

## **FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD**

23 July 2007

The meeting commenced at 10.00 a.m. in the Avondale Centre, Hartlepool

### **Present:**

Councillor Robbie Payne, Finance and Efficiency Portfolio Holder

Officers: Graham Frankland, Head of Procurement and Property Services  
Emma Dixon, Estates Manager  
Colin Bolton, Building Consultancy Manager  
Keith Lucas, Asset and Property Manager  
John Morton, Assistant Chief Financial Officer  
Tony Brown, Chief Solicitor  
David Cosgrove, Principal Democratic Services Officer

### **12. Retirement – Mrs Pat Watson, Democratic Services Officer**

The Portfolio Holder wished to record his thanks and best wishes for a long and happy retirement to Mrs Pat Watson, Democratic Services Officer, who had very recently retired from the authority.

### **13. Counter Benefit Fraud Report 2006/07** *(Chief Financial Officer)*

#### **Type of decision**

Non-key.

#### **Purpose of report**

The report provided accountability to the portfolio holder on the performance and effectiveness of the Council's arrangements for discharging its benefit counter fraud responsibilities.

#### **Issue(s) for consideration by Portfolio Holder**

The report provided details of the Council's benefits fraud responsibilities, the framework of controls and operational activities that the Council deploys and evidence of the levels of counter fraud activity and outcomes including formal sanctions that the Council has achieved. This was the second annual report on counter fraud activity in accordance with recommended best practice by District Audit.

The Assistant Chief Financial Officer highlighted the performance of the Council's Benefit Investigation Team and the wider Benefits service during 2006/07 detailing interventions activity against Department for Work and Pensions (DWP) targets. The intervention activity results showed that where benefits were reviewed in seven out of ten cases there was no change to benefit entitlement with 11% actually receiving increased benefit.

The Council's fraud investigation arrangements complied with a number of good practices defined by the DWP and there was joint working with DWP staff on fifty-six cases during the year.

The Portfolio Holder questioned if the change in the level at which prosecutions would be pursued in fraud cases to the DWP's level of £2000 and above had had an effect on the cases the Council prosecuted. The Assistant Chief Financial Officer commented that the raising of the prosecution threshold to £2000 from £1500 had not had a significant effect. The biggest impact on the number of prosecutions were the nature / number of potentially fraud cases that are notified to the Council for investigation in any year. All cases were investigated rigorously and officers were confident that they were reaching balanced decisions in pursuing cases through the courts.

The Assistant Chief Financial Officer reported that the Benefits Division had made a submission to the IRRV Excellence Awards 2007. The division had not been short-listed for the awards, though comment had been made by the IRRV on the quality of the submission. The Portfolio Holder requested that the staff in the division be congratulated on the performance highlighted in the report and the quality of the submission to the IRRV Excellence Awards 2007.

### **Decision**

That the report be noted.

## **14. Financial Inclusion Developments** *(Chief Financial Officer)*

### **Type of decision**

Non-key.

### **Purpose of report**

The report provided details of the Financial Inclusion Partnership, the strategy of developing access to secure banking facilities for those that are disadvantaged and how such arrangements will become strategically important for both the Council and Housing Hartlepool with the advent of the Local Housing Allowance Scheme.

### **Issue(s) for consideration by Portfolio Holder**

The Financial Inclusion Partnership was established following the Money Matters Conference organised by Hartlepool Credit Union and Hartlepool New Deal for Communities (NDC) in 2005, as a direct response to resident, public, private and voluntary sector concerns about financial and social exclusion in

Hartlepool. Since that time the Partnership has been working hard to raise the profile of financial inclusion issues. The Partnership comprises a number of organisations and agencies including Housing Hartlepool, the NDC and Hartlepool BC. The Partnership is committed to supporting people to be more financially literate, to ensure there are effective arrangements for providing advice and guidance to those in need, to education at all levels and to the development of effective banking arrangements through the Credit Union.

The government have recognised financial inclusion issues and have set up a Financial Inclusion Fund of £126m to help people who are financially excluded which will run until April 2008 and is being co-ordinated by the Department for Work and Pensions. Early results suggest the Financial Inclusion Fund is having a positive impact, however future national funding will be dependent on the outcome of the government's 2007 comprehensive spending review.

