

PLEASE NOTE VENUE

FINANCE AND EFFICIENCY PORTFOLIO

DECISION SCHEDULE



Friday 8th June 2007

at 10am

**in Training Room 1, Belle Vue Community, Sports and Youth Centre
Kendal Road, Hartlepool**

Councillor Payne, Cabinet Member responsible for Finance and Efficiency will consider the following items.

1. KEY DECISIONS
None

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Procurement Strategy 2007-2010 – *Head of Procurement and Property Services*
- 2.2 Procurement Service Plan 2007/08 – *Head of Procurement and Property Services*
- 2.3 Asset Management Programme 2007/2008 – *Head of Procurement and Property Services*
- 2.4 The Leasing of Office Space in Burbank Community Centre – *Head of Procurement and Property Services*
- 2.5 Lease of Premises at 41 Park Road – *Head of Procurement and Property Services*
- 2.6 Sale of Freehold Reversion, 29 Wynyard Road – *Head of Procurement and Property Services*
- 2.7 Proposed Lease of Unit 6 Usworth Industrial Estate, Hartlepool – *Head of Procurement and Property Services.*
- 2.8 Proposed Lease of Room 202, Innovation Centre, Queens Meadow Business Park – *Head of Procurement and Property Services*
- 2.9 Proposed Lease of Car Park, Hartlepool Interchange – *Head of Procurement and Property Services*

PLEASE NOTE VENUE

3. **REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**
None

EXEMPT ITEMS

Under Section 100(A)(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 it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985

4. **KEY DECISION**
None

5. **OTHER ITEMS REQUIRING DECISION**
5.1 36 Rydal Street, Hartlepool – *Head of Procurement and Property Services*
(para 3)

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8 June 2007



Report of: Head of Procurement and Property Services

Subject: PROCUREMENT STRATEGY 2007 - 2010

SUMMARY

1.0 PURPOSE OF REPORT

To provide an update on the progress made on the Council's Procurement Strategy and to consider the Draft Procurement Strategy for 2007 - 2010.

2.0 SUMMARY OF CONTENTS

The report highlights the background and significance of the new strategy and its key objectives.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is the procurement champion.

4.0 TYPE OF DECISION

Non-key decision

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

- The Portfolio Holder notes the Draft Procurement Strategy for 2007 – 2010
- The Portfolio Holder provides comments on additions and amendments
- The Portfolio Holder receives a further report to endorse the final strategy

Report of: Head of Procurement and Property Services

Subject: PROCUREMENT STRATEGY 2007 - 2010

1. PURPOSE OF REPORT

- 1.1 To provide an update on the progress made on the Council's Procurement Strategy and to consider the Draft Procurement Strategy for 2007 - 2010.

2. BACKGROUND

- 2.1 At its meeting on 24th January 2005 Cabinet approved the revised Procurement Strategy for the Council. A report endorsing the Procurement Strategy was approved by the Portfolio Holder on 8th August 2005.
- 2.2 It is now opportune to review and prepare an updated strategy for the next 3 years.
- 2.3 This strategy is significant in bringing together several national agendas and setting them in a local context.
- 2.4 The main drivers are:
- The Local Government White Paper – Strong and Prosperous Communities
 - The Comprehensive Spending Review 2007 (CSR07)
 - The Council's Efficiency Strategy and Business Improvement Programme
 - The Community Strategy
- 2.5 Previously the National Procurement Strategy set out how Councils can improve both delivery and cost effectiveness of high quality services through more efficient and innovative procurement practices. It underlined the need for all local authorities to raise the profile of procurement as a strategic tool and to demonstrate both political and officer leadership.
- 2.6 The key areas highlighted in the NPS were:-
- Providing leadership and building capacity
 - Partnering and collaboration
 - Doing business electronically
 - Stimulating markets and achieving community benefits

3.0 CORPORATE ASSESSMENT 2006 AND USE OF RESOURCES

- 3.1 The results of the Corporate Assessment indicated that the Council needs to strengthen its strategic approach to procurement and new ways of delivering services.
- 3.2 The Corporate Procurement function is currently being reviewed, and further reports on this subject will be brought to the Portfolio Holder throughout 2007/08.
- 3.3 As part of the Council's Efficiency Strategy a Business Improvement Programme is being formalised which will include key elements of our Procurement Strategy.
- 3.4 We recognise that procurement is a key means of improving value for money, and in 2007/08 we will develop our 5 Year Procurement Plan and a set of Performance Indicators in line with those proposed by the Audit Commission in its current consultation paper.

4.0 PROCUREMENT STRATEGY

- 4.1 A revised Draft of the Procurement Strategy for 2007 - 2010 is attached to this report as **Appendix 1**. The Procurement Strategy takes account of both guidance nationally and the key principles identified in the previously agreed strategy for Hartlepool.
- 4.2 The Procurement Strategy has five key objectives. These are:
 - To improve the efficiency and effectiveness of the Council's procurement activity in order to achieve Best Value
 - To improve the management of procurement through the increased use of strategic procurement management information
 - To ensure continuous improvement in the Council's procurement activity
 - To use the Council's buying power to support local regeneration and economic development and drive innovation in the design, construction and delivery of service, whilst adopting best practice in complying with diversity, equality and human rights legislation
 - To ensure that the Council's procurement reflects best practice in the adoption of environmentally sustainable standards and procedures, where this is consistent with Best Value.
- 4.3 Each of the five key objectives are now supported by a series of Key Procurement Aims based on: -
 - Collaborative Procurement
 - Controls, Standards and Risk
 - Efficiency and Value for Money
 - E-Procurement & Purchase Cards
 - Equality and Diversity

- Information and Communication
- Partnerships
- Regeneration
- Sustainability and Environmental Management
- Training and Development

4.4 The ten Key Procurement Aims are intrinsically linked to the five Key Strategic Procurement Objectives. This can be seen in the Procurement Strategy Document **Appendix 1 Page 22.**

4.5 For each of the ten Key Procurement Aims the current position has been identified, the issues affecting this aim and what actions will be taken over the next three years to achieve each of the Aims.

5. CONSIDERATIONS

5.1 The Portfolio Holder is the Council's Procurement Champion and it is therefore important that updates and developments are considered at appropriate times.

5.2 The revised Draft has been prepared to include strategic improvement and will be the subject of consultation with the Corporate Procurement Group and Corporate Management Team.

5.3 The Corporate Procurement Group made up of Senior Officers from all departments is now well established and will ensure that the strategy and its delivery is embedded in departments.

5.4 The Corporate Procurement Unit will work along side the Corporate Procurement Group to ensure the Key Aims and Objectives identified in the Strategy are achieved over the next three years.

5.5 The Portfolio Holder's comments on the approach and the Draft Strategy are welcomed prior to its finalisation.

6. RECOMMENDATIONS

- The Portfolio Holder notes the Draft Procurement Strategy for 2007 – 2010.
- The Portfolio Holder provides comments on additions and amendments.
- The Portfolio Holder receives a further report to endorse the final strategy.



Procurement Strategy 2007-2010







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Foreword

Picture of Member Procurement Champion

Improving the way in which Councils across the country buy goods and services is a key factor in modernising local government.

Hartlepool Borough Council is working to utilise new procedures and systems to ensure we secure the best services in a cost effective, and timely way.

The benefits of taking this approach are clear:

- ❖ The Council will improve the efficiency and effectiveness of procurement activity by standardising procedures and implementing Procurement systems.
- ❖ The delivery of customer services will be supported by the best available support services and goods, at the best prices.
- ❖ Businesses will find it easier to work with the Council, and will gain access to a broader market place.

This strategy seeks to rise to the challenge of a genuinely joined-up approach to Procurement and we fully support the strategy on behalf of our staff, our citizens, and our local businesses.

Councillor

Portfolio Holder and the Council's Procurement Champion.

Part 1

Introduction





Introduction

What is a Procurement Strategy?

Procurement is the process that determines how to deliver or arrange for the delivery of a service. Procurement activity also determines how to acquire or arrange for the acquisition of supplies and works. The procurement strategy therefore will be the framework that will guide procurement processes and decisions in Hartlepool Borough Council in order to obtain supplies, works and the delivery of services.

As part of the strategy the Council will continue to follow the principles of Best Value including:

- The creation of a public-private partnership, through strategic contract or a joint venture company
- The transfer or externalisation of the service to another provider (with no in house bid)
- The market testing of all or part of the service (where the in house provider bids in open competition against the private or public sector)
- The restructuring or re-positioning of the in house service
- The re-negotiation of existing arrangements with current providers where this is permissible.
- The joint commissioning or delivery of the service

The procurement strategy will form part of the management arrangements the council has established in order to secure continuous improvement and efficiencies.

Why do we need a Procurement Strategy?

- To formalise the key messages on procurement for staff and Members
- To provide consistency and ensure best practice in the procurement process
- To assist the council in meeting its efficiency targets
- To provide a source of information regarding our approach to procurement for internal and external use
- To create a climate in which all parties, internal and external, can contribute to achieving best value
- To comply with government guidance and external audit requirements

The National Procurement Strategy

The Procurement Strategy aims to fully comply with The National Procurement Strategy for Local Government, published by ODPM in June 2004. The national strategy document covered the period 2003-2006, and aimed to illustrate how to use innovative ways to procure, work in partnership with others, and manage services that will:

- better achieve community plan objectives
- deliver consistently high quality services that meet users' needs, with a range of partners from other sectors

- provide savings and better value for money, thereby improving the cost-effectiveness of the council
- build social cohesion and promote equality of opportunity for service users, businesses and council staff
- be sustainable for the communities and areas served and benefit local citizens
- support delivery of the council's e-Government agenda
- enable councils to manage and assess risks in the market place
- be delivered through different structures and in new forms.

Hartlepool Borough Council will continue to use these principles in future years.

The Local Government White Paper, The Comprehensive Spending Review 2007 (CSR07) and Business Improvement

The White Paper calls for transformation in the ways in which local authorities devise and secure the delivery of public services, including the move towards more of a commissioning role rather than the narrowly-defined approach to service delivery of the past. CSR 07 will establish spending limits for the public sector as a whole for the next three years and is widely expected to result in limits that will require the Council to find significant cash savings from within existing resources to fund service requirements. The pre budget statement has already set out cash savings targets of 3% per year which is considerably more than the previous target in which non cashable savings were included.

Business improvement in the way the Council delivers services will be key in achieving efficiency targets.

Structure of the Strategy

The procurement strategy (2007-2010) sets out the priorities for procurement in the council and will play a vital part in helping us to concentrate on areas that will maintain our 'excellent' CPA rating. It draws together a number of elements, including:

- issues identified in audit reports;
- the Government's existing and developing agenda for public sector procurement;
- the need to increase public sector efficiency;
- electronic government targets;
- the targets of the National Procurement Strategy for Local Government;
- and the strategic outcomes, or main aims, of the current Corporate Plan.
- efficiency targets.

These elements are combined to produce a strategy for the next three years.

Aims of the strategy

The strategy is aimed at promoting effective procurement across the whole organisation. This strategy will co-ordinate departmental plans to deliver improvement in procurement practice as a corporate priority. The strategy makes clear reference to our Corporate Plan, and in particular, to our strategic outcomes. It strikes a balance between setting out a detailed plan for reforming procurement, with specific targets and a flexible planning framework. We need to be flexible to be able to respond to the rapidly changing environment around public sector procurement and to learn from our own experience and the experiences of others. The rapidly changing environment is well illustrated by the pace of technological change currently associated with e-procurement. The aims of this strategy are to:

- to assist the Council in meeting its objectives.
- to assist the Hartlepool Partnership in the implementation of the Community Strategy.
- secure commitment to effective and efficient procurement from Members and officers at all levels throughout the organisation;
- provide a focus for procurement, helping us to co-ordinate procurement and use resources as effectively as possible;
- plan the way forward on reforming, and continuously improving, our procurement functions;
- to ensure efficient and transparent procurement processes
- help us to plan budgets, tasks and targets to meet the main procurement aims identified;
- draw together the various issues currently facing public sector procurement and produce a strategy that will help us to respond positively to the Government's agenda;
- to ensure probity, openness and accountability in procurement processes.
- encourage long-term thinking and commitment to strategic procurement issues; and
- Identify and promote the benefits of strategic procurement.
- ensure equality and diversity and embedded into procurement processes.

How will it be used, monitored, reviewed and amended?

