

PLEASE NOTE VENUE

FINANCE AND EFFICIENCY PORTFOLIO DECISION SCHEDULE



Tuesday 11th December 2007

at 10.00am

in the Blue Room, Avondale Centre,
Dyke House School
(Raby Road entrance)

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

1. **KEY DECISIONS**

No items

2. **OTHER ITEMS REQUIRING DECISION**

- 2.1 Council Tax Base 2008/09 – *Chief Financial Officer*
- 2.2 Strategic Partnering Contract for Lea Works, Planned Maintenance and Minor Building Works - *Head of Procurement and Property Services*
- 2.3 Managed Print Service - *Head of Procurement and Property Services*
- 2.4 Procurement Function – *Head of Procurement and Property Services*
- 2.5 Chief Executive's Departmental Plan 2007/08 – 2nd Quarter Monitoring Report - *Chief Financial Officer, Chief Solicitor and Head of Procurement and Property Services*
- 2.6 Irrecoverable Debts (Housing Benefits Overpayments) – *Chief Financial Officer*

3. **REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

FINANCE and EFFICIENCY PORTFOLIO

Report to Portfolio Holder

11th December 2007



Report of: Chief Financial Officer

Subject: Council Tax Base 2008/9

SUMMARY

1.0 PURPOSE OF REPORT

The report seeks approval to the calculated Council Tax Base for 2008/9 which will be used for council tax billing purposes.

2.0 SUMMARY OF CONTENTS

The report provides details of the Council's responsibilities for determining the council tax base, explains the tax base calculation and shows details of the calculation for 2008/9.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Following an amendment to the Local Government Finance Act 1992, a Full Council meeting is no longer required to adopt the council tax base, the matter can be dealt with by the relevant cabinet member.

4.0 TYPE OF DECISION

Non-key decision.

5.0 DECISION MAKING ROUTE

To portfolio holder.

6.0 DECISION(S) REQUIRED

Approval of the Council Tax Base for 2008/9.

Report of: Chief Financial Officer

Subject: COUNCIL TAX BASE 2008/9

1. PURPOSE OF REPORT

The report seeks approval to the calculated Council Tax Base for 2008/9 which will be used for council tax billing purposes.

2. BACKGROUND

2.1 The Council is required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities (Cleveland Police Authority and Cleveland Fire Authority) and local precepting authorities (Parish Councils), before 31st January, 2008. The Council Tax Base is expressed as the number of band D equivalent properties.

2.2 The amount of Council Tax levied on each band D property located in the Borough of Hartlepool is determined by dividing the total amount of the precepts made by both this Council, the Police Authority and the Fire Authority on the Collection Fund in 2008/9, by the Council Tax Base. The amount of Council Tax payable for other bands is determined by applying a fixed proportion of the band D amount. A separate report on the calculation of the amount of Council Tax payable for each band will be submitted to Council at a later date.

3. CALCULATION OF TAX BASE

3.1 To calculate the Council Tax Base it is necessary to:-

- (a)** Calculate "the relevant amount" for the year for each valuation band in the valuation list. For each band this represents the full year equivalent of each chargeable dwelling in that band, taking into account entitlement to disability reductions and discounts.
- (b)** The relevant amount for each band are expressed in terms of band D equivalents.
- (c)** The relevant amounts for each band are then added together and the total is multiplied by the Council's estimated collection rate for the year.

3.2 The following formula is used when determining the relevant amount for each valuation band:-

$$((S \times 0.75) + (D \times 0.5) + (E \times 0.9) + N) \times F/G \quad \text{where}$$

S is the estimated number of chargeable dwellings in that band with a single occupancy discount,

D is the estimated number of chargeable dwellings in that band with a 50% discount,

E is the estimated number of chargeable dwellings in that band with a 10% discount,

N is the estimated number of chargeable dwellings in that band with no discounts,

F is the ratio applicable to that band in relation to Band D,

G is the ratio applicable to band D (9).

A statement showing the calculation of the Council Tax Base for the Borough of Hartlepool is shown at **Appendix 1**.

3.3 The level of non-collection forming part of the calculation is reviewed and, where appropriate, adjusted on an annual basis. Given the sustained positive collection performance over recent years the collection rate is being set to 99%. This means that an allowance of 1% is being used for non-collection based on my best estimate of the eventual level of collection achievable and taking into account my experience in collecting Council Tax to-date.

3.4 **Appendices 2 to 9** are attached to show the statement of calculation of the Council Tax Bases for the various Parishes who levy precepts on the collection fund. The calculations follow the same principles as those adopted in the calculation of the Council Tax Base for the whole Borough. As it is necessary to request details of precepts from the Parishes, tax base calculation information has been transmitted, on a provisional basis, to the various Chairpersons in advance of your meeting.