In April 2008, the Council will be responsible for implementing local housing allowance for housing benefit, covering tenants in the private rented sector. The scheme will only apply to those benefit claimants when they move property or have a break in their claim. One of the elements of local housing allowance is that payment of benefit will normally be to the claimant and not the landlord. This change is in line with the government desire to extend the principle of tenant responsibility. This initiative requires the benefit recipient to have access to a bank account into which housing benefit can be paid. Unfortunately, it can be difficult for the disadvantaged to establish bank accounts and one option available is for the Council to pay local housing allowance to the Credit Union who will then establish secure accounts for the benefit claimant and from which bills including housing rent can be paid.

The Co-operative Bank are the Council's bankers and the Bank has for a number of years recognised the importance of working with the Association of British Credit Unions in identifying alternative affordable credit options for those on low incomes. The Council and Hartlepool Credit Union have been engaging with the Co-operative Bank who are "committed to the sustainable improvement of communities in line with co-operative values and principles" on a possible solution that would enable the Credit Union to develop the range of services it provides but which will also provide a vehicle to assist the Council and Housing Hartlepool (as a key stakeholder) on the arrangements for the future payment of local housing allowance.

The Co-operative Bank have developed an arrangement whereby they will licence the use of banking software to Credit Unions for account management. The arrangement allows members of the Credit Union to have a debit card linked to their account that can be used in shops and to withdraw money from cash machines. Additionally, account holders will be able to set up standing orders and direct debits. Whilst the account would be run, owned and promoted by the Hartlepool Credit Union, behind the scenes specialist services and technical administration is carried out by the Co-operative Bank.

The Portfolio Holder welcomed the scheme though was concerned at the potential levels of take up of these accounts and the longer term central

government funding. The Assistant Chief Financial Officer commented that when the Co-operative Bank had introduced this scheme with credit unions in the north west, it had proved very successful. The initial major cost involved was the purchase of the appropriate software by the credit union to operate the accounts. The Government's Comprehensive Spending Review will not be available until the autumn but the hope is that given the positive results so far it will be a government priority that would survive any cuts.

### **Decision**

That the report be noted.

## **15. Benefits CPA Submission 2007 and the results of the Benefits BVPI Survey 2006/07** *(Chief Financial Officer)*

### **Type of decision**

Non-key.

### **Purpose of report**

The report informed the Portfolio Holder of the results of the recent submission to the Benefit Fraud Inspectorate (BFI) in relation to the Benefits Service for the purposes of CPA and the results of the most recent Benefits BVPI survey. The report set out details of the Council's performance in relation to national DWP standards on Benefits and the results of the most recent submission and surveys undertaken in 2006/07.

### **Issue(s) for consideration by Portfolio Holder**

The BVPI 80 survey is carried out every three years by all local authorities which administer benefits. The purpose of the survey is to collate data on customer satisfaction levels by gaining feedback from residents on all aspects of the Benefits Service. This will help to assess the quality of the service and highlight any areas where improvement is required. Questionnaires are sent to a random sample of customers who have made a claim for Housing and / or Council Tax Benefit. The questionnaires are issued in August 2006 and January 2007. The survey covers 2 windows, June/July 2006 and November/December 2006. It covers aspects such as 'Getting in touch', 'Visiting the office', 'Benefits staff', and 'Speed of the service'.

The results of the survey showed increased satisfaction scores across all areas except forms. The Assistant Chief Financial Officer indicated that this was a very pleasing result and reflected the hard work undertaken within the service over recent years to improve performance and customer satisfaction.

The Assistant Chief Financial Officer reported that all English single tier authorities will undergo a Comprehensive Performance Assessment update review in 2007. As part of this process, the Benefit Fraud Inspectorate assesses the Housing Benefit and Council Tax Benefit services provided by these councils against the HB/CTB performance standards. The assessment is based on a full years performance data. For CPA 2007 this is the financial year 2006/7. The self assessment pro-forma which has been completed

indicates that the Council met 10 of the 12 performance measures where the Department for Work and Pensions has set a standard and 64 of the 65 enablers. This is expected to produce an “Excellent” score for Performance Standards and an Audit Commission score of “4”.