The procurement strategy will be used within the process of:

- Analysing Council expenditure
- Identifying and delivering effective procurement solutions and efficiencies
- Business Improvement Programmes
- Other service review mechanisms
- Reviewing existing contractual arrangements when they expire

The procurement strategy will be embedded in Departments' day-to-day activities by:-

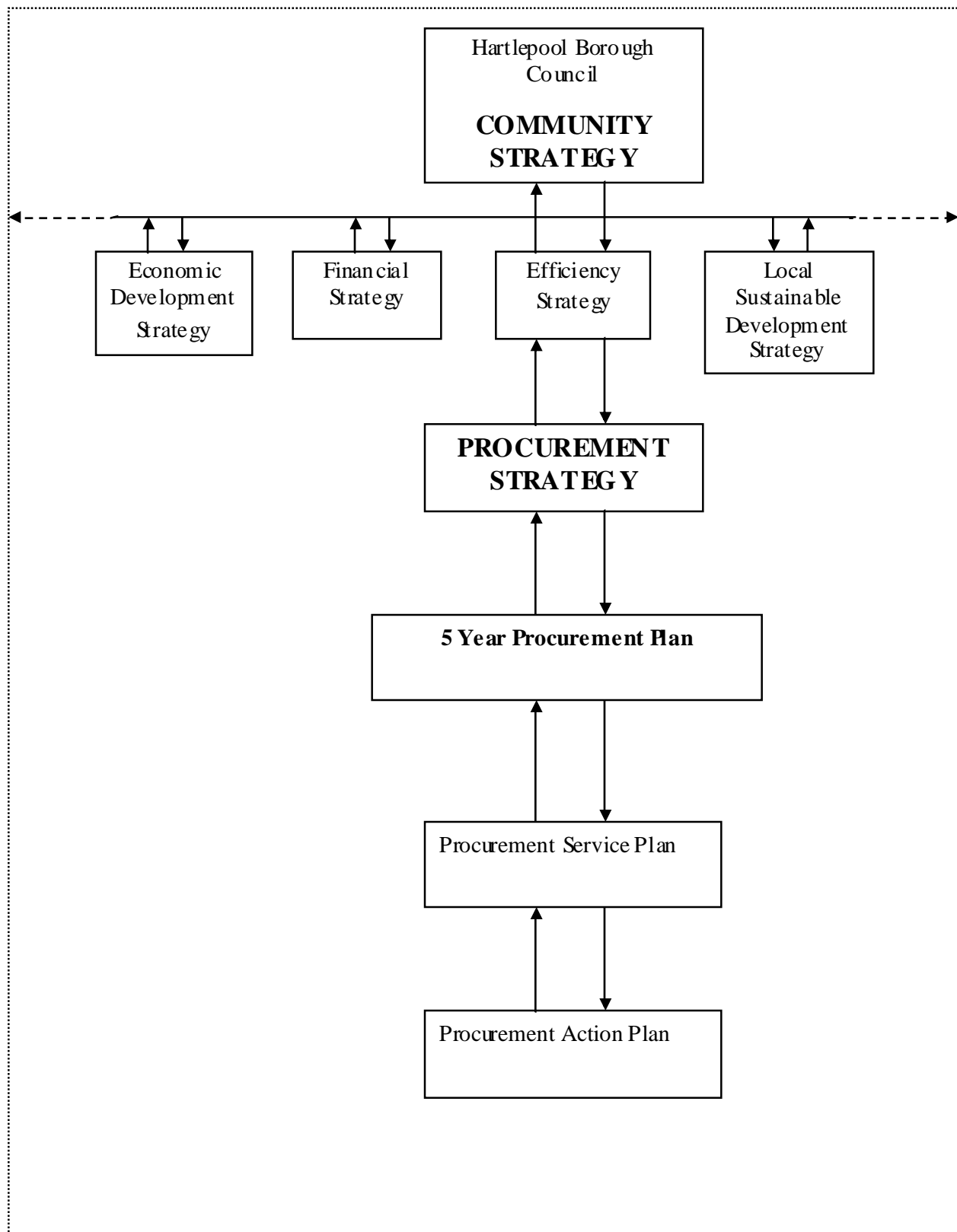
- Information gathering
- Identifying and sharing good practice
- Procurement Action Plans and performance indicators as part of Service Planning
- Training and support

The Corporate Procurement Group will review, amend and monitor the procurement strategy in conjunction with Corporate Management Team. The Procurement Champion (Councillor , the Portfolio Holder) is the political champion for this matter.



Part 2

Procurement Policy





Procurement Policy

The Council's procurement strategy is aligned with the strategic aims and objectives set out in the Corporate Plan, and with the other corporate and service based strategies and plans that form elements of the Council's strategic framework. Key documents in the framework that relate specifically to the procurement strategy include:

- the Community Strategy, which sets the overall strategic direction for the Council's service provision, and provides the basis from which the Council can determine its own contribution to the longer term economic, social and environmental well-being of the local community.
- the Medium Term Financial Strategy, including the Capital Strategy and Asset Management Plan which provide the framework for determining the annual budget available for the procurement of goods, works and services,
- the economic development strategy, which provides the direction for using the Council's key role as a major buyer in the local economy to support local employment and regeneration initiatives,
- the Local Sustainable Development Strategy, which provides the context for ensuring that Council procurement meets a range of sustainability aims, including the reduction of waste and pollution, and the protection of biodiversity,
- the Council's policy to support diversity and equality, which ensures that Council procurement complies with national and international equality and human rights legislation.
- the Council's implementing Electronic Government Statement

We are committed to maintaining high-quality standards and having an efficient procurement and monitoring procedure. This allows us to continue to provide best value. Using best-practice procurement techniques, we are committed to making sure that every pound we spend provides value for money, and that every pound we save is directed back into service priority areas.

All departments must keep to and promote the following principles:

The Guiding Principles

- To raise awareness of procurement.
- To ensure a customer-focussed and customer-led approach to the delivery of services.
- To ensure that the best service is available to the community regardless of who provides it.
- Commitment to a mixed economy of service provision where this will generate improvements in service.
- Be open
- Providing a level playing field to ensure that all potential providers are treated fairly.
- To ensure fair treatment for our employees.
- Encourage competition, where appropriate
- To ensure that procurement decisions comply with European, National and corporate policies, including:
 - EC Directives.
 - Local Agenda 21/ Environment Policy
 - Economic Development and Regeneration Policies

- Policies that promote social and economic well-being
 - Equality – ensuring that potential suppliers and service providers have appropriate employment policies and practices, and are able to meet the council's commitment to equality in terms of access to services, and the duty to promote equality at all stages of the procurement process.
 - Contract Procedure Rules
 - Corporate Safety Policy
- A flexible approach to partnership working, including the use of joint procurement, where appropriate, with for example, Health Authorities, construction partners.
- To ensure there is an appropriate balance between cost and quality
- To work in close partnership with all local stakeholders
- To share good practice.
- To monitor and review on a regular basis.

All services must show that they :

- provide value for money;
- meet service aims,
- are committed to continuous improvement;
- work efficiently;
- have effective management, systems and procedures; and
- are committed to our policy aims.

We believe that in-house services can provide a high-quality, flexible framework for developing and providing services, but acknowledge that there are other ways to deliver services. We expect in-house providers to find an appropriate balance between being best on quality, value for money, service and employment practices. We will support in-house providers where

they offer value for money and work in the best interests of service users.

Partnerships & Collaboration

We acknowledge the importance of partnerships and collaboration with the private and voluntary sectors, with other public organisations acting locally and with the Government itself to deliver best value. Performance reviews should encourage open relationships with everyone involved or who may have something to offer — whether from within the council, or through partnership and collaboration arrangements with the private and voluntary sectors. We will encourage new methods of procurement that will deliver services more efficiently, effectively and economically.

Competition

The aim of our procurement policy is to improve performance by making use of competition.

Indirect competition

We will assess the competitiveness of different functions by measuring ourselves against other organisations, including Beacon councils and private and voluntary sector providers, among others. Services provided in-house will be supported and encouraged to achieve equivalent, or better, levels of performance.

Direct competition

We will consider current performance and suitability and decide whether another method of procurement is appropriate. We will award contracts to the provider offering the most economically advantageous balance of quality and cost. Where direct competition is considered appropriate and the in-house provider is competing, we will give the in-house provider the opportunity to compete on equal terms with outside providers. We will:

- protect social values and our policy aims;

- make sure our system is open and honest;
- consult staff and their representatives;
- develop performance standards and monitoring strategies;
- properly identify and collect cost information;
- encourage new ideas; and
- clearly explain the responsibilities of everyone involved.

Services that are already the subject of direct competition will be continually reviewed against this policy, to make sure

that the service is provided in the most appropriate way to deliver best value.

Based on the aims of the strategy and the guiding principles, the Council has developed a series of key strategic objectives and key procurement aims that reflect the current state of procurement within the Council, and provide a concise framework for guiding future service planning and performance improvement during the medium term (2007-2010) and for planning and implementing effective and innovative solutions.



Part 3

Key Strategic Objectives



Key Strategic Objectives

KSP01	To improve the efficiency and effectiveness of the Council's procurement activity in order to achieve Best Value
	<ul style="list-style-type: none"> i To provide the most effective management and planning structure for procurement within the Council ii To develop a procurement plan, based on the procurement strategy, setting out the Council's proposals for major procurement expenditure. iii To exploit the benefits of partnership and joint working with other organisations. iv To provide relevant procurement guidance and training for Council officers and members. v To incorporate best practice procedures for risk management and project management throughout the procurement process, for example through the use of Gateway Reviews. vi To exploit the benefits of new technologies, including e-Procurement, eTendering and purchasing cards to improve procurement efficiency and effectiveness
KSP02	To improve the management of procurement through the increased use of strategic procurement management information
	<ul style="list-style-type: none"> i To undertake a comprehensive analysis of existing Council procurement expenditure as a basis for developing specific priorities for performance improvement. ii To develop systems for regular monitoring of Council procurement expenditure. iii To develop procedures and processes for ensuring that procurement management decision-making becomes part of the Council's mainstream activity, at all levels of service planning.
KSP03	To ensure continuous improvement in the Council's procurement activity
	<ul style="list-style-type: none"> i To develop and adopt performance measures that reflect the links between the Council's procurement activity and the aims and key strategic objectives of the procurement strategy. ii To develop annual targets for procurement performance improvement using the adopted performance measures iii To ensure that the reporting of procurement performance is incorporated into all relevant service plans and strategic documents produced by the Council. iv To ensure that the lessons learnt, and problems experienced during the undertaking of major contracts or procurements are recorded and disseminated to relevant officers and members of the Council.

KSPO 4	To use the Council's buying power to support local regeneration and economic development and drive innovation in the design , construction and delivery of service, whilst adopting best practice in complying with diversity, equality and human rights legislation
i	To ensure that employees, service users and clients, the general public, or anyone involved in the delivery of Council services, are not subject to risks or hazards covered by the Health and Safety at Work Act.
ii	To support the growth and development of local small and medium sized enterprises (SMEs) through the Council's procurement activity
iii	To work with the market to deliver value for local taxpayers
iv	To support the growth and development of local voluntary and community organisations in order to build their capacity to win and retain Council procurement contracts.
v	To ensure that all Council suppliers comply with best practice, Council policy and relevant legislation covering Equality, Diversity and Human Rights.
vi	To ensure that the Council sustains its commitment to being a "good employer", supporting a high quality, well-motivated workforce that is kept informed about any major improvement involving potential staff transfers, or reductions.

KSPO 5	To ensure that the Council's procurement reflects best practice in the adoption of environmentally sustainable standards and procedures, where this is consistent with Best Value
i	To ensure that goods and services procured by the Council result in minimum waste, minimum pollution, and minimum impact on the environment and biodiversity.
ii	To ensure that all new built development undertaken by the Council, and the maintenance of existing buildings and outdoor spaces , takes account of environmentally responsible standards, whole life costing, and Agenda 21 issues.
iii	To ensure that sustainability is considered at all stages of the procurement cycle, including the identification of a business case, drafting of specifications, contract award criteria, and contract management.



Part 4

Key Procurement Aims



Key Procurement Aims

We have identified a number of aims under the following headings that intrinsically link in with the 5 Key Strategic Procurement Objectives. These are:-

	KSPO1	KSPO2	KSPO3	KSPO4	KSPO5
Collaborative Procurement	√	√			
Controls, Standards and Risk	√	√	√		
Efficiency and Value for Money	√	√			
E-Procurement & Purchase Cards	√	√			
Equality and Diversity				√	
Information and Communication	√	√	√	√	
Partnerships	√	√			
Regeneration	√			√	
Sustainability and Environmental Management					√
Training and Development	√	√	√	√	√



Collaborative Procurement

The Government has identified collaboration (joint working) as an important aspect of effective and efficient procurement. Collaboration may be within the public sector or it may be between ourselves and external suppliers. Our work locally, sub regionally and regionally will provide opportunities to develop collaborative procurement.

Main Aim

To improve the efficiency and effectiveness of services by working with a range of organisations to develop long-term relationships.