4. RECOMMENDATIONS

- a) Approval of a Council Tax Base for 2008/9 of 27,560.3.
- b) Approve a Council Tax Base for those Parishes capable of levying a precept upon the Council's General Fund:

| | | | |
|---------------|--------|---------------|-------|
| Brierton | 12.4 | Greatham | 672.0 |
| Claxton | 14.3 | Hart | 294.2 |
| Dalton Piercy | 106.5 | Newton Bewley | 33.4 |
| Elwick | 399.4 | | |
| Headland | 1009.9 | | |

HARTLEPOOL BOROUGH COUNCIL
CALCULATION OF TAX BASE 2008/9

Appendix 1

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|--------------|-----------------|---------------|----------------|-------------|----------------|--------------|--------------|--------------|-----------------|
| 1 | No. of properties in band | | 24,426 | 6,070 | 5,433 | 2,858 | 1,376 | 549 | 392 | 43 | 41147 |
| 2 | Exempt dwellings | | 939 | 160 | 87 | 43 | 18 | 11 | 7 | 1 | 1266 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 23487 | 5910 | 5346 | 2815 | 1358 | 538 | 385 | 42 | 39881 |
| 5 | Disabled reductions | | 80 | 46 | 39 | 32 | 12 | 2 | 14 | 11 | 236 |
| 6 | Effectively chargeable | 80 | 46 | 39 | 32 | 12 | 2 | 14 | 11 | 0 | 236 |
| 7 | ADJ CHARGEABLE DWELLINGS | 80 | 23453 | 5903 | 5339 | 2795 | 1348 | 550 | 382 | 31 | 39881 |
| 8 | 25% discounts | 19 | 11629 | 1956 | 1261 | 530 | 195 | 64 | 44 | 1 | 15699 |
| 9 | 50% discounts | 2 | 465 | 91 | 44 | 27 | 14 | 17 | 16 | 0 | 676 |
| 10 | 10% Discount (Second Homes) | 0 | 159 | 47 | 27 | 10 | 4 | 6 | 6 | 1 | 260 |
| 11 | No discounts | 59 | 11200 | 3809 | 4007 | 2228 | 1135 | 463 | 316 | 29 | 23246 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 74.25 | 20297.35 | 5363.8 | 4999.05 | 2648 | 1291.85 | 524.9 | 362.4 | 30.65 | 35592.25 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |

| | | | | | | | | | | | |
|----|--------------------|-------|----------|---------|-------------------------------|---------|---------|--------|--------|-------|----------|
| 14 | BAND D EQUIVALENTS | 41.25 | 13531.57 | 4171.84 | 4443.60 | 2648.00 | 1578.93 | 758.19 | 604.00 | 61.30 | 27838.68 |
| | | | | | Estimated collection rate (%) | | | | | | 99 |
| | | | | | Council Tax Base | | | | | | 27560.3 |

BRIERTON
CALCULATION OF TAX BASE 2008/9

Appendix 2

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 1 | No. of properties in band | | 0 | 4 | 5 | 2 | 3 | 0 | 0 | 0 | 14 |
| 2 | Exempt dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 0 | 4 | 5 | 2 | 3 | 0 | 0 | 0 | 14 |
| 5 | Disabled reductions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Effectively chargeable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 0 | 4 | 5 | 2 | 3 | 0 | 0 | 0 | 14 |
| 8 | 25% discounts | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 3 |
| 9 | 50% discounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | 10% discounts (second homes) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | No discounts | 0 | 0 | 3 | 4 | 1 | 3 | 0 | 0 | 0 | 11 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0.00 | 0.00 | 3.75 | 4.75 | 1.75 | 3.00 | 0.00 | 0.00 | 0.00 | 13.25 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 0.00 | 2.92 | 4.22 | 1.75 | 3.67 | 0.00 | 0.00 | 0.00 | 12.56 |

Estimated collection rate (%)

99

Council Tax Base

12.4

CLAXTON
CALCULATION OF TAX BASE 2008/9

Appendix 3

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 1 | No. of properties in band | 0 | 2 | 0 | 1 | 4 | 2 | 2 | 1 | 1 | 13 |
| 2 | Exempt dwellings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Demolished dwellings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | 0 | 2 | 0 | 1 | 4 | 2 | 2 | 1 | 1 | 13 |
| 5 | Disabled reductions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Effectively chargeable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 2 | 0 | 1 | 4 | 2 | 2 | 1 | 1 | 13 |
| 8 | 25% discounts | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| 9 | 50% discounts | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 10 | 10% discounts (second homes) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | No discounts | 0 | 1 | 0 | 0 | 3 | 2 | 2 | 1 | 1 | 10 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0 | 1.5 | 0 | 0.75 | 3.75 | 2 | 2 | 1 | 1 | 12 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 1.00 | 0.00 | 0.67 | 3.75 | 2.44 | 2.89 | 1.67 | 2.00 | 14.42 |

Estimated collection rate (%)

99

Council Tax Base

14.3

DALTON PIERCY
CALCULATION OF TAX BASE 2008/9

Appendix 4

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|
| 1 | No. of properties in band | | 5 | 10 | 16 | 12 | 35 | 12 | 10 | 0 | 100 |
| 2 | Exempt dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 5 | 10 | 16 | 12 | 35 | 12 | 10 | 0 | 100 |
| 5 | Disabled reductions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Effectively chargeable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 5 | 10 | 16 | 12 | 35 | 12 | 10 | 0 | 100 |
| 8 | 25% discounts | 0 | 3 | 3 | 6 | 4 | 6 | 0 | 2 | 0 | 24 |
| 9 | 50% discounts | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 10 | 10% discounts (second homes) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 11 | No discounts | 0 | 2 | 5 | 10 | 8 | 29 | 12 | 8 | 0 | 74 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0.00 | 4.25 | 8.65 | 14.50 | 11.00 | 33.50 | 12.00 | 9.50 | 0.00 | 93.40 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 2.83 | 6.73 | 12.89 | 11.00 | 40.94 | 17.33 | 15.83 | 0.00 | 107.56 |