The Portfolio Holder stated that the improvement in recent years had been excellent, which was being reflected in the assessments now reported. However, government still required continual improvement and the Portfolio Holder asked how this was to be achieved. The Assistant Chief Financial Officer indicated that the service continually monitored its performance on a daily, weekly and monthly basis. This meant that short-term problems could be addressed very quickly and longer-term trends were also monitored. All staff were now generically trained and could quickly move between teams to resolve processing / service delivery problems. New stable IT arrangements are in place and new technology was continually embraced to improve performance eg. mobile working which had brought significant performance customer service improvements.

The Portfolio Holder requested that his congratulations to staff on their excellent performance be passed on at the next round of staff briefing meetings.

#### **Decision**

That the report be noted.

## **16. Property Performance Management 2006/07** *(Head of Procurement and Property Services)*

#### **Type of decision**

Non-key.

#### **Purpose of report**

To inform the Portfolio Holder of the performance outcomes of the Council's land and property assets in respect the Corporate Property (COPROP) Performance Management Initiative Property Performance Indicators.

#### **Issue(s) for consideration by Portfolio Holder**

The National Property Performance Management Initiative (NaPPMI) has been developed over the last two years to provide a suite of national and local indicators to measure the performance of local authority assets. This initiative was endorsed by the Office of the Deputy Prime Minister (ODPM) and is now supported by the Department for Communities and Local Government (DCLG). The initiative enables effective benchmarking between authorities through the Institute of Public Finance (IPF) Asset Management Network. Hartlepool Borough Council has actively embraced this initiative in the past and it was proposed that the new performance indicators are measured from 2007/08 and where appropriate measured for 2006/07. There were, however, some indicators where there is currently insufficient data available.

Details of the seven property performance indicators were set out in an appendix to the report.

**Decision**

That the report be noted.

**17. Procurement Update and Actions** (*Head of Procurement and Property Services*)

**Type of decision**

Non-key.

**Purpose of report**

To provide the Portfolio Holder of procurement developments and activities.

**Issue(s) for consideration by Portfolio Holder**

The report updated the Portfolio Holder on procurement activities including legislative requirements, community strategy objectives, actions taken in procurement to promote/support the local economy, sustainable procurement strategy and the local multiplier effect. The Head of Procurement and Property Services indicated that the Local Strategic Partnership would be considering a report in the near future on work that is underway in Hartlepool to assess how public agencies can use their purchasing power to promote local economic growth whilst working within the confines of procurement regulations.

**Decision**

That the report be noted.

**18. Energy Management Consumption and Cost** (*Head of Procurement and Property Services*)

**Type of decision**

Non-key.

**Purpose of report**

To inform the Portfolio Holder of the overall trend in energy consumption at Council property and with anticipated future energy cost increases.

**Issue(s) for consideration by Portfolio Holder**

Year on year variances in consumption occur due to seasonal factors, individual site usage and the acquisition and/or disposal of property in a particular year but in recent years, the consumption has generally shown a downward trend. Electricity is the exception with a continuous growth in consumption. 2005/06 was a particularly long cold winter season and it is hoped that with co-operation the downward trend can be continued and the growth in electricity usage arrested. This can only be done as a result of the on going work being done on improving the energy efficiency of the Council's

buildings and on savings made due to the raising of energy awareness of all staff. The consumption figures were tabulated in the report and also shown in graphical form with trend indications in Appendix A to the report.

The Portfolio Holder asked how much needed to be invested to save in the future. The Head of Procurement and Property Services stated that last year £16,000 had been invested to bring longer-term cost reductions. There would also be some long-term cost reductions arising from the Civic Centre works.

#### **Decision**

That the report be noted.

### **19. Regional Collaborative Procurement Strategy** *(Head of Procurement and Property Services)*

#### **Type of decision**

Non-key.