Current Position	Issues	Actions
<p>We are a member of a number of regional and sub regional public and private sector groups that exist to share best practice and work on issues of mutual interest.</p> <p>We take part in local and national consortium arrangements.</p> <p>We have a track record of working with other public sector organisations,</p>	<p>Politics and systems affect each council's involvement in joint working.</p> <p>Risk assessment varies between councils and affects the level of their involvement in collaborative procurement.</p> <p>Legal and financial issues are approached differently by each council and affect the practicalities of joint working arrangements.</p>	<p>We will identify opportunities and potential savings we could make through collaborative procurement.</p> <p>We will adopt collaborative arrangements that will support the council in achieving efficiency targets.</p> <p>We will work with the Tees Valley Authorities, the Regional Centre of Excellence and other organisations to identify more opportunities for joint working.</p>



Controls, standards and risk

There are a number of restrictions relating to public sector procurement. Councils have a duty to their taxpayers to apply controls and consistent standards across the council to provide value for money.

Main Aim

To make sure that suitable controls are in place to maintain consistent high standards and make sure that risk is managed.

Current Position	Issues	Actions
<p>The main controls and standards that relate to procurement, currently include:</p> <ul style="list-style-type: none"> - The constitution - Contracts procedure rules - Procurement strategy - Procurement documents and guidance - European Union Directives and national regulations - National Procurement Strategy for Local Government (NPSLG) - Cross Departmental Officer Groups e.g. CPG and subgroups) 	<p>We need to make sure that we keep up to date with relevant changes.</p> <p>Our clients and suppliers need clear information on controls and standards.</p> <p>Controls and standards must allow a flexible approach to procurement.</p> <p>Controls and standards need to be regularly reviewed, based on experience gained</p>	<p>Corporate Procurement Group will review Contract Procedure rules and report the review to Members.</p> <p>We will work with departments to make sure that controls and standards are streamlined, secure value for money and do not prevent new ideas.</p> <p>We will make sure there is greater co-ordination of skills across the council by introducing corporate standard documents.</p>



Efficiency and Value for Money

The Government's Spending Review statement set local authorities a target for efficiency gains of 2.5% a year for three years (2005-2008). At least 50% of the efficiency gains should be 'cashable' so that they can be redirected to improve front-line services. Improved procurement is seen as a major influence on a council's ability to achieve its efficiency targets. It is expected that the comprehensive Spending Review 2007/8 will set 3% cashable efficiency targets.

Main Aim

We will use innovation and best practice, including the appropriate use of new technology and improved business processes, to achieve quality and efficiency benefits.

Current Position	Issues	Actions
There has been a significant shift away from 'low est cost' tendering so that quality considerations are now included as part of the assessment process.	It is much easier to identify efficiency savings than it is to actually achieve those savings.	We will develop and promote guidance to departments on achieving efficiency through improved procurement.
The 'savings' from Procurement are identified as part of the efficiency savings in the Annual Efficiency Statement.	The benefits identified need to be measured and included in our procurement processes.	We will continue to use a mix of contracts re price only, quality / price and to derive maximum benefit.
We are on track to make the £300K Procurement Savings for 2006/7.	We need to improve the level and detail of procurement management information to identify and monitor efficiency savings effectively.	<p>We will continue to make The required level of procurement efficiency savings over the next three years.</p> <p>We will complete our Spend Analysis Project to identify opportunities for savings.</p> <p>We will develop a set of Procurement Performance Indicators.</p>



Electronic Procurement and Purchase Cards

Electronic procurement (e-procurement) is essentially 'doing business' electronically. E-procurement improves aspects of communication in the procurement process and reduces some of the costs associated with it.

Main Aim

To make the best use of information and communications technology to improve efficiency and effectiveness. To reduce the cost of the procurement process for the council and its suppliers, and to encourage suppliers to adopt e-procurement methods.

Current Position	Issues	Actions
Procurement information on our intranet is now well developed.	Departmental and supplier ability to use e-procurement technology is inconsistent.	We will develop a user-friendly database of corporate contract information available to all departments.
Purchasing cards have been successful introduced into some departments.	There are different rates of progress, processes and priorities of partner councils and suppliers.	We will assess introducing further e-procurement solutions, including e-tenders and e-auctions.
The approved list of contractors application form is available on-line and can be processed electronically.	The need for a regional, internet-based 'supplier and contract management system' has been identified as an area for development (via NEPO).	We will develop electronic orders and invoices, to reduce paperwork in the procurement process.
A new Financial Management System (FMS) has been introduced.	The new FMS e-series has not been implemented.	We will continue to introduce e-payment solutions such as purchasing cards BACS and direct debit across the Council.
Use of BACS and direct debits are increasing.		Tenders will be published on "Supply 2Gov" website



Equality and Diversity

We can use our influence to promote a positive approach to equality and diversity. In our procurement processes, we will try to make sure that we give our suppliers advice on equality issues and make sure that contracts promote equality and diversity.

Main Aim

To promote procurement practices and policies which contribute to our priorities on equality and diversity by providing information on equality issues and making sure we treat all tenderers equally.

Current Position	Issues	Actions
Standard questions on equality are included in the Approved List application form and PQQ.	There are difficulties in extending our agenda on equality and diversity to suppliers.	We will contribute to the council's work towards level 3, 4 and 5 of the Equality Standard for Local Government.
A standard contract clause is included in contract terms and conditions.	We need to make sure that information about equality and diversity in procurement is provided across the council.	We will contribute towards developing the Council's Equality and Diversity Strategy.
Contract documents meet the latest Race Relations (Amendment) Act and information about this has been delivered to departments through workshops.		



Information and Communication

Managing information efficiently is crucial to providing an effective and responsive service. Communication is an important part of managing information and makes sure that accurate and appropriate information is easily available between the Procurement Unit and client departments.

Main Aim

To provide and encourage access to high-quality information about procurement for client departments.

Current Position	Issues	Actions
The intranet site has been developed to include detailed guidance to 'simple' procurement processes.	The Procurement Unit needs to be involved early in procurement projects.	The Procurement Unit will provide guidance on the intranet for the more complicated procurement process.
The internet site is maintained by the Procurement Unit and information is provided in an electronic format, where possible.	The Procurement Unit is not involved in departmental and all strategic decision-making.	The Corporate Procurement Group will produce a list of officers with significant procurement responsibilities so we can share information.
New newsletters are produced regularly to keep staff informed of recent developments.	It is difficult to get accurate procurement management information. In particular, it is difficult to collect information on who places orders, and how much we spend on a given service.	The Corporate Procurement Group will continue to review operational procurement in departments and develop methods for collecting and receiving information.
The Procurement Unit produces guidance on a range of topics for internal and supplier use.		Spend Analysis will provide visibility across the Council.



Partnerships

We are committed to working with our partners and identifying new partnering opportunities.

Main Aim

To develop a partnering approach between the council and suppliers to create mutually advantageous, flexible and long-term relations based on continuous improvement.

Current Position	Issues	Actions
The council's already enters into the partnering approach in Information and Technology Communications (ICT).	We need a consistent approach to reviewing services and options, and for partnering opportunities.	We will regularly review our existing partnership arrangements to influence future partnership projects.
There has been some growth in partnerships in delivering supplies, services and capital projects.	We need to make improvements for effective contract management to achieve the aims of partnership-working.	We will measure and report on the costs and benefits of the partnering contracts currently in place.
The Council has a strategic partnership for building maintenance and planned works.	There must be more clarity about how cost and quality will be measured so we can make a full assessment of success or failure.	The Corporate Procurement Group will increase their involvement in departmental efficiency reviews to identify opportunities for partnership arrangements.



Regeneration

Working with small and medium-sized enterprises (SMEs), social enterprises (SEs), voluntary and community-sector suppliers, local suppliers, and black and ethnic-minority suppliers in the council's procurement process will support the council's local regeneration strategy, benefit the community and contribute to economic development

Main Aim

To support local regeneration and redevelopment by providing high-quality information and encouraging a varied supply market.

Current Position	Issues	Actions
The Council has signed up to the SME Concordat	Councils are limited in their ability to favour local and small business.	We will work with varied and local suppliers, and support them in working with the council.
The council supports small and local suppliers by: - publishing documents in clear English; - holding workshops, seminars and events with business support agencies; and - publishing tender opportunities on the internet.	Procurements of a lower value are not widely advertised.	We will introduce Targeted Training requirements into relevant procurements and development agreements
The council encourages a varied and competitive supply market.	It may be difficult for social enterprises, voluntary and community-sector suppliers and others to meet council requirements relating to procurement.	We will encourage our suppliers to use small firms and local labour.
	It can be difficult to make sure that joint working across the region supports small and local suppliers.	We will review council spending to identify opportunities for supported business. We will be involved in the development of the Council's strategy for working with the voluntary and community sector.



Sustainability and Environmental Management

Our procurement activities, and those of our suppliers, affect the local environment and have an influence on whether we achieve our sustainable and environmental aims.

Main Aim

To reduce the negative effect on the environment of the products and services that we buy, we will achieve this by considering the effect of our decisions and by working with suppliers to make sure they have a similar commitment.

Current Position	Issues	Actions
<p>We meet our council-wide environmental standards.</p> <p>We ask suppliers whether they meet environmental regulations, and have environmental policies</p> <p>A number of schemes support the buying of environmentally friendly products.</p>	<p>The pressure to provide 'more for less' may be a disincentive to buy environmentally friendly products.</p> <p>There is a view that environmentally friendly products may be more costly, or of inferior quality.</p> <p>Departments and suppliers are not always committed to sustainable procurement.</p> <p>It can be difficult to monitor the long-term effects of our procurement practices.</p>	<p>We will work with the Regional Centre of Excellence (RCE) to develop a regional approach.</p> <p>We will make sure that sustainability and whole life costing is built into procurement processes and contracts</p> <p>We will contribute to the climate change agenda.</p>



Training and Development

The key to effective public sector procurement is officers who are suitably trained and qualified to provide the necessary professional input. The level of expertise needed ranges from a formal procurement qualification and wide experience, to knowledge of basic procurement techniques.

Main Aim

To make sure there is a structured approach to education, training and development for all officers with procurement responsibilities across the council.

Current Position	Issues	Actions
A procurement training and development plan has been produced.	We need to ensure that staff are suitably qualified to do their jobs.	We will develop a programme of procurement training.
The Procurement Unit provides training across the council on procurement processes.	The high numbers of staff involved in procurement across the council could result in high costs for providing training.	We will continue to include procurement in council management training.
All relevant senior officers have been included the Council's Procurement Leadership and Development Programme.	The procurement-related knowledge, skills and experience of officers with procurement responsibilities varies across the council.	All officers carrying out procurement projects are encouraged to study for a nationally recognized procurement qualification.





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Useful websites

- Audit Commission
www.audit-commission.gov.uk
- Comprehensive Performance Assessment (CPA)
www.audit-commission.gov.uk/cpa
- Improvement and Development Agency (IDeA)
www.idea.gov.uk
- Local Government Association (LGA)
www.lga.gov.uk
- Local E-Government National Projects
www.nepp.org.uk
- North Easter Purchasing Organisation (NEPO)
www.nepoportal.org
- Office of Government Commerce (OGC)
www.ogc.gov.uk
- Regional Centre of Excellence
www.rcoe.gov

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8 June 2007



Report of: Head of Procurement and Property Services

Subject: PROCUREMENT SERVICE PLAN 2007/08

SUMMARY

1.0 PURPOSE OF REPORT

To consider the Procurement Service Plan 2007/08

2.0 SUMMARY OF CONTENTS

The report highlights the background to the Procurement Services Plan 2007/08, its objectives and an action plan.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is the procurement champion.

4.0 TYPE OF DECISION

Non-key decision.

5.0 DECISION MAKING ROUTE

Portfolio Holder only.

6.0 DECISION(S) REQUIRED

The Portfolio Holder endorses the Procurement Service Plan for 2007/08.

Report of: Head of Procurement and Property Services

Subject: PROCUREMENT STRATEGY 2007 - 2010

1. PURPOSE OF REPORT

- 1.1 To consider the Procurement Service Plan 2007/08

2. BACKGROUND

- 2.1 The Procurement Service Plan 2007/08 in **Appendix 1** details the key priorities and issues facing the procurement services in the next year, and forms part of the Council's overall service planning arrangements.
- 2.2 The Procurement Service Plan 2007/08 seeks to respond to key local and national drivers are: -
- The Local Government White Paper – Strong and Prosperous Communities
 - The Comprehensive Spending Review 2007 (CSR07)
 - The Council's Efficiency Strategy and Business Improvement Programme
 - The Community Strategy
 - The results of the 2006 Corporate Assessment
 - Use of resources and Value for Money

3.0 CONSIDERATIONS

- 3.1 The aim of the plan is to support the Council in achieving its objectives by: -
- Developing the Strategic Procurement function
 - Reviewing and developing the Council's Procurement Strategies and Policies
 - Developing the 5 Year Procurement Plan
 - Delivering key Corporate Procurement Projects and assisting in departmental projects
 - Completing an analysis of Council 'spend' and using the results to define future needs for corporate and/or collaborative contracts and key procurement projects
 - Making savings and efficiencies in purchasing and processes
 - Developing the use of e-Procurement, including working with the Finance Division to extend the procurement functionality of the Council's financial management system
 - Promoting sustainability, equality & diversity and the use of local business in procurement.