Estimated collection rate (%)

99

Council Tax Base

106.5

ELWICK
CALCULATION OF TAX BASE 2008/9

Appendix 5

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| 1 | No. of properties in band | | 30 | 32 | 66 | 83 | 42 | 34 | 57 | 27 | 371 |
| 2 | Exempt dwellings | | 3 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 8 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 27 | 32 | 65 | 82 | 41 | 33 | 56 | 27 | 363 |
| 5 | Disabled reductions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| 6 | Effectively chargeable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 27 | 32 | 65 | 82 | 41 | 33 | 57 | 26 | 363 |
| 8 | 25% discounts | 0 | 13 | 5 | 22 | 14 | 14 | 5 | 5 | 0 | 78 |
| 9 | 50% discounts | 0 | 4 | 1 | 0 | 2 | 0 | 0 | 1 | 0 | 8 |
| 10 | 10% discounts | 0 | 5 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 8 |
| 11 | No discounts | 0 | 5 | 25 | 43 | 66 | 27 | 28 | 50 | 25 | 269 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0.00 | 21.25 | 30.15 | 59.50 | 77.50 | 37.50 | 31.75 | 55.15 | 25.90 | 338.70 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 14.17 | 23.45 | 52.89 | 77.50 | 45.83 | 45.86 | 91.92 | 51.80 | 403.42 |

Estimated collection rate (%)

99

Council Tax Base

399.4

GREATHAM
CALCULATION OF TAX BASE 2008/9

Appendix 6

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|---------------|---------------|---------------|--------------|--------------|--------------|-------------|-------------|---------------|
| 1 | No. of properties in band | | 177 | 429 | 183 | 78 | 33 | 8 | 6 | 1 | 915 |
| 2 | Exempt dwellings | | 8 | 4 | 3 | 1 | 0 | 0 | 1 | 0 | 17 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 169 | 425 | 180 | 77 | 33 | 8 | 5 | 1 | 898 |
| 5 | Disabled reductions | | 2 | 3 | 0 | 1 | 0 | 0 | 0 | 1 | 7 |
| 6 | Effectively chargeable | 2 | 3 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 7 |
| 7 | ADJ CHARGEABLE DWELLINGS | 2 | 170 | 422 | 181 | 76 | 33 | 8 | 6 | 0 | 898 |
| 8 | 25% discounts | 0 | 88 | 151 | 33 | 19 | 4 | 2 | 1 | 0 | 298 |
| 9 | 50% discounts | 0 | 1 | 4 | 2 | 1 | 0 | 0 | 1 | 0 | 9 |
| 10 | 10% discounts | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 11 | No discounts | 2 | 80 | 267 | 146 | 56 | 29 | 6 | 4 | 0 | 590 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 2 | 147.40 | 382.25 | 171.75 | 70.75 | 32.00 | 7.50 | 5.25 | 0.00 | 818.90 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 1.11 | 98.27 | 297.31 | 152.67 | 70.75 | 39.11 | 10.83 | 8.75 | 0.00 | 678.79 |

Estimated collection rate (%)

99

Council Tax Base

672.0

HART
CALCULATION OF TAX BASE 2008/9

Appendix 7

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|
| 1 | No. of properties in band | | 14 | 82 | 89 | 42 | 38 | 33 | 23 | 0 | 321 |
| 2 | Exempt dwellings | | 0 | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 7 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 14 | 79 | 85 | 42 | 38 | 33 | 23 | 0 | 314 |
| 5 | Disabled reductions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Effectively chargeable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 14 | 79 | 85 | 42 | 38 | 33 | 23 | 0 | 314 |
| 8 | 25% discounts | 0 | 7 | 28 | 25 | 7 | 8 | 3 | 4 | 0 | 82 |
| 9 | 50% discounts | 0 | 0 | 2 | 5 | 0 | 1 | 0 | 1 | 0 | 9 |
| 10 | 10% discounts (second homes) | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 11 | No discounts | 0 | 6 | 49 | 55 | 35 | 29 | 30 | 18 | 0 | 222 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0.00 | 12.15 | 71.00 | 76.25 | 40.25 | 35.50 | 32.25 | 21.50 | 0.00 | 288.90 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 8.10 | 55.22 | 67.78 | 40.25 | 43.39 | 46.58 | 35.83 | 0.00 | 297.16 |

Estimated collection rate (%)