#### **Purpose of report**

The purpose of this report was to inform the Portfolio Holder of work that is being undertaken by the North East Centre of Excellence (NECE) that is likely to impact upon the Council in the future.

#### **Issue(s) for consideration by Portfolio Holder**

In 2006/7 NECE commissioned a major study of procurement spend to support the development of a regional collaborative contract programme for the region and to examine the opportunities of sub regional collaboration. The report concluded that whilst procurement collaboration in the North East has a good track record, the current contracting landscape overall is fragmented and uncoordinated. It has evolved in an unplanned manner over time without a broader strategic vision.

There are opportunities to deliver efficiencies, achieve strategic outcomes, reduce duplication of effort and better utilise procurement capacity within the region through the harnessing of spend and optimisation of activity into a collaborative strategic approach aligned with Regional Partners. A programme is therefore being developed to establish a five-year strategic collaborative category management programme to harness third party expenditure of goods, works and services and to optimise procurement activity.

NECE have developed a Collaborative Procurement Concordat, which was attached as Appendix 1 to the report. The purpose of the concordat is to establish a voluntary, clear and transparent framework to govern the interaction to further shared objectives, overcome identified barriers and maximise the value of the outcomes from the programme. It was understood that the twenty-five Chief Executive's in the North East had signed the concordat.

The Portfolio Holder was concerned at how Hartlepool as a small authority would fare against the larger Councils in the region and would this lead to 'centralised' service providers outside of Hartlepool and the Tees Valley. The Head of Procurement and Property Services indicated that it had been identified that sub regional and local options needed to be available so there was a local element to service provision. The Chief Solicitor commented that this could, however, cause some difficulty, as there was an expectation that Council's would secure contracts at the lowest cost to their community. The Concordat was, however, not a contract and did allow flexibility for authorities. The potential effect of cutting out local companies was one reason for that flexibility but that had to be measured against the EU regulations relating to contracts that described the European Community as 'local'. There were, however, other benefits the concordat could bring and local authorities were working on common terms of contract as an example.

The Concordat could be formalised and contracts entered into with groups of other local authorities. NEPO for example had some legally binding elements. The Chief Solicitor indicated that his role would be to ensure that Council was made aware of the constraints of any proposed agreement. Councils in the region may not wish to pursue this matter that far at this stage, but should future CPA inspections push Councils in that direction this would need to be revisited.

### **Decision**

That the report be noted.

## **20. Proposed Sale of Leicester Grove Garage Forecourt** (Head of Procurement and Property Services)

### **Type of decision**

Non-key.

### **Purpose of report**

To obtain Portfolio Holder approval to the proposed sale of land to facilitate a social housing development.

### **Issue(s) for consideration by Portfolio Holder**

The Council have recently been approached by Housing Hartlepool, who in turn have been invited by the Housing Corporation to enter a 'mini bidding round' for funding to develop social housing. Housing Hartlepool have identified a potential site that would closely link with the regeneration work that they are currently proposing to undertake in partnership with the Council in the 'Belle Vue' area. A need has been identified within this area for the provision of two bungalows that would provide accessible accommodation to specific needs groups. The Council would have 100% nomination rights to these bungalows.

Housing Hartlepool have identified that their Leicester Grove garage site off Oxford Street would be appropriate for this use. As their enquiries have



progressed prior to a planning application being submitted they have noticed that although the garages themselves were transferred to Housing Hartlepool upon stock transfer, the forecourts to these garages were not transferred. Housing Hartlepool have therefore approached the Council to ascertain whether the Council would be willing to transfer its freehold interest.

Details of the estimated valuation of the land were set out in an appendix to the report. The appendix contained 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).

The Head of Procurement and Property Services commented that Cabinet would be considering a report on the principal of such transfers of land for social housing developments in the near future.

The Portfolio Holder considered that the land should be released to Housing Hartlepool but only at the valuation identified in the report.

#### **Decision**

That approval be given to the release of the land to Housing Hartlepool at the valuation set out in the exempt section of the report and subject to the land being restricted through covenant to social housing use only.

**J A BROWN**

**CHIEF SOLICITOR**

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