- 3.2 The Action Plan highlights how we will address these priorities.
- 3.3 The results of the 2006 Corporate Assessment indicated that the Council needs to strengthen its strategic approach to procurement, and the Service Plan will be contributory to this process.
- 3.4 The Corporate Procurement function is currently being reviewed, and further reports on this subject will be brought to the Portfolio Holder throughout 2007/08. Considerations will include:-
 - The Local Government White Paper Strong and Prosperous Communities
 - The results of the Corporate Assessment
 - The comprehensive spending review 2007 (CSR07)
 - Use of resources and value for money
 - A Strategic Commissioning / Procurement Role i.e. our approach to the way we deliver services.
 - Operational procurement roles (Central contracts and procurement in departments)
 - The role of Corporate Procurement Group and membership
 - The role, location and funding of a Corporate Procurement Unit
 - The development of e procurement (FMS e series, e tendering/ quotations)
- 3.5 The Action Plan includes a section on Performance Indicators which have been proposed by the Audit Commission in a consultation paper. It is our intention to develop these wherever appropriate.

4. RECOMMENDATIONS

- 4.1 The Portfolio Holder endorses the Procurement Service Plan for 2007/08.

PROCUREMENT SERVICE PLAN

**Chief Executives Department
2007-08**



2007—2008

Chief Executives Department Procurement

Contents

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Introduction

This document is the Procurement Unit's Service Plan for 2007/8 and forms part of the Council's overall Service Planning arrangements. The plan details the key priorities and issues facing the Procurement Service over the next year, and includes a detailed action plan showing how these priorities will be delivered.

The Service Plan provides a clear link between our aims and objectives and the means of achieving them. This plan aims to ensure that everyone in the Procurement Unit can understand their role in achieving the overall aims of both the Department and the Council. These plans will, through Performance Indicators, Service Actions and Key Targets, help us to monitor our performance and ensure that we achieve continuous improvement in our services delivery.

The Procurement Unit works closely with all departments of the council to co-ordinate the Council's approach to achieving high quality, best value procurement.

This plan sets out how the Procurement Unit will support the departments in meeting the Council's key priorities as stated in the Corporate Plan and the Chief Executives' key priorities as stated in the Chief Executives Departmental Plan 2007/08.

This plan should be looked at in conjunction with both the Council's Corporate Plan, and Chief Executives' Departmental Plan, that together form part of the Council's overall Service Planning Arrangements.

Procurement

Procurement Statement of Purpose

"To ensure a corporate approach to Procurement and to deliver strategic and efficiency benefits".

Service Description

Procurement

Policy & Strategy

The Procurement Unit co-ordinates, via the Corporate Procurement Group, the overall Council strategy and policies with regard to procurement. And subsequently, promotes a Council wide approach to procurement.

Guidance & Training

The Procurement unit provides guidance & training on general procurement matters to staff involved in procurement throughout the Council by:

- i) Maintaining the 'Officers Guide to Procurement' and other policy documents on the Procurement Pages of the Intranet
- ii) Delivering an LMDP module in Procurement
- iii) Providing day to day guidance and advice.

Corporate Contracts

The Procurement Unit establishes and operates a number of corporate contracts to provide goods and services which are used on a council wide basis.

Collaborative Contracts

The Procurement Unit co-ordinate collaborative procurement opportunities with other Tees Valley & North East authorities and in rotation with these authorities carry out the whole process of establishing and operating these Contracts.

Link To Finance

There is strong joint working / support to and from the Financial Services Team in analysing spend, procurement processes and development of e procurement.

Corporate Procurement Group

A corporate group of key officers from each department are in place to ensure the Council's procurement strategy is embedded and operated across the whole Council.

Link to Corporate Efficiency Group

Procurement forms a major strand of the Council's efficiency strategy.

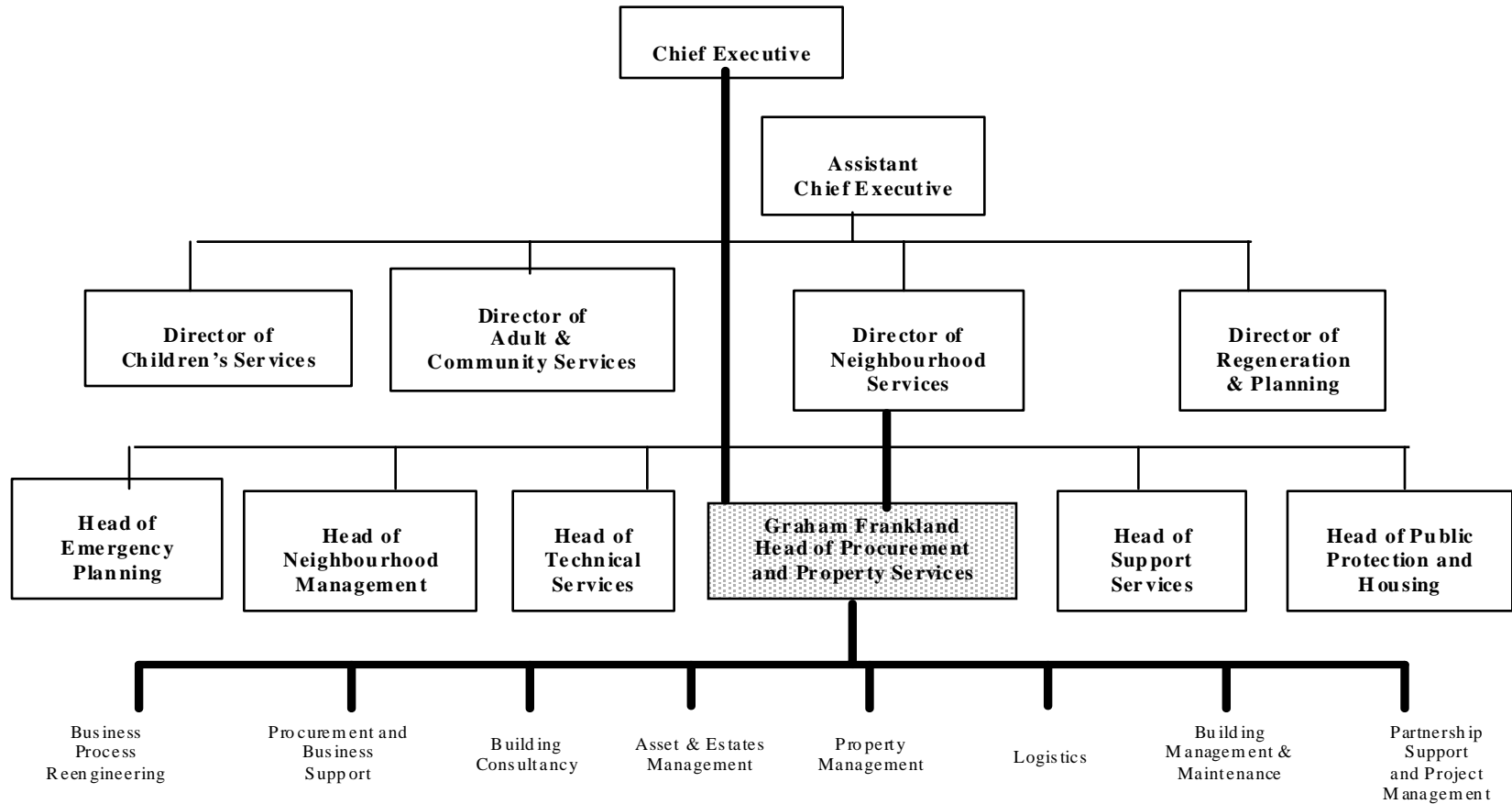
Priorities

Our aim is to support all parts of the Council to achieve its objectives by providing an integrated and responsive procurement service. Our key priorities to achieve this will be:-

- Developing the Strategic Procurement function.
- Reviewing & developing the Councils Procurement Strategies and Policies
- Developing the 5 year Procurement Plan
- Delivering key Corporate Procurement Projects and assisting in departmental projects
- Completing an analysis of council 'spend' and using the results to define future needs for corporate and/or collaborative contracts and key procurement projects.
- Making savings and efficiencies in purchasing and processes.
- Developing the use of e-Procurement including working with the Finance Division to extend the procurement functionality of the Council's financial management system.
- Promoting sustainability, equality & diversity and the use of local businesses in procurement.

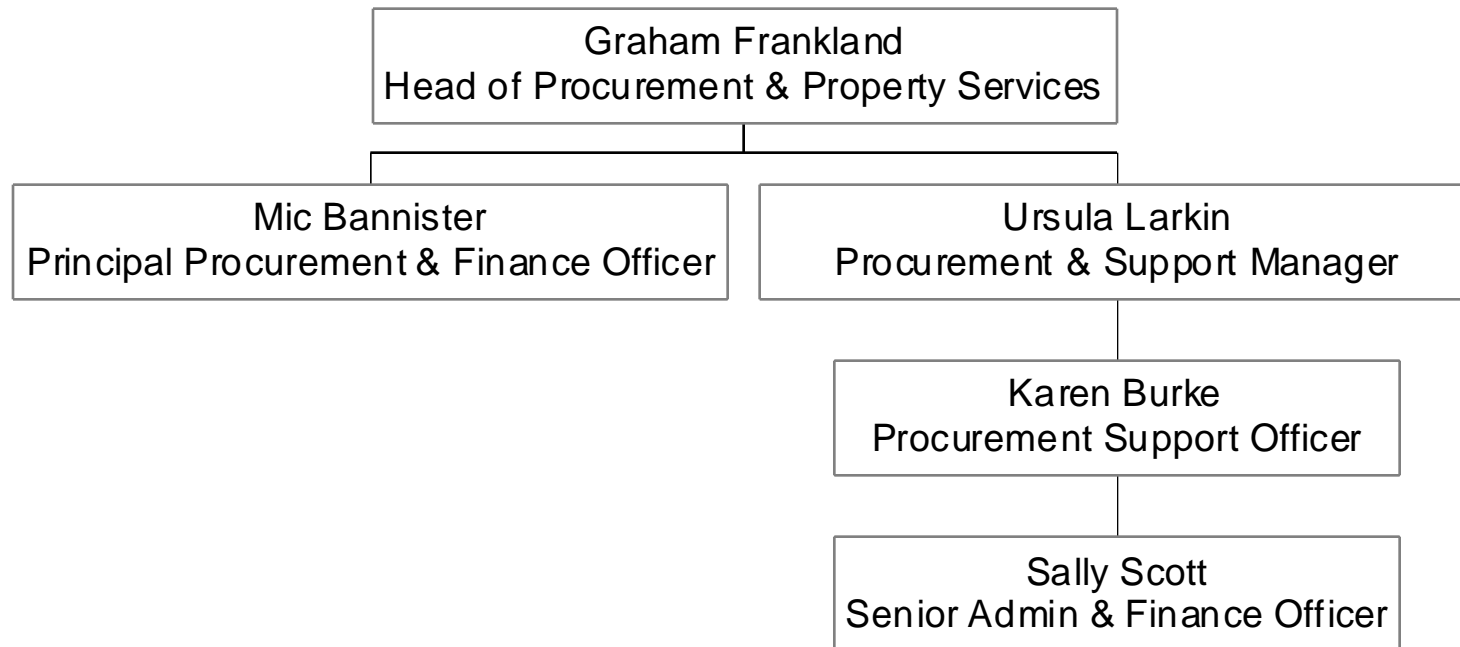
How we will address these areas of work is shown in the following action plan, which outlines our aims and objectives for the coming year. The plan has been set out so that you can see where each objective is linked to the departmental and corporate plan.

Service Structure



Team

Procurement & Business Support



Links to other services

Community Strategy/Corporate Plan

As a department we will contribute towards achieving the aims of the Council and ultimately those of the Community Strategy. Our service has a special role to play in achieving all of these aims by aiding in the procurement of works, goods and services designed to meet the need of the community and subsequently deliver these aims.

Departmental Aims

Those aims identified above are further underpinned by the Key aims of the Chief Executives Department. As a section we will assist the department in achieving these aims.

Other providers/partners/plans

We work closely with:

- All departments of the Council to ensure a corporate approach to Procurement
- The departmental Corporate Procurement Group Representatives to ensure Procurement information is disseminated throughout the Council
- Other Local and Regional Authorities and consortiums such as NECE, NEPO, OGC Tees Valley Groups etc in the pursuit of collaborative opportunities.
- The Council's Efficiency Group
- Outside organisations such as the Voluntary and Community Sector and 'Small & Medium Enterprises to promote Local business Opportunities.

