tender process in line with the EU Procurement Directives.

The extension has been taken up with the five existing suppliers:

- ATS Euromaster
- Celtic Tyre Services
- Gwynedd Tyres
- Mobile Tyre Services
- Tuf Treads

3. Financial Implications

The All Wales estimated annual expenditure for the supply of tyres and servicing is approximately £1.9m, of which the Neath Port Talbot Council element is £200,000. The value of the extension for this Council is therefore approximately £50,000 over the three month period.

Action Taken

Members should note that the Authority has extended the current contract up to 30th September 2010 and is progressing new contract arrangements for 1st October 2010..

Reason

To ensure the Authority completes a tender process in line with European Procurement Directives and to further improve the efficiency and effectiveness of the supply arrangement.

List of Background Papers

Procurement files

Ward Affected

All

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ITEM 3

TREASURY MANAGEMENT

1. Purpose of Report

To inform Members of treasury management activity for 2010/11.

2. Background and Interest Rates

The Council's Treasury Management Policy was approved by Council on the 3rd March 2010 and supplemented by further information in relation to the Treasury Management Budget and Scrutiny arrangements at the Policy & Resources meeting of the 1st April 2010.

Bank base rates continue to be at an all time low of 0.5% (since 5th March 2009) and detailed below are the changes in the bank base rate since April 2008.

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

The following table provides examples of external borrowing costs to the Council as provided by the Public Works Loans Board as at April 2010. Members should note though that in line with the Council's agreed policy, no new borrowing has been arranged during the financial year.

	Equal Instalments of Principal		Annuity		Maturity	
	Current 28Apr10	Previous 23Mar10	Current 28Apr10	Previous 23Mar10	Current 28Apr10	Previous 23Mar10
	%	%	%	%	%	%
5 to 5.5 years	1.94	1.96	1.97	1.98	3.04	3.05
10 to 10.5 years	3.04	3.05	3.13	3.15	4.18	4.18
20 to 20.5 years	4.18	4.18	4.33	4.33	4.59	4.64
35 to 35.5 years	4.57	4.61	4.60	4.65	4.59	4.67
49.5 to 50 years	4.60	4.65	4.59	4.65	4.57	4.66

3. Treasury Management Budget

The following table sets out the treasury management budget for 2010/11 and consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income. The net general fund budget totalling £15.351m.

	2010-11 Budget £'000
Debt Charges	
Total	18,360
- HRA	<u>2,349</u>
- General Fund	16,011
Investment Income	
Total	-860
- HRA	-100
- Other	<u>-100</u>
- General Fund	-660
Net General Fund	15,351

3.1 Debt Charges

At present, Finance staff are preparing information for inclusion within the 2009/10 Statement of Accounts which will be forwarded to Audit Committee for approval at the end of June 2010. Any variances from the debt charges budget mentioned above will need to take account of the closing 2009/10 capital expenditure and funding in determining the impact on the above mentioned budget for 2010/11. These will be reported back to the Policy & Resources Cabinet Board by 30th September 2010 as part of the Annual Treasury Outturn Report.

3.2 Investment Income

In line with the Council's Investment Strategy, investments to date with approved institutions have generated an income return for 2010/11 of £484,000, but this sum will increase as and when future investments are made during the remainder of the financial year. This compares with the budget target of £860,000 included in the above table.

4. Member Training

For the information of Members, and in line with the requirements of the revised Treasury Management Code of Practice, Members training for Cabinet, Policy & Resources Scrutiny and Audit Committee has been arranged for 14th June 2010.

List of Background Papers

Treasury Management files
PWLB Notice 084/10

Ward Affected

All

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