99

Council Tax Base

294.2

NEWTON BEWLEY
CALCULATION OF TAX BASE 2008/9

Appendix 8

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 1 | No. of properties in band | | 2 | 1 | 9 | 6 | 8 | 6 | 0 | 1 | 33 |
| 2 | Exempt dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 2 | 1 | 9 | 6 | 8 | 6 | 0 | 1 | 33 |
| 5 | Disabled reductions | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| 6 | Effectively chargeable | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 7 | ADJ CHARGEABLE DWELLINGS | 0 | 2 | 2 | 8 | 6 | 8 | 6 | 0 | 1 | 33 |
| 8 | 25% discount | 0 | 1 | 1 | 3 | 0 | 3 | 0 | 0 | 0 | 8 |
| 9 | 50% discount | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| 10 | 10% discount (second homes) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | No discounts | 0 | 1 | 1 | 5 | 6 | 5 | 5 | 0 | 1 | 24 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 0.00 | 1.75 | 1.75 | 7.25 | 6.00 | 7.25 | 5.50 | 0.00 | 1.00 | 30.50 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 0.00 | 1.17 | 1.36 | 6.44 | 6.00 | 8.86 | 7.94 | 0.00 | 2.00 | 33.78 |

Estimated collection rate (%)

99

Council Tax Base

33.4

HEADLAND
CALCULATION OF TAX BASE 2008/9

Appendix 9

| line | VALUATION BAND | @ | A | B | C | D | E | F | G | H | TOTAL |
|------|-----------------------------------|-------------|----------------|---------------|--------------|--------------|-------------|-------------|-------------|-------------|----------------|
| 1 | No. of properties in band | | 1302 | 286 | 76 | 18 | 7 | 3 | 1 | 0 | 1693 |
| 2 | Exempt dwellings | | 31 | 7 | 1 | 3 | 0 | 0 | 0 | 0 | 42 |
| 3 | Demolished dwellings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | CHARGEABLE DWELLINGS | | 1271 | 279 | 75 | 15 | 7 | 3 | 1 | 0 | 1651 |
| 5 | Disabled reductions | | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| 6 | Effectively chargeable | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| 7 | ADJ CHARGEABLE DWELLINGS | 5 | 1268 | 277 | 75 | 15 | 7 | 3 | 1 | 0 | 1651 |
| 8 | 25% discounts | 0 | 637 | 82 | 20 | 3 | 0 | 0 | 0 | 0 | 742 |
| 9 | 50% discounts | 0 | 19 | 8 | 1 | 1 | 0 | 2 | 0 | 0 | 31 |
| 10 | 10% discounts (second homes) | 0 | 5 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 7 |
| 11 | No discounts | 5 | 607 | 186 | 53 | 11 | 7 | 1 | 1 | 0 | 871 |
| 12 | TOTAL EQUIVALENT DWELLINGS | 5.00 | 1098.75 | 252.40 | 69.40 | 13.75 | 7.00 | 2.00 | 1.00 | 0.00 | 1449.30 |
| 13 | Ratio to Band D | 5/9 | 6/9 | 7/9 | 8/9 | 9/9 | 11/9 | 13/9 | 15/9 | 18/9 | |
| 14 | BAND D EQUIVALENTS | 2.78 | 732.50 | 196.31 | 61.69 | 13.75 | 8.56 | 2.89 | 1.67 | 0.00 | 1020.14 |

Estimated collection rate (%)

99

Council Tax Base

1009.9

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

11th December, 2007



Report of: Head of Procurement and Property Services

Subject: STRATEGIC PARTNERING CONTRACT FOR
LEA WORKS, PLANNED MAINTENANCE AND
MINOR BUILDING WORKS

SUMMARY

1.0 PURPOSE OF REPORT

To review the performance of the Partnering Contract and to request the Portfolio Holder's approval to the re-tendering of the Partnering arrangement.

2.0 SUMMARY OF CONTENTS

Outline of the proposals of the revised Partnering Arrangement, together with details of the contractors' performance review.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Falls within the remit of the Portfolio Holder.

4.0 TYPE OF DECISION

Non key decision.

5.0 DECISION MAKING ROUTE

Finance Portfolio Holder.

5.0 DECISION(S) REQUIRED

- i) That the Portfolio Holder notes the results of the performance review and recent market testing exercise.
- ii) That the Portfolio Holder approves the extension of the existing agreement to cover the interim period between 31st October 2007 and the date the new arrangement commences.

- iii) That the Portfolio Holder approves the proposals for re-tendering using the partnering approach and that minor building works throughout the Council up to a limit of £100,000, be included in this contract.

Report of: Head of Procurement and Property Services

Subject: STRATEGIC PARTNERING CONTRACT FOR
LEA WORKS, PLANNED MAINTENANCE AND
MINOR BUILDING WORKS

1.0 PURPOSE OF REPORT

- 1.1 To review the performance of the Partnering Contract and to request the Portfolio Holder's approval to the re-tendering of the Partnering arrangement.

2.0 BACKGROUND

- 2.1 At a meeting, held on 12 October 2001, the Resources Board accepted a report recommending that all LEA Condition Works and Corporate Planned Maintenance Work be procured by a Partnering approach. A Partnering Contract was subsequently let.
- 2.2 The partnering approach is a national procurement initiative promoted by the "Rethinking Construction" movement. This approach seeks to avoid the inefficiencies of tendering a number of projects and promotes the early involvement of contractors with clients and designers to improve quality, buildability and client satisfaction. It also enables projects to progress to site more quickly and reduces the adversarial nature of tenders and contracts.
- 2.3 At a meeting, held on 13th September 2004, the Contract Scrutiny Panel agreed to the appointment of M.M.P. Construction Ltd. and Gus Robinson Developments Ltd. as partners for this contract in conjunction with the In-House Contractor.
- 2.4 Unfortunately M.M.P Construction went into administration in 2006. At this time the Portfolio Holder was advised (Performance Management Portfolio held 24th July 2006) that in accordance with the terms of the contract once an administrator is appointed the contract is terminated with immediate effect. A replacement third partner was appointed in the form of RI Construction who were fourth in the original evaluation.
- 2.5 The Contract for a 3 year period commenced on 1st November 2004 with an option for a 1 year extension. It was agreed by all parties at the Strategic Partnership Annual Review Meeting held on 30th October 2007 to extend the current contract for a further year.