- Workforce Development & Diversity – Staff development, Investors In People (IIP), Equality & Diversity

Related Plans

- All Service Plans throughout the Council
- Training Plan / Policy
- Asset Management Plan and Capital Strategy
- ICT Strategy
- Business and Service Improvement Plans
- Efficiency Strategy

Performance management

The action plan detailing how the section will meet its main aims and objectives for the forthcoming year will be monitored and reported on a Quarterly basis, with progress/concerns towards achieving the identified action and the performance indicator targets, reported to Portfolio Holder.

The Procurement service plan will be monitored and communicated through the following mechanisms:

Weekly 1-1's, Team Meetings, Staff Appraisals and reviews

Staff Newsletters, Management Matters and the Intranet

Corporate Procurement Group

Regular updates & reports to Corporate Management Team, Chief Executives Management Team, Neighbourhood Services Management Team and Procurement & Property Services Divisional Management Team

Performance Management Portfolio

Effective communication to those within and those outside of the service will be a vital element in the delivery of this plan.

It is also intended that this document will be regularly discussed and monitored through amongst other mechanisms IIP meetings, regular feedback sessions with staff, in the form of Service Improvement Groups and equally of

importance, through information received from our customers.

Action Plan

Corporate Plan Objective: Develop and Implement Efficiency Strategy			
Departmental Plan Objective: Implement 5 Year Procurement Plan			
Service Plan Objective: Development of Strategic Procurement Function			Key Pls
Ref.	Actions	Date to be Completed	Responsible Officer
	Develop Corporate Assessment Action Plan	May 2007	Graham Frankland
	Review Structure / Function	July 2007	Graham Frankland
	Approval for new arrangements as part of overall Financial Strategy	February 2008	Graham Frankland
Service Plan Objective: Review Procurement Strategy			Key Pls
Ref.	Actions	Date to be Completed	Responsible Officer
	Review Strategy	June 2007	Ursula Larkin
	Approval of Strategy by Portfolio Holder	June 2007	Graham Frankland

Service Plan Objective: Deliver Guidance and Training on Procurement			Key PIs
Ref.	Actions	Date to be Completed	Responsible Officer
	Complete LMDP Phase 2 Module	March 2008	Ursula Larkin/Mic Bannister
	Update Procurement Guidance	Monthly from April 2007	Mic Bannister
Service Plan Objective: Develop 5 Year Procurement Plan			Key PIs
Ref.	Actions	Date to be Completed	Responsible Officer
	Review plan through Corporate Procurement Group and Corporate Management Team.	October 2007	Graham Frankland
	Finalise and seek approval of plan by Portfolio Holder	February 2008	Graham Frankland
Service Plan Objective: Develop sustainability in Procurement and Promote the Use of Local Businesses (Link JE02)			Key PIs
Ref.	Actions	Date to be Completed	Responsible Officer
	Include consideration of Community Benefits in Officers Guide To Procurement	June 2007	Mic Bannister
	Include consideration of Community Benefits in Procurement LMDP	August 2007	Ursula Larkin/Mic Bannister
	Identify and promote awareness / opportunities to engage with a range of local suppliers and the voluntary and third sector	From April 2007	Mic Bannister

	Include Targeted Training and Employment Charter considerations in Officers Guide to Procurement	June 2007	Mic Bannister
	Introduce Targeted Training and Employment Charter for Development Projects and Procurement	June 2007	Graham Frankland
Service Plan Objective: Complete Spend Analysis		Key PIs	
Ref.	Actions	Date to be Completed	Responsible Officer
	Analyse existing Spend	July 2007	Karen Burke
	Produce Procurement Action Plan	August 2007	Karen Burke /Ursula Larkin
Service Plan Objective: Deliver Key Corporate Procurement Projects		Key PIs	
Ref.	Actions	Date to be Completed	Responsible Officer
	Transport	March 2008	Graham Frankland
	Advertising	March 2008	Karen Burke
	Postal Services	March 2008	Karen Burke
	Recruitment	March 2008	Karen Burke
	Agency Staff	March 2008	Karen Burke

	Managed Print Services	March 2008	Karen Burke
	Mobile Phones / PDAs	March 2008	Karen Burke
Service Plan Objective: Develop e-Procurement		Key Pls	
Ref.	Actions	Date to be Completed	Responsible Officer
	Implement e-sourcing methods of Procurement	March 2008	Ursula Larkin
Service Plan Objective: Rationalise Asset Base		Key Pls	
Ref.	Actions	Date to be Completed	Responsible Officer
	Develop current Disposal Strategy as part of Accommodation Strategy	March 2008	Graham Frankland
Service Plan Objective: Embed Diversity Issues into Procurement		Key Pls	
Ref.	Actions	Date to be Completed	Responsible Officer
	Include consideration of equality in the Officers Guide to Procurement	September 2007	Mic Bannister
	Implement equality aspects of the Officers Guide to Procurement in all new and renewed contracts	September 2007	Mic Bannister
	Incorporate equality requirements into Standard Contract Documents	March 2008	Mic Bannister

	Include equality requirement(s) in all new and renewed contracts	March 2008	Mic Bannister
	Develop guidance on identifying, setting and monitoring equality targets and objectives in service delivery and employment and incorporate into the Officers Guide for Procurement	March 2008	Mic Bannister
	Use monitoring reports provided by contractors/suppliers/providers etc to assess progress in achieving equality objectives and targets in service delivery and employment via contract management	March 2008	Mic Bannister
	Communicate equality requirements in Council contracts to current and potential contractors/suppliers/providers etc	March 2008	Mic Bannister
	Include equality in Procurement as part of LMDP	March 2008	Mic Banniser

Performance Indicators

Ref	Definition	Responsible Officer	Outturn 2006/07	Target 2007/08
	The Audit Commission have published some procurement value for money indicators for consultation. They are expected to be released sometime after May 2007. The indicators are set out below and will be developed through 2007/8.		N/A	N/A
	<p>PP1</p> <ul style="list-style-type: none"> Total cost of the procurement function: <ol style="list-style-type: none"> Cost of the procurement function as a percentage of turnover Cost of the procurement function as a percentage of organisational running costs (expenditure) <p>PP2</p> <ul style="list-style-type: none"> Average percentage savings achieved through procurement for the 5 largest procurement projects delivered in the previous financial year. <p>PP3</p> <ul style="list-style-type: none"> The use of technology within procurement: <ol style="list-style-type: none"> The percentage of total goods and services spend that is sourced electronically The percentage of total goods and services spend managed through ePurchasing <p>PP4</p> <ul style="list-style-type: none"> Commissioner and user satisfaction index – a composite indicator compiled from the responses to a set of statements by commissioners and 			

	<p>users.</p> <p>PP5</p> <ul style="list-style-type: none"> • Management practice indicator – the number of practices that have been adopted by the organisation out of a possible total of 10. <p>PS1</p> <ul style="list-style-type: none"> • Professionally qualified procurement employees (FTEs) as a percentage of total procurement employees (FTEs) <p>PS2</p> <ul style="list-style-type: none"> • Average invoice value <p>PS3</p> <ul style="list-style-type: none"> • Percentage of the organisation's top 10 suppliers who have a formal partnership / framework agreement with the organisation <p>PS4</p> <ul style="list-style-type: none"> • The percentage of spend on goods and services channelled through SME's (Small and Medium sized Enterprises) <p>PS5</p> <ul style="list-style-type: none"> • The percentage of total spend on goods and services through collaboration with other public sector organisations <p>PS6</p> <ul style="list-style-type: none"> • Percentage of suppliers that make up the top 80% of an organisation's total spend for goods and services <p>PS7</p> <ul style="list-style-type: none"> • Benchmarking a defined set of goods 			
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FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8 June 2007



Report of: Head of Procurement and Property Services

Subject: ASSET MANAGEMENT PROGRAMME
2007/2008

SUMMARY

1.0 PURPOSE OF REPORT

To provide a position statement on the management of the Council's land and property assets, to outline plans for 2007 and to seek approval to the proposed property maintenance programme for 2007/2008.

2.0 SUMMARY OF CONTENTS

Progress to date on key topics and developments as a forerunner to the preparation of the Asset Management Plan 2007. Details of proposals for Corporate Planned Maintenance and Access Works for 2007/08.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Asset Management is key to the effective use of Council's property resources

4.0 TYPE OF DECISION

Non-Key

5.0 DECISION MAKING ROUTE

Performance Management Portfolio Holder

6.0 DECISION(S) REQUIRED

- 6.1 That the Portfolio Holder notes the progress made to date on delivery of the Asset Management Plan and Capital Strategy.

- 6.2 That the Portfolio Holder approves the programmes of work for 2007/08.

Report of: Head of Procurement and Property Services

Subject: ASSET MANAGEMENT PROGRAMME
2007/2008

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to give an overview of the progress being made upon delivery of the Asset Management Plan 2006 providing summary details of progress to date on key topics and developments as a forerunner to the preparation of the Asset Management Plan 2007
- 1.2 Sets out the programmes of Corporate Planned Maintenance and Accessibility Improvements.

2. BACKGROUND

- 2.1 The 2006 Capital Strategy and Asset Management Plan was published in July 2006.

The authority has adopted an overall aim in respect of its property:

- To optimise the utilisation of assets in terms of service benefits, accessibility and financial return'.

Flowing from this aim and developed from the key themes identified in the Corporate Plan, the authority has established five corporate property objectives, together with strategies to achieve these objectives:

- Contribute to achieving the Council's core objectives
- Ensure property solutions appropriate to service needs.
- Maximise financial return from property.
- Minimise cost in use of property.
- Enhance quality, sustainability and accessibility.

- 2.2 Asset Management therefore has an important role to play in achieving the Council's and the Community Strategy objectives:-

- Better public services through better assets – the right assets in the right place can make the difference.
- Sustainable Communities – the contribution of land and property to regeneration.

- Property and investment planning is a key part of the Council's overall budget framework – contributing to the efficiency strategy and effective use of resources.
- Sharing public sector property assets – in the future integration and alignment of services.

2.3 Strategic Capital Resource and Asset Programme Team

The Strategic Capital Resource and Asset Team, which comprises officers at Assistant Director level of all Departments, including Finance, and is chaired by the Director of Neighbourhood Services, meets monthly and acts as the steering group that formulates, monitors, reviews the Capital Programme.

The Team has developed and implemented a set of Criteria for the Prioritisation of Capital bids. The criteria are now embedded as a routine part of the assessment process.

The team provides the focus for long term planning and strategy for our assets to ensure the needs of services are integrated into an efficient and effective approach.

2.4 Corporate Asset Management Group

The Group, comprising officers at senior level covering capital and asset management streams, has been set up to support the work of the Strategic Capital Resource and Asset Team on a day to day basis within Service Departments but with a Corporate focus..

The remit of the Group will include:

- Operational management issues
- Preparation of option appraisals
- Delivery of AMP/Capital Strategy priorities.

2.5 Departmental Service Asset Management Plans

Departmental Service Asset Management Planning is being embedded with the corporate initiative being included in the Service Planning process

Awareness has been raised across the Council of the significance of Asset Management. The inclusion of Asset Management within the Accommodation Module of the Be the Difference Leadership and Management Development Training Program has given the opportunity to reach a wide audience of existing and potential senior managers.

The current method of Suitability Assessment of Service Property is being reviewed as a precursor to the updating of those surveys currently held, which were compiled some 3 years ago.

2.6 Performance Measures

Through effective performance management within the Asset Management Planning process, the Council is able to measure how the performance of its property assets supports service delivery and the achievement of its corporate aims and objectives.

A substantial amount of property data is held and managed to inform the service delivery and business planning processes.

Property Performance Indicators relating to the Council's Asset Management Performance are reported in the Asset Management Plan and Service Plans.

The suite of indicators is made up of national and local indicators.

National indicators are collected in accordance with the National Property Performance Management Initiative (NaPPMI) and all indicators are capable of comparison on a national basis through membership of the Institute of Public Finance (IPF).

National Indicators

- Property Condition and Required Maintenance
- Environmental Property Issues
- Building Accessibility Surveys and Access Plans

Local Indicators

- Suitability Surveys
- Sufficiency (Capacity and Utilisation of Office Portfolio)
- Property Spend
- Cost and Time particularly for project work

2.7 Accessibility

Best Value Performance Indicator 156 (National Indicator)

Best Value Performance Indicator 156 is the measure of accessibility (measures the percentage of buildings open to the public classified as being accessible). The Council's percentage of buildings being classified as fully accessible using this indicator is currently 30%, which shows on-going continuous improvement with reasonable expectations of being able to reach 46% within 3 years if the current levels of investment and improvement are continued.

At that point improvements in performance of the existing building stock will be more difficult to achieve due to the relative date of construction.

Compliance with this indicator requires certification in accordance with Approved Document Part M of the Building Regulations 1991. The

majority of the Council's building stock was constructed before that time and is not easily or economically altered retrospectively.