- 2.6 This contract has worked well to date (see Section 3) and has provided savings, or added value, to most projects undertaken. Clients have also taken advantage of this contract for some projects over the £100,000 threshold where a quick turn-around is required due to unforeseen circumstances. Portfolio Holder permission was obtained in these situations. The fact that partners are in place and prices can be obtained quickly has meant that strict deadlines could be met.

3.0 PERFORMANCE REVIEW

- 3.1 The annual review meeting of the Strategic Partnering Contract was attended by all three of the current contractors, clients and consultants. Performance has been benchmarked against construction industry standards with the following results:-

Overview of performance 2006/2007

- 3.2. The results for this period are for four contractors (In-House Contractor, Gus Robinson Developments Ltd, M.M.P Ltd and R.I. Construction) although all but two of the schemes were carried out by the In-House Contractor and Gus Robinson Developments Ltd, (Due to MMP going into administration).
- 3.3 No of projects completed:
Neighbourhood Services Department - 22
Gus Robinson Development Ltd – 20
R I Construction Ltd – 1
M. M. Plasline Ltd - 1

| | | | |
|------------------------------|------|-------------------|-----|
| Time Predictability | | | |
| Overall Partnership Result | 88% | Industry Standard | 60% |
| Neighbourhood Services | 92% | | |
| Gus Robinson Development Ltd | 83% | | |
| M & M Plasline Ltd | 100% | | |
| R I Construction Ltd | 100% | | |
| Cost Predictability | | | |
| Overall Partnership Result | 77% | Industry Standard | 44% |
| Neighbourhood Services | 64% | | |
| Gus Robinson Development Ltd | 90% | | |
| M & M Plasline Ltd | 100% | | |
| R I Construction Ltd | 100% | | |
| | | | |

| | | | |
|---|-----|---|--|
| Client Satisfaction with Product | | Overall result 9 out of 10 (average) | |
| Neighbourhood Services | 8.1 | | |
| Gus Robinson Development Ltd | 9.3 | | |
| M & M Plasline Ltd | 10 | | |
| R I Construction Ltd | 10 | | |
| | | | |
| Client Satisfaction with Service | | Overall result 8.7 out of 10 (average) | |
| Neighbourhood Services | 8.5 | | |
| Gus Robinson Development Ltd | 8.7 | | |
| M & M Plasline Ltd | 9.3 | | |
| R I Construction Ltd | 10 | | |
| | | | |
| Defects | | Overall result 8.6 out of 10 (where 10 is defect free) | |
| Neighbourhood Services | 9 | | |
| Gus Robinson Development Ltd | 8.2 | | |
| M & M Plasline Ltd | 10 | | |
| R I Construction Ltd | 10 | | |

Value for Money

- 3.4 The terms of the contract allow for periodic market testing to assess value for money. In this respect Catcote Primary School caretakers roof replacement was market tested. This particular scheme had originally been priced through the partnership via the In-House Contractor in the sum of £26,868.56 and it was agreed that this would be a good scheme to market test by obtaining external quotations (the client had perceived the price to be high).
- 3.5 The list included the remaining two partners and two additional external contractors, one who was specifically requested by the client. The in-house team were not included in this process. Their original cost would be the benchmark.
- 3.6 The lowest quotation submitted was only £203.00 lower than the In-house team's original submission and this by one of the partners.
- 3.7 This is a clear indication that the Partnering Contract provides value for money and taking relevant evaluation detail from the Council's procurement guidance into account the In-House Contractor's bid was the best value option for the Council.

4.0 PROPOSALS

- 4.1 There is a need to confirm the extension of the current contract for one year and also to consider the re-tendering of the contract.
- 4.2 The contract re-tender would have the following benefits:-
- 4.3 To maintain the procurement process efficiencies made possible by this contract by reducing the number of tenders and by not having to repeatedly seek Portfolio Holder approval to a partnering approach to projects.
- 4.4 To further promote the early involvement of contractors in design and buildability of projects and give advice on value engineering, alternative suppliers etc.
- 4.5 An improvement in health and safety management by bringing more control to minor works within the Council – including as an example asbestos management procedures.
- 4.6 The consistent procurement of minor works throughout the Council with Procurement & Property Services acting as a focal point for all work. This is in line with good Corporate Asset Management Planning.
- 4.7 The conditions of contract and specification for the re-tendered contract would be brought up to date, in line with the latest recommendations.
- 4.8 The evaluation of Tenders will use a 60:40 Quality: Price ratio as in previous arrangements and the contract will be advertised requesting expressions of interest from contractors.
- 4.9 A Pre-Qualification Questionnaire, References, Presentations and Interviews would account for 60% of the total score with price accounting for 40% of the total score.
- 4.10 The contractors will also be required as part of this process to submit their costs for overheads, and profit to allow a comparison of prices to be made.
- 4.11 Further reports on the contract process will be brought to future portfolio meetings.