This is the only Best Value Performance Indicator relating to property management – and is itself subject to review for improvement.

2.8 Barriers to Building Access Removal Programme

This programme has been on going since 2001 and a budget totalling £350,000 has been provided to date and properties across the portfolio have benefited from schemes including the provision of level access and accessible toilets.

In 2006/07 works were completed at

- Seaton Park Pavilion
- Lynn Street Vehicle Testing Centre
- Headland Branch Library

The proposed programme of works for 2007/08 is as follows

Property	Scheme	Budget
Jutland Road Community Centre	Main Entrance, internal door, accessible toilets and counter	£ 5000
Lynn Street Vehicle Testing Centre	External works, main entrance induction loop and counter	£9000
Burbank Community Centre	External works, main entrance internal doors, unisex toilet induction loop and counter	£16000
Civic Centre	Automation of internal doors in public areas	£20000

2.9 Property Condition. Backlog and Required Maintenance

Required maintenance has previously been designated as backlog maintenance and customarily represented by a single monetary figure.

A reconfiguration of all property excluding schools is now assessed at £4,740,000, based upon what is required to bring property condition up to a reasonable standard to maintain that standard.

This is made up as follows:

- **Priority 1. £40,000.** Urgent work that will prevent immediate closure of premises and/or address an immediate risk to the health and safety of occupants and/or remedy a serious breach of

legislation.

- **Priority 2 £2,500,000.** Essential works required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a less serious breach of legislation.
- **Priority 3 £2,200,000.** Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

These figures need to be considered in the context of a five year planning period and the way to consider this information is that **Backlog Maintenance** is the **Priority 1** items currently assessed as **£40,000**.

The Priority 2 and 3 items being considered as Required Maintenance (i.e. required within two to five years).

Works outside the 5 year planning period are of a long term nature and not classified as backlog or required at this time. As each year passes required items will be noted and planned.

2.10 Planned Maintenance

The implementation of the maintenance strategy as set out in the Asset Management Plan is facilitated by the provision of Capital and Revenue resources.

In the current year the Council has allocated an additional £300,000 of Capital Funding the aim of which is to clear all Priority 1 Works, the remaining balance of which will reduce Priority 2 Works. The Funding is being applied across the whole of the Corporate Property Portfolio and its expenditure is focused upon the replacement of major items such as boiler and plant replacement and re-roofings.

The details of the Capital Programme were approved by Cabinet on 5 February 2007 and were an outcome of the 2006/07 Capital Strategy and Asset Management Plan as reported to Cabinet in July 2006. An additional total of £1.7M is being made available in 2007/08 to cover property, highway and other asset maintenance

	Capital Programme				
	Operational Buildings	Non-Operational Buildings	Highways	Amenity Land	Total Capital Schemes £'000
<u>Funding</u>	420	621	425	234	1700
Prudential Borrowing and Capital Receipts					
Total Resources	420	621	425	234	1700
<u>Expenditure Commitments</u>					
Refurbishments of Burbark Community Centre (£120k) and demolition of Bridge Community Centre (£150k)	120	150			270
Seaton Bus Station				150	150
Multi-storey car park		300			300
Demolition of Historic Quay Toilets		51			51
Demolition Eldon Grove Sports Centre		120			120
Owton Manor Lane shops				50	50
Highways issues			425		425
<u>Projects to address backlog of Priority 1 repairs to Council buildings</u>					
Replace boilers within Municipal Buildings	151				151
Replace Roof and Pool plant at Brinkburn Centre	83				83
Replace roof and boiler at Borough Hall	32				32
Replace roof at Stranton Crematoria	34				34
Uncommitted / (overcommitted) resources				34	34

The Strategic Capital Resource and Asset Team considered and made the recommendations relating to the included schemes.

Capital Planned Maintenance Programme 2007/08

Of the additional £1.7M, £300,000 is allocated to reducing Backlog and Required Maintenance.

Property	Scheme	Budget
Municipal Buildings	Boilers, heating distribution system and associated BMS controls	£151,000
Brinkburn Centre	Roof. Pool plant	£83,000
Borough Hall	Roof. Boiler Plant	£32,000

Stranton Crematorium	Roof	£34,000
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2.11 Revenue Planned Maintenance

As with the Capital Programme, funding is being directed towards the clearing all Priority 1 Works with the remaining balance being utilised to reduce Priority 2 Works across the Corporate Property portfolio.

The additional funding has enabled a corporate approach to be taken in the determination of schemes to be included across the Council. In the year 2007/08 a sum of £180,000 is available to address the required works.

The schedule of works is attached as **Appendix A**

2.12 Energy Cost and Consumption

2.12.1 Cost

Over the last few years fuel prices have risen at a rate above inflation. During that time the Council benefited from the collaborative procurement arrangements, in part, from the recently expired fixed price contract for the purchase of electricity entered into in 2003 which in its last year alone benefited the Council in the region of a £175,000 efficiency saving based upon the current market rates.

Long term fixed contracts are no longer considered a viable option and the recent adoption of the flexible purchasing strategy contracts for electricity and gas together with the somewhat stabilised market means that predictability of fuel costs can be more accurately forecast facilitating more accurate budget targeting and monitoring processes.

It is anticipated that the stabilising of the market and flexible purchasing will result in falling end to end costs of gas and electricity. The Chief Financial Officer and budget holders are regularly informed of the situation with a view to reviewing the amounts previously set aside for fuel purchase. Energy costs were identified and taken into account of as a pressure in the 2007/08 budget process and will be similarly considered in the process for 2008/9.

Water supply and sewage disposal costs have risen by 9%. There has also been the on going significant changes to the way in which sewage disposal is charged. These changes adversely affect low density developments and particularly schools with single storey design and large hard surface play areas and car parking areas.

Efficiency savings in transitional processes are being pursued through electronic billing and increased use of direct debit payment.

2.12.2 Consumption

Gas Trend analysis shows that consumption has fallen by an average of 5% per year. This is attributed to the installation and control of Building Energy Management Systems and more efficient boilers together with a degree of better housekeeping.

Electricity Trend analysis shows that consumption is rising at 2.5% per annum. The installation of more energy efficient office equipment and automated methods of control will facilitate some savings but these will take time to be put in place as office equipment is replaced and refurbishment of properties takes place.

Good Housekeeping by the users and occupiers of property is where considerable savings can be made and the importance of continued awareness raising and engagement on this matter cannot be over emphasised if these are to be realised.

Water Trend analysis shows that consumption over the last five years has fallen by 5%. Good housekeeping is the main contributing factor. This should be encouraged and supported but at some point the optimum saving will be reached.

2.12.3 Energy Saving Fund

Also referred to as the Climate Change Fund the energy saving fund has been operating since 2001. The main aim of the fund is to reduce the consumption of fossil fuels (gas and electricity) and therefore reduce CO2 emissions.

The investment over that time has made annual savings to the Council which to date are in the excess of £60,000 in total and saving of over 730 tonnes of CO2.

In recent years the amount available in the fund has fallen and last year only £5,000 was available and this enabled only one scheme to proceed the cost of which was supplemented by funding of £6,000 provided from the Maintenance Budget. This was the installation of additional Zone Valves within Bryan Hanson House which facilitate a more efficient operation of the heating as well as improved comfort levels within the building and it is estimated will accrue annual on going savings of £1,000 per year

At the time of writing this report information is not available as to the level of funding available in 2007/08. When this becomes available a programme of works will be put in place focusing on improvements to lighting controls within the Administration Buildings. Should information be available it will be reported verbally at the meeting.

2.13 Data Management

A key task for the Asset and Property Management Group is the ongoing development of the Council's Corporate Property Database .

2.13.1 Core systems

- **Evolut1on Asset Management System from Tribal Technology:** This includes information on the condition of property as well as details of repairs and maintenance, energy consumption etc. Evolut1on includes a terrier module to record details of individual acquisitions and the rights, responsibilities and encumbrances associated with such acquisitions.
- **Terrier information,** defining legal interests held in property and land. This relates to the parcels of land that were actually acquired and cross refers to details of rights, responsibilities and encumbrances associated with the property with references linking to legal records. This is progressively being transferred from a paper based system to a electronic system utilising Industry Standard GIS.
- **Asset Register information**, i.e. what represents the functional accommodation at the present time. This is continually evolving but seeks to represent property and land assets according to service allocation and use. It also provides the high-level link to more detailed asset information held on Evolut1on.
- **AutoCAD:** The industry standard drawing package is used to create definitive lease plans as well as spatially manage building condition and new build or refurbishment projects. Links to the core systems will be pursued to ensure CAD developments reflect the overall data strategy.

2.13.2 Secondary Systems and Data

Not all data requirements can be accommodated in the core systems and the approach being taken allows for this by the creation of satellite systems to deal with particular requirements. These draw information from core data and can be used to manipulate data or represent it in a customer focused way. Answers are generally returned to core systems but can be held within the electronic filing system in a structured way.

2.13.3 Programmed Improvements

- **Evolut1on** –Continuously being developed and reviewed as part of the group of core systems holding information on condition of buildings as well as energy consumption, repairs & maintenance and terrier information.

- **Corporate GIS** – A corporate GIS project will be developed that will result in all Council staff eventually having web access to a wide variety of spatial data including property ownership and asset information.
- **Land Registration** – In 2003 the Council approved a proposal to register all the Council's land ownerships at the Land Registry. This is a long term project with in excess of 50% completed. Registration of title has a number of advantages in particular certainty when dealing with future developments, disposals etc as well as being a guaranteed record of ownership in the public domain.

2.13.4 Identifying Future Needs

At the present time the following projects are identified for consideration and possible implementation.

- Lease Register – linking the Legal Division's separate records of lease history into the core systems so that data is captured and stored once only.
- Recording within the core systems detailed information on legal title restrictions and property holding powers currently held on paper record.
- Mapping of additional legal data e.g. statutory enactments affecting specific locations, byelaws, restrictive covenants and easements where these may have a direct bearing on asset management and review.
- Capturing a secure electronic copy of legal & other property-related documentation.
- Increased utilisation of GIS as a tool for analysis in pursuance of development feasibility studies, property performance appraisal and asset review strategy.
- Replacement of Corporate Property Database.

2.14 Service Delivery and Accommodation Needs

Work is ongoing to develop and shape the medium/long term accommodation requirements of the Council.

As the Council continues to improve its business practices the property implications and determination of accommodation requirements are being assessed and the information forthcoming is being collated to inform the Accommodation Strategy.

Current initiatives include:

- Departmental Service Asset Management Plans.
- Way Forward Change Management Programme
- Corporate Flexible Working and Working from Home Policy and Procedures.
- Business Improvement Projects

Part of the process is the continuous rationalisation of the property portfolio including the disposal of surplus and the acquisition of strategically located land and property to match the Council's Corporate Plan and Departmental Objectives.

Key Property Disposals

- Briarfields – In progress
- Cromwell Street Depot - Sold
- Former Pupil Referral Unit - In progress
- Albert Street Car Park (Hartlepool College of FE Development) - proposed
- Stranton Site (PCT Health Centre) – In progress

Lease Disposals

- Eldon Grove Sports Centre – In Progress
- Belle Vue Way/ Oxford Street Land sale of freehold.
- Land at Trincomalee Wharf

2.16 Civic Centre

The completion of Phase 1 of the Contact Centre Phase 1 (Front Office) has resulted in the provision of better access to services, as the Back Office functionality of the Contact Centre is further developed it will bring on going efficiencies in business improvement.

In respect of the Civic Centre Capital Maintenance Works Programme this is on-going until 2009 and is the cause of accommodation disruption throughout the building. Every effort is being made to minimise the effect on service delivery but over time it will affect everyone who works there with temporary relocation moves to be made until completion.

3. FINANCIAL IMPLICATIONS

In summary available resources for 2007/08 include:-

- Corporate Capital Programme £1.7 million
- Corporate Capital Planned Maintenance Programme value £300,000 (property)

- Corporate Revenue Planned Maintenance Programme
value £180,000
- Barriers to Access Removal Programme
value £50,000
- Energy Saving Fund
Value to be determined

The costs included for individual schemes at this stage are estimated values.

4. CONCLUSIONS

- 4.1 Considerable progress has been made in the management of the Council's assets in the past two years and this resulted in an improved score in the Key Line of Enquiry from a 1 to a 2. Our aim to achieve level 3 by continued improvement and embedding of good asset management in our service and business process.

5. RECOMMENDATIONS

That the Portfolio Holder:-

- 5.1 Notes the progress being made for the Asset Management Plan including the approach to Property Performance Indicators.
- 5.2 Notes the Capital Programme and Corporate Planned Maintenance Programme (Capital and Revenue)
- 5.3 Notes the continued approach to the removal of Barriers to Access at Buildings Open to the Public.
- 5.4 Note the broad approach being taken with respect to the Energy Saving Fund
- 5.5 Authorises the Head of Procurement and Property Services to apply flexibility in the order and value and proportions of works executed to ensure maximised benefits from the budgets available with minimised service disruption.
- 5.6 Receives reports for approval on any major departures from the programme that may be required.

EN	PROPERTYNAME	Description	Estimate
R101	Archive Store	Full external redecoration	£8,400
CS181	Borough Hall & Buildings	Repair main hall gallery ceiling, middleton and croft rooms. Plaster cornice	£6,240
		Pre-paint repairs to external door and windows.	£3,120
		Localised repairs due to damp	£1,560
		Internal redecoration	£7,670
		External Redecoration	£8,320
		Overhaul rain water goods through out.	£3,120
		Overhaul rain water goods through out.	£2,080
R103	Bryan Hanson House	Minor water damage to 2nd floor and hairline cracking to staircase.	£1,040
		Repair worn carpet	£2,000
		Repair worn carpet	£1,000
		Clean out and seal joints to gutters.	£3,120
		Investigation of leak above corner office level 3	£1,040
E673	Carlton Camp - bungalow	Provide new kitchen to achive decent home standard	£2,500
CS136	Church Street Nos.8/9 - Safer Partnership Office	Shelving to PABX to store.	£300
		Ease/Rehang top landing door	£100
		Check and remedy leak to boiler circuits, boiler constantly needs re-priming	£200
		Roof leak to parapet second floor store front elevation.	£2,290
CS141	H/Pool Art Gallery & Tourist Info. Centre	Water damage to plaster work to end gable walls/Bell tower wall deteriorating sand/lime parging and silicon seal	£3,000
		External Redecoration	£2,600
		Clear out gutter/valleys and outlets. Paint cast iron drain pipes in tower	£1,050
	Headland Bowls Pavillion	Contribution to SRB Works	£5,000
CS142	Historic Quay - Hartlepool Museum	Pre paint repairs to doors and frame s generally.	£1,100
		Remedy rising damp in gents toilets all walls.	£3,000
		External Redecoration	£9,500
		Repair/Renew Slates	£2,000
NS103	Lynn Street Depot - Church Street Offices	Safety film required to glazed doors.	£550
NS103	Lynn Street Depot - Workshops Lynn Street	Safety film / glazing required.	£1,000
NS103	Lynn Street Depot - Garage Lynn Street	Safety film to glazed panels and doors.	£600
NS103	Lynn Street Depot - Church Street Offices	Safety film required to glazed doors.	£500
R107	Municipal Buildings	Replace finishes to toilets and corridors	£3,400
		Replace finishes to toilets and corridors	£2,800
		Extract ventilation required to toilet areas.	£1,100
		Internal Redecoration Partial	£11,000
		External Redecoration	£11,000
		Clean out gutters and outlets.	£5,500
		Check flashings and soakers.	£3,000
ED105	Park View Ind Est Unit BT97/8A	New vehicular door to p.c - Renew personnel doors and windows.	£3,500
		Repair first floor passage floor surface	£375
		Thermostat Repairs	£250
		Replace roofing sheets where old extraction unit was removed	£1,600
		Wash basin repairs	£100
CS425	Rift House Recreation Ground - Old Changing	Main isolator switch repairi/replace	£500
		Repairs to flashings	£2,200
CS506	Rocket House	Renew ceiling to bay	£250
		Dry line plaster/brick walls	£3,000
		Redecorate and silicone wash	£1,000
		Redecorate after dry lining	£1,000
CS507	Seaton Carew Clock Tower	Repairs to steps required, concrete steps missing	£1,000
		Large pieces of concrete falling off.	£5,000
CS123	Seaton Carew Community Centre - Sports Hall	Strip and re-cover with insulation metal roof decking and new goods.	£3,000

NS332	Stranton Cemetery - Lodge	Isolated leaks to ceiling from roof	£700
		Gable wall serious dampness through leaking roof/flashings removed and replaster wall after roof/flashings repaired.	£650
		Clean out gutters etc to lodge. repair broken sections of guttering	£550
CS182	Town Hall	Pre-paint repairs, overhaul and refurbishment of sash windows.	£6,260
		Render damaged and painting, walls to boiler room	£3,130
		Pre-paint repairs, overhaul and refurbishment of sash windows.	£2,250
		Pre-paint repairs, overhaul and refurbishment of sash windows.	£2,250
		Internal redecoration throughout.	£11,250
		Check and overhaul gutters, flashings etc. - Leak to toilet	£4,160
NS333	West View Cemetery - Mess Room	Wood burning store - damaged flue.	£850
NS333	West View Cemetery - Chapel	Clean out gutters.	£3,350
		2007/08 Revenue Planned	£179,975

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8 June 2007



Report of: Head of Procurement and Property Services

Subject: THE LEASING OF OFFICE SPACE IN
BURBANK COMMUNITY CENTRE

SUMMARY

1.0 PURPOSE OF REPORT

To consider the leasing out of office space within Burbank Community Centre

2.0 SUMMARY OF CONTENTS

The report contains background to the request with an outline of the proposed terms.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property holdings.

4.0 TYPE OF DECISION

Non-Key

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

That Portfolio Holder grants approval to the proposed leases

Report of: Head of Procurement and Property Services

Subject: THE LEASING OF OFFICE SPACE IN
BURBANK COMMUNITY CENTRE

1. PURPOSE OF REPORT

- 1.1 To consider the leasing out of office space within Burbank Community Centre.

2. BACKGROUND

- 2.1 The Council's Estates Section has received a request from Adult and Community Services to draw up leases for four community groups that would like to occupy Burbank Community Centre. These proposed tenants are as follows:-
- 2.2 **Burbank Uniting Residents Together (BURT)** is a residents association which was formed in May 2005. Working for the benefit of the membership and the local community as a whole BURT has been involved in, amongst other things, the Neighbourhood Action Planning process for the Burbank area ensuring that the views etc of local residents are taken into consideration in the process. The office in Burbank Community House will provide a drop in facility for local residents and an administrative base for BURT from which they can plan and develop their activities. BURT have previously leased space within Burbank House, under a sub-lease from Housing Hartlepool. BURT have previously leased space within Burbank House, under a sub-lease from Housing Hartlepool.
- 2.3 **Burbank COOP Food Shop** are based at Burbank Community House, the Coop Food Shop provides a service to its members selling a variety of healthy foods and dairy produce: fresh fruit and vegetables, tinned foods, milk and bread. The Food Coop afford its members the convenience of a corner shop at a little more than the cost of a supermarket. The shop is open from 10:30-12noon every Wednesday. The office at Burbank Community House will provide the Food Coop with a permanent base from which to run the Food Coop and other initiatives as the project develops.
- 2.4 **Burbank Mens Group** formed in June 2006 the Burbank Men's Group membership meets once a month. Membership is open to any male, over 16 years old and lives in the Burbank area. The group has

organised varied social activities including tastier sessions in numerous sporting activities including: archery, table tennis, ten pin bowling, walking and rambling. Being a new group day trips have been organised to help the group to get to know each other. The office space in Burbank Community House will provide the group with an administrative base which is essential if the group is to be able to continue to develop.

- 2.5 **Burbank on Line** is an IT project with the aim “Helping Burbank Help Itself”. The project includes the creation and maintenance of a website on which community groups, working in and for the benefit of the Burbank estate is represented. The website provides up to date information for anybody with access to the internet. The office in Burbank Community House will provide the project with shared administrative base in which all the occupants can support the activities and development of each project using the space.
- 2.6 **Hartlepool Primary Care Trust** has requested an office base in the Burbank Community House for their Health Trainer Coordinator. The Post is part of a new project in which a team of Health Trainers, based in different communities in the Hartlepool will be working with local residents to identify ways in which we can take positive steps to improve their own health. The project is time limited, it is expected to finish in March 2008 unless additional funding is identified.
- 2.7 Government thinking currently centres around the granting of Council property interests to community groups to allow them ‘ownership’ of schemes and to enable them to draw in grant funding which Councils cannot easily obtain. The assumption is that these groups will occupy premises at reduced rent taking into account the community benefit that they provide.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications are attached at the Confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 Portfolio Holder grants approval to the proposed leases.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8th June 2007



Report of: Head of Procurement and Property Services

Subject: LEASE OF PREMISES AT 41 PARK ROAD,
HARTLEPOOL

SUMMARY

1.0 PURPOSE OF REPORT

To obtain authorisation for Economic Development to enter into an agreement to occupy 41 Park Road, Hartlepool for the purpose of providing advice and guidance for members of the public looking for employment.

2.0 SUMMARY OF CONTENTS

Background detail of this scheme is included which proposes the occupation of 41 Park Road by Economic Development

3.0 RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for Asset Management

4.0 TYPE OF DECISION

Non-key decision

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

The Portfolio Holder gives approval for Economic and Development to enter into a lease for 41 Park Road, Hartlepool.

Report of: Head of Procurement and Property Services

Subject: LEASE OF PREMISES AT 41 PARK ROAD,
HARTLEPOOL

1. PURPOSE OF REPORT

- 1.1 To obtain authorisation for Economic Development to enter into an agreement to occupy 41 Park Road, Hartlepool for the purpose of providing advice and guidance for members of the public looking for employment.

2. BACKGROUND

- 2.1 Economic Development contacted the Councils Estates Department seeking advice with regard to locating their Job Mart Scheme. Job Mart is the Hartlepool Employment & Skills Consortium with a membership of over 40 employment and training providers from the public, private and voluntary sector who have access to mainstream and area based funding to provide a broad range of provision to residents of Hartlepool
- 2.2 The premises will provide a base for this activity to take place in order to provide a cohesive and integrated approach to employment and training provision. Clients will be able to access information, advice, guidance including 1-1 intensive support if needed, in order to identify training opportunities and map clear progression routes to employment.
- 2.3 Although Jobs Mart will be accessible for all Hartlepool residents, priority will be given to those from regeneration areas and specific groups of clients such as young people, those on sickness related benefits, lone parents and the 50+.
- 2.4 The premises and consortia will be managed by Hartlepool Working Solutions and staffed by members of the Jobs Mart Consortia.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial implications are attached at the Confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 The Portfolio Holder gives approval for Economic and Development to enter into a lease for 41 Park Road, Hartlepool.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8th June 2007



Report of: Head of Procurement and Property Services

Subject: SALE OF FREEHOLD REVERSION, 29
WYNYARD ROAD, HARTLEPOOL

SUMMARY

1.0 PURPOSE OF REPORT

To obtain Portfolio Holder approval to the proposed sale of the freehold reversion of 29 Wynyard Road, Hartlepool.

2.0 SUMMARY OF CONTENTS

The report contains background to the proposed transaction including the current lease details, with the financial implications of selling the reversion explored.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property assets.

4.0 TYPE OF DECISION

Non key

5.0 DECISION MAKING ROUTE

Portfolio Holder only.

6.0 DECISION(S) REQUIRED

Authority to proceed with disposal of freehold reversion.

Report of: Head of Procurement and Property Services

Subject: SALE OF FREEHOLD REVERSION, 29
WYNYARD ROAD, HARTLEPOOL

1. PURPOSE OF REPORT

- 1.1 To obtain Portfolio Holder approval to the proposed sale of the freehold reversion of 29 Wynyard Road, Hartlepool.

2. BACKGROUND

- 2.1 The Council own the freehold interest in the shop premises at 29 Wynyard Road and let the property for a period of 99 years with effect from 1st April 1958 to T. Temple (Chemists) Limited who then sublet the property to Lloyds Pharmacy for use as a local chemist shop.
- 2.2 At the time that this lease was granted, 2 other leases were granted on commercial properties at Wynyard Road. The Council has since sold off the freehold of one of the other properties as it would appear that there is no strategic reason for holding these properties on lease. There is a flat above the shop which is in private ownership.
- 2.3 The Council has now received a request from the lessor of 29 Wynyard Road to purchase the freehold interest in this property.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial implications are attached at the confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder approves the proposed sale of the freehold interest in the land subject to the terms proposed.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8th June 2007



Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF UNIT 6 USWORTH INDUSTRIAL ESTATE, HARTLEPOOL

SUMMARY

1.0 PURPOSE OF REPORT

To obtain authorisation for the Council to enter into an agreement to occupy Unit 6 Usworth Industrial Estate, Hartlepool for its Youth Offending Service.

2.0 SUMMARY OF CONTENTS

Background details behind the proposed use is provided with terms for the occupation of Unit 6 Usworth Road which have been provided by the Landlord for the Estate.

3.0 RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for Asset Management

4.0 TYPE OF DECISION

Non-Key decision

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

That Portfolio Holder approves the Council taking the Lease subject to the terms proposed.

Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF UNIT 6 USWORTH INDUSTRIAL ESTATE

1. PURPOSE OF REPORT

- 1.1 To obtain authorisation for the Council to enter into an agreement to occupy Unit 6 Usworth Industrial Estate, Hartlepool for its Youth Offending Service.

2. BACKGROUND

- 2.1 Youth Offending Services contacted the Councils Estate Department in May 2007 seeking advice with regard to locating their initiative to provide a large, safe, controlled area to work with young people aged 10-18 years of age and their families who are involved in the criminal justice system or who require early intervention provision.
- 2.2 The early intervention is for young people who are at risk of becoming involved in the criminal justice system; they would work in small safe groups with parents and appropriate professionals using a range of resources, activities and tools. They were looking for a unit to provide the opportunity to offer an entrance and working area specifically for the Prevention Team.
- 2.3 The unit was also required to enable young people to develop independent living skills. It is proposed that it contain a large kitchen area complete with cooker, washing machine and ironing facilities. Groups will be able to learn basic living skills in a comfortable environment, allowing for peer mentoring and occasional specialists such as Indian cookery lessons, which in turn will encourage equality and diversity.
- 2.4 The Council does not currently have any vacant premises suitable and therefore a unit at the 'Bizspace' Estates, Usworth Industrial Estate, has been identified as most appropriate.
- 2.2 The premises at Unit 6 Usworth Industrial Estate have been vacant since July 2005. The previous tenant of the unit was a soft drink Distributor. It is therefore assumed that the proposed occupation by Youth Offending would require change of use planning consent. This proposal has been submitted to 'one stop shop' and a response is awaited.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial implications are included in the confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder approves the Council taking the Lease subject to the terms proposed.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8 June 2007



Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF ROOM 202,
INNOVATION CENTRE, QUEENS MEADOW
BUSINESS PARK

SUMMARY

1.0 PURPOSE OF REPORT

To obtain Portfolio Holder approval to the proposed lease of Room 202, The Innovation Centre, to allow the relocation of Economic Development's 'Tees Valley Works' initiative.

2.0 SUMMARY OF CONTENTS

Background to the proposal is presented including the purpose of 'Tees Valley Works' and the funding behind the initiative, with a description on their accommodation requirements. The proposed terms for the lease are then presented in the 'Financial Implications' section of the report.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property assets.

4.0 TYPE OF DECISION

Non-key

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

That Portfolio Holder approves the taking of a Lease at Room 202, The Innovation Centre.

Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF ROOM 202,
INNOVATION CENTRE, QUEENS MEADOW
BUSINESS PARK

1. PURPOSE OF REPORT

- 1.1 To obtain Portfolio Holder approval to the proposed lease of Room 202, The Innovation Centre, to allow the relocation of Economic Development's 'Tees Valley Works' initiative.

2. BACKGROUND

- 2.1 In 2005, representatives from the Economic Development Departments of the five Tees Valley Local Authorities developed training and employment projects that secured European Social Fund (ESF) and co-financed funding from the Learning and Skills Council (LSC). The projects, under the 'umbrella' of Tees Valley Works (TVW), represented an opportunity for the five Local Authorities to develop a track record in sub-regional partnership delivery.
- 2.2 TVW now has three projects, with the training delivered by a network of twelve subcontractors across Tees Valley, with the majority from the Voluntary and Community Sector.
- 2.3 TVW has been operational since February 2006 with the Council being the Accountable Body for all three TVW projects. TVW has overall responsibility for the management of the project and oversees delivery. As part of the monitoring arrangements meetings with providers are held on a regular basis to ensure delivery is maximised and actions taken to address any under delivery.
- 2.4 TVW Management reports to a steering group which includes representatives from the five Local Authorities, the steering group has responsibility for the strategic direction and ensures decisions are taken with due consideration to all facts.
- 2.5 The projects have a budget of almost £1m and TVW holds the budget and processes invoices and payments. All evidence and paperwork is audited and checked by TVW prior to being input onto an electronic system (LSC Provider on Line) with a file compiled for each record and stored in an easy accessible system for audit purposes.

Present Location

- 2.6 TVW is currently located within Five Lamps Organisation at Thornaby. The office is small (220 sq ft) cramped and additional space is required to enable more effective operation and the storage of confidential information relating to beneficiaries.
- 2.7 Additionally, there is a requirement for working outside of office hours and it would be desirable if Tees Valley Works could be located within the Hartlepool Borough boundary, given that any lease would be a Hartlepool Borough Council asset.
- 2.8 Given that Tees Valley Works is a sub-regional project there is also a requirement to be close to the major trunk roads of the sub region to enable us to attend meetings across the Tees Valley and therefore need access to the main roads for Darlington, Middlesbrough, Stockton and Redcar as well as Hartlepool.
- 2.9 After considering properties available 'to let' on the open market, it is considered that Room, 202 at the Innovation Centre, a new property at Queens Meadow Business Park, would suit the requirements of Tees Valley Works.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial implications are attached at the confidential **Appendix 1. This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder approves the taking of a Lease at Room 202, The Innovation Centre.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

8th June 2007



Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF CAR PARK,
HARTLEPOOL INTERCHANGE

SUMMARY

1.0 PURPOSE OF REPORT

To obtain Portfolio Holder approval to the proposed lease of land for car parking at the new Hartlepool Interchange.

2.0 SUMMARY OF CONTENTS

The report contains background to the proposal and draft terms showing what has been agreed to date between the parties

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property assets.

4.0 TYPE OF DECISION

Non key

5.0 DECISION MAKING ROUTE

Portfolio Holder only

6.0 DECISION(S) REQUIRED

That Portfolio Holder grants approval to the Council taking a lease of the car parking area subject to the terms proposed, notwithstanding that minor amendments may be required as negotiations progress.

Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF CAR PARK,
HARTLEPOOL INTERCHANGE

1. PURPOSE OF REPORT

- 1.1 To obtain Portfolio Holder approval to the proposed lease of land for car parking at the new Hartlepool Interchange.

2. BACKGROUND

- 2.1 As part of the forthcoming Hartlepool Interchange Scheme, the Council propose to develop a car parking area. This area would be for the users of the train and bus stations and would provide 94 spaces, including 7 disabled spaces.
- 2.2 It is proposed that land that is currently in the ownership of Network Rail be used for this purpose. This land would be let by Network Rail to Northern Rail, who would then let the land onto the Council. The plan attached to this report at **Appendix 1** shows the land to the South east of the main station building that is proposed to be used for this purpose.

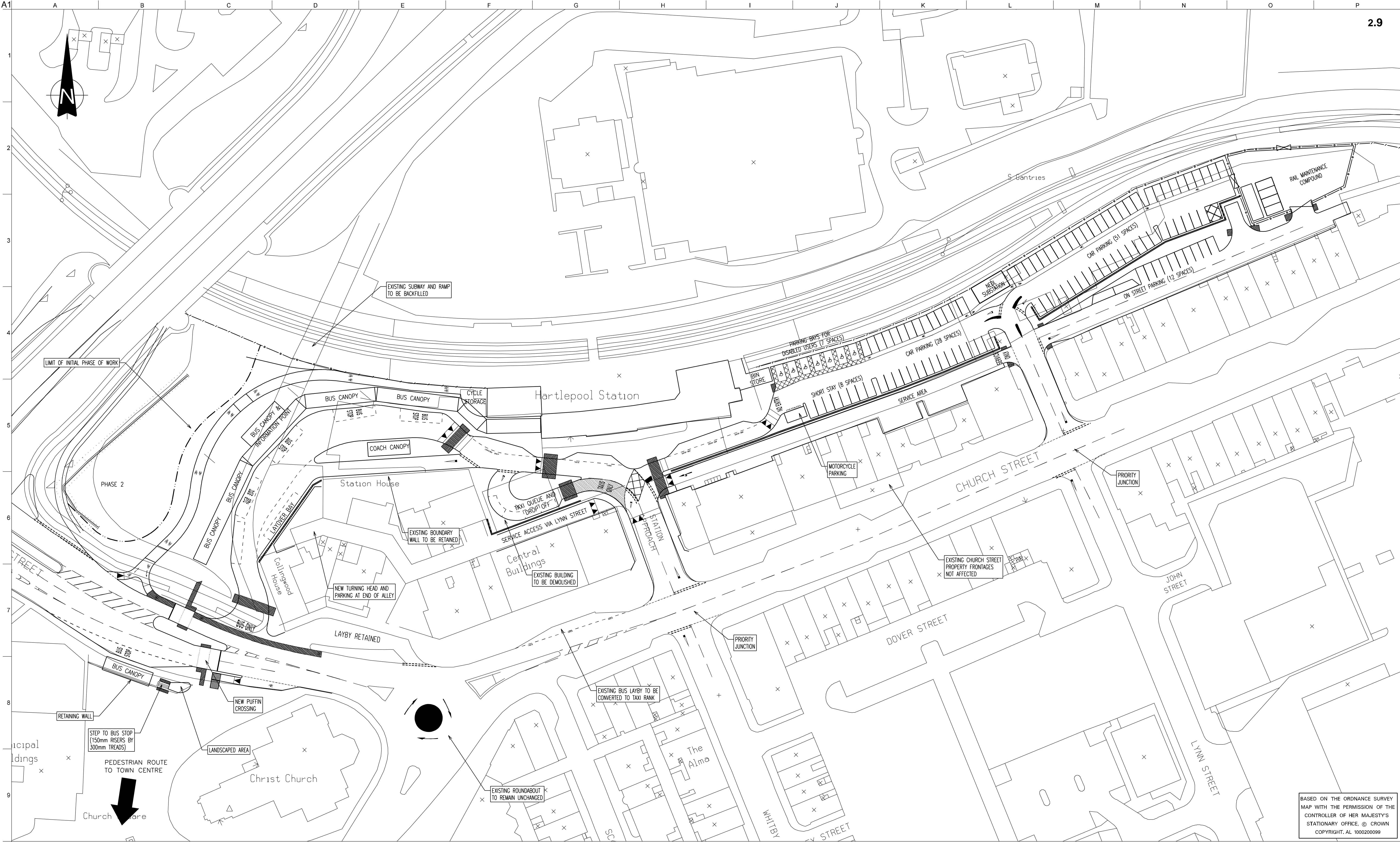
3.0 FINANCIAL IMPLICATIONS

- 3.1 The development of the Interchange scheme includes budgeting for the initial surfacing and laying out of this land as a car park. It is estimated that this work will cost in the region of £250,000.
- 3.2 It is estimated that at 10 yearly intervals the car park will require a further surface coat which will cost a further £55,000 (at today's rates).
- 3.3 It is anticipated that the annual running costs of the car park (enforcement costs, rates, lighting, machine coin collection, maintenance and gritting) will be approximately £19,000.
- 3.4 The car park will be operated on a 'pay and display' basis and this will provide approximately £35,000 per annum revenue to the Council.
- 3.5 Considering the income and the potential liabilities in terms of maintenance to the Council, it is considered that the Council should not pay in excess of £8,000 per annum as an initial rent for the car parking area. This will provide for sufficient revenue to be set aside to fund future maintenance of the car park and is considered to be reasonable.

- 3.6 The proposed terms are included in the confidential **Appendix 1**. **This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder grants approval to the Council taking a lease of the car parking area subject to the terms proposed, notwithstanding that minor amendments may be required as negotiations progress.



NOTES:

1. ALL EXISTING RAIL SIDE FENCELINES TO REMAIN.
2. BUS, COACH AND DELIVERY ACCESS TO THE SITE SHALL BE VIA THE NEW JUNCTION ADJACENT THE PROPOSED PUFFIN CROSSING.
3. SHORT STAY PRIVATE VEHICLES SHALL ENTER THE SITE VIA STATION APPROACH.
4. RAIL MAINTENANCE COMPOUND AND SECURE LONG STAY CAR PARK ACCESS SHALL BE VIA LYNN STREET.
5. SERVICE ACCESS TO THE REAR OF CHURCH STREET PROPERTIES SHALL BE RETAINED.
6. RAIL STATION BUILDING MODIFICATIONS SHALL BE UNDERTAKEN BY THE TRAIN OPERATING COMPANY.

P3	27/01/05	ST	NAW	PI
AMENDED FOLLOWING CLIENT REVIEW				
P2	05/11/04	ST	NAW	NRF
TRAFFIC SIGNALS REMOVED				
P1	20/10/04	ST	NAW	NRF
ISSUED FOR APPROVAL				
-	03/06/04	SJR	ST	SL
DRAWING ISSUED FOR FINAL CONSULTATION				
Issue	Date	By	Chkd	Appd

Client
HARTLEPOOL BOROUGH COUNCIL

Job Title
HARTLEPOOL TRANSPORT INTERCHANGE

Drawing Title
GENERAL ARRANGEMENT

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Scale at A1 1:500

Plot ID

Drawing Status

FOR APPROVAL

Job No
67772/40

Drawing No
HTI-G-00-01

Issue
P3