5.0 FINANCIAL IMPLICATIONS

- 5.1 All works would be estimated, checked for value for money by Procurement and Property Services and agreed with the client prior to the commencement of the works. All schemes would be within the tender process and subsequent budgets set. Clients and other

stakeholders would be a significant partner in all stages of the project management.

7.0 RECOMMENDATIONS

- i) That the Portfolio Holder notes the results of the performance review and recent market testing exercise.
- ii) That the Portfolio Holder approves the extension of the existing agreement to cover the interim period between 31st October 2007 and the date the new arrangement commences.
- iii) That the Portfolio Holder approves the proposals for retendering using the partnering approach and that minor building works throughout the Council up to a limit of £100,000, be included in this contract.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

11th December 2007



Report of: Head of Procurement and Property Services

Subject: MANAGED PRINT SERVICE

SUMMARY

1.0 PURPOSE OF REPORT

The purpose of this report is to provide an update on the Managed Print Service procurement project

2.0 SUMMARY OF CONTENTS

The reports contains a background to nature of the review together with key findings potential efficiency savings and the timetable for implementation.

3.0 RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder is Procurement Champion.

4.0 TYPE OF DECISION

Non Key

5.0 DECISION MAKING ROUTE

Portfolio Holder

6.0 DECISION(S) REQUIRED

The Portfolio Holder endorses the implementation of the Managed Print Service procurement project.

Report of: Head of Procurement and Property Services

Subject: MANAGED PRINT SERVICE

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the Managed Print Service procurement project

2. BACKGROUND

- 2.1 The Managed Print Service broadly covers the provision and operation of printers and photocopiers used by the Council in its premises. A procurement project had identified that significant savings could be delivered by modernising and rationalising the current imaging environment at the Council. In order to quantify the potential savings the Council approached Northgate Information Systems (NIS) to undertake an investigation with a view to delivering cashable efficiencies with the introduction of a revised Managed Print Service (MPS).
- 2.2 The investigation was felt to be necessary because of a number of reasons, including
- Uncontrolled evolution of print function
 - No centralised management of printing / fax / photocopying
 - No clear procurement policy
 - Limited visibility and control on spend
 - Limited means of measuring usage levels
 - No policy on what should be printed and where
- 2.3 As such the opportunity for efficiencies and service transformation were likely to exist.

3.0 NATURE OF THE REVIEW

- 3.1 The impetus to move towards an MPS is being driven primarily by the Government's efficiency agenda. The Council's key business objectives for this project are to:
- Deliver significant Total Cost of Ownership (TCO) reductions
 - Gain visibility and control of spend to manage down demand
 - Move to a 'One-Stop Shop' through NIS to manage the entire supply chain
 - Optimise the fit of image printing resources to business demand

- 3.2 The investigation provided considerable and detailed insights into the current arrangements and confirmed what both parties strongly suspected namely that there were significant opportunities to reduce costs and increase efficiencies. Specifically:
- The Council has far more image printing capacity than needed and consequently devices are significantly under-utilised and the ratio of devices to users is high
 - There is significantly more capacity to print A3 and colour than business demand requires
 - There are far too many makes and models deployed and many devices are past their useful life
 - Expensive Inkjet technology is deployed unnecessarily
 - Image printing is not treated as a corporate resource to be supported by appropriate efficiency and environmental-driven policies. The Council also lacks visibility of overall image-print related expenditure and both these factors make it difficult to manage costs down.

4. PROPOSED SOLUTION

- 4.1 A detailed set of design criteria has been discussed and agreed. However, the number one design criterion was to optimise efficiencies and TCO reductions and the new Fleet Design is the natural consequence of meeting the agreed criteria.
- 4.2 Following a robust competitive tender exercise between hardware providers Hewlett Packard (HP) was selected on the basis of providing the most advantageous bid determined in relation of:
- TCO
 - Fit to the intended service model
 - Quality of business methodology statements
- 4.3 The tender included the current photocopier supplier and as part of the evaluation termination charges for part of their service were taken into account.

5. IMPLEMENTATION

- 5.1 A Project Definition Workshop (PDW) has been held and a draft implementation plan has resulted. The plan will be finalised, baselined and agreed as soon as practical following formal commencement of the project. The overall implementation plan is expected to take between 12 and 16 weeks within which the roll-out is expected to take between 6 and 8 weeks elapsed time activity. Key aspects are:
- HP devices are certified to print from a huge number of commercially available business applications and these should constitute the great majority of applications used by the Council. Appropriate testing will be undertaken on the non-certified the Council applications.

- The roll-out schedule will take into account business needs and other projects including the Civic Centre Refurbishment.
- There will be a pilot roll-out first at Bryan Hanson House.
- 1 day's classroom based training will be provided for ICT clients so they can then cascade training to nominated the Council 'staff' and provide any additional user training as deemed appropriate by the Council. 'Gather round the machine' basic orientation and device usage training will be provided at the point of installation for users in the vicinity of a device by NIS for the pilot roll-out and the Council thereafter.
- Larger devices will be configured on a remote NIS site to minimise the need for staging areas to be provided on the Council sites prior to final installation.
- A plan for disposal, and where necessary temporary storage of existing assets prior to disposal, will be agreed with the Council
- New MPS support and replenishment arrangements will be set-up. Automated tools will be configured to provide pro-active alerts of consumables and paper run-outs and of paper jams and hardware faults.
- New MPS reporting arrangements will be put in place.

Implementation Schedule

| Action | By whom | By when |
|---------------------------|------------------|--------------------------------------|
| Proposal Submission | NIS | 16 th November✓ |
| Proposal Walkthrough | NIS/HBC | Target by 23 rd November✓ |
| PO and proposal signature | HBC | Target by 27 th November |
| Implementation commences | NIS/HBC/Cetec/HP | Target by 28 th November |
| Service Commencement | NIS/HBC | 1 st February 2008 |

6. THE NEW MANAGED PRINT SERVICE

6.1 The new MPS will encompass:

- Fault resolution excluding only paper changing and simple paper jams
- Supply chain management
- Consumables replenishment and disposal
- Service reporting to the Council
- Changes / Moves (at additional charge)

- A joint review of the service will be undertaken after the first 6 months. For simplicity, the overall service will continue to be governed by the existing Service Level Agreement, though this can be reviewed after the first year. In practice, however, users should experience a step change in service owing to the pro-active nature of the support provided under the new MPS. Experience elsewhere suggests that 75% or more of calls will be generated by the auto-alerting tools as opposed to user calls to the Service Desk and typically users will not even be aware of a problem occurring and being fixed.

6.2 The contract period for the service will be coordinated with the current NIS contract.

7. FUTURE DEVELOPMENT OF MPS

7.1 It is suggested that a 2nd Phase of MPS is scheduled for 2008 to include:

- Review of the Print Unit
- Implementation of MPS into locations not in scope for Phase 1
- Investment in additional software (subject to business case) that can:
 - Support document management policies through rules-based intelligent routing of print jobs to print resources, enhanced security functionality and 'print anywhere' functionality (may be subject to technical limitations)
 - Track who is printing what and where for internal recharging purposes

8. FINANCIAL IMPLICATIONS

8.1

| MPS Figures Excluding Paper | | | |
|--|----------------------|--------------------|-------------------|
| | Current Costs | MPS charges | Difference |
| Hardware | £193,371.00 | £182,932.92 | £10,438.08 |
| Consumables | £164,707.00 | £123,685.60 | £41,021.40 |
| Base Service fee | | -£21,000.00 | £21,000.00 |
| Total Annual Costs | £358,078.00 | £285,618.52 | £72,459.48 |
| Existing Termination Charge (£67,400 split p.a.) | | | £18,380.00 |
| Total Annual Efficiency Saving | | | £90,839.48 |

- The new fleet design is significantly more efficient and cost-effective.
- Brand new devices will remain fit-for-purpose for longer than the remaining life of the base contract.
- The new service represents a step improvement in the user experience.

- The new design provides a platform from which further efficiencies and cost savings can be derived e.g. through rationalisation of fax devices.

8.2 Periodic reconciliation of consumables will be undertaken with any adjustment being made to charges in the following period.

9. RECOMMENDATIONS

9.1 The Portfolio Holder endorses the implementation of the Managed Print Service procurement project.

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

11th December 2007



Report of: Head of Procurement and Property Services

Subject: PROCUREMENT FUNCTION

SUMMARY

1.0 PURPOSE OF REPORT

To note the approach to procurement, the development of the function and the savings both corporately and within services.

To strengthen and secure the funding of the Corporate Procurement Unit.

2.0 SUMMARY OF CONTENTS

The report provides an update on the current position of the Corporate Procurement Unit, its funding, the approach to developing procurement, achieving savings and to recommend building further capacity for the Council to deliver more savings.

3.0 RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is Procurement Champion

4.0 TYPE OF DECISION

Non Key

5.0 DECISION MAKING ROUTE

Portfolio Holder

6.0 DECISION(S) REQUIRED

The Portfolio Holder approves the proposals to strengthen the Council's procurement capacity together with the funding strategy as detailed in the report .

Report of: Head of Procurement and Property Services

Subject: PROCUREMENT FUNCTION

1. PURPOSE OF REPORT

- 1.1 To note the approach to procurement, the development of the function and the savings both corporately and within services.
- 1.2 To strengthen and secure the funding of the Corporate Procurement Unit.

2. BACKGROUND

- 2.1 The Corporate Procurement Unit was established in 2005 as part of the Council's major restructure. The recommendations were based on the need to strengthen the Council's approach to procurement in line with the Byatt Review and the introduction of the National Procurement Strategy. The Gershon review also highlighted the need for better procurement in order to deliver both cashable and non-cashable savings.
- 2.2 The lead for corporate procurement was taken on in a combined role by the Head of Procurement and Property Services thereby reducing the potential for a further chief officer. This was highlighted in the final report agreed by Cabinet on the restructure. It was also highlighted that this arrangement would need to be reviewed.
- 2.3 The unit has both a strategic and operational function. The strategic function includes:
 - Ensuring probity and adherence to contract procedure rules
 - Production and development of a Procurement Strategy and 5 year plan
 - Improve procurement co-ordination and planning
 - Improve procurement skills
 - Oversee devolved purchasing
 - Make the most out of both sub-regional and regional collaboration
 - Formulate and disseminate good practice and advice
 - Working with Finance to develop procurement and financial systems
 - Corporate procurement guidance
- 2.4 The operational function includes:
 - Contracting for corporate spend

- Contracting for service specific spend
- Co-ordinating “collaborative” procurement exercises
- Advice and Guidance
- Provision of procurement training
- Delivering procurement savings as part of the Council’s efficiency strategy

2.5 The Corporate Procurement Unit, with assistance from the North East Centre of Excellence and in collaboration with other Tees Valley Authorities, is now using the information to deliver both better procurement co-ordination and savings.

3. CURRENT SITUATION

3.1 The Corporate Procurement Unit has used spend information to identify where savings could be made at both corporate and service level.

3.2 High spending and non-contract spend has been highlighted and savings could be realised with better co-ordination and communication with officers.

3.3 Stationery savings potential in 2007/8 is £190k (based on basket of goods and 2006/7 usage)

3.4 Furniture savings potential in 2007/8 is £96k (based on basket of goods and 2006/7 usage).

3.5 Other areas being progressed include agency staff, mobile phones, advertising, printing, postal services, transport and managed print services at this time.

3.6 If more time was to be invested on the spend analysis and working with departments there will be a greater opportunity for savings.

3.7 The initial target for procurement savings was set at £0.3m which was further increased by £0.4m for 2007/8 giving an on going target of £0.7m per annum. Action taken to date has achieved an on going rate of savings of some £0.5 million and further action is necessary to increase this rate of savings up to the targeted level. The strategy is making significant progress and is in practice achieving the target that is set but not within the timescale. In addition as new areas are looked at the level of complexity of arrangements is increasing. These indicate a need for additional capacity. To date all savings achieved from this area have been taken to assist in the balancing of the Council's budget and none have been top sliced for investment in the procurement service to enhance capacity.

3.8 The Corporate Procurement Unit staffing has been adapted to begin the process of coordinating procurement across the Council with the minimum of costs via part time roles and shared funding. The need for

additional capacity in strategic and operational procurement has been identified. There is a need to release the Head of Procurement and Property Services to deal with more strategic issues linking procurement to the efficiency agenda and the Council's future "shape".

3.9 The demand on the service is increasing in the following areas:-

- Spend analysis and savings opportunities identification
- Researching and delivering savings to meet targets
- Tendering and contracting (both corporate and service spend)
- Realising Community Benefits through procurement
- Sub-regional and regional procurement collaboration
- Developing and Implementing e-Procurement techniques
- Training officers involved in procurement (an LMDP module is being delivered)
- Supporting procurement activity in schools
- Supporting the Business Process Reengineering processes across the Council
- Supporting the development of the Financial Management System.
- Researching, documenting and distribution of Best Practice & Guidance

3.10 If the full benefits of procurement are to be delivered dedicated staffing and funding are required. This will also result in a unit that could be capable of being transposed into any future structure.

3.11 In addition, as the profile of procurement is raised, service departments are requesting more support, advice and assistance in relation to tendering, contract management and some legal aspects of procurement (interpretation of both EU and UK procurement and contract law). The increased involvement in commissioning (the LINKS project via the DoH is an example). These will also exert further pressures.

3.12 The risk of not achieving savings has been identified in the Council's Strategic Risk Register and to address this risk it is suggested that an additional appointment of a procurement professional could provide capacity to achieve current savings targets. Experience from other local authorities within our region is that procurement teams are under resourced to meet increasing national, regional and local demands.

4. COMPREHENSIVE PERFORMANCE ASSESSMENT JUDGEMENT

4.1 Last years report from the CPA inspection highlighted the need to strengthen procurement capacity and the Council's strategic approach to review of services and delivery of savings.

4.2 The Council's Use of Resources and Value for Money judgements will be influenced by our capacity to deliver on procurement savings and a set of

performance indicators published by the Public Audit Offices will need to be implemented and delivered upon. If the Council is to respond to this judgement then capacity, funding and delivery needs to be addressed.

5. FINANCIAL IMPLICATIONS

- 5.1 On the basis of 3.12 above it is suggested that a fulltime procurement professional is needed to strengthen the capacity of the procurement function and assist the delivery of the current and future savings target. It is estimated that this will cost in the region of £40k per annum including on costs. A pressure of £20k for a part time post has been included in the 2008/9 budget process although this may not receive funding when compared with other Council priorities. This was prepared earlier in the Summer before the emergence of the latest information on the future CPA scheme and when progress was more optimistically assessed. Scrutiny have asked that all alternate funding routes be assessed and this report attempts to address this comments.
- 5.2 In order to meet the ongoing requirements possible funding solutions are:-
- Access some of the savings that are being created by top slicing a percentage of identified savings.
 - Continue with the request for a revised budget pressure of £40k to recognise the importance and capacity issues of procurement and commissioning in the 08/09 budget process.
 - Use of £50k in reserves earmarked for procurement issues to fund the costs for 15 months.
 - Or a combination of the above.
- 5.3 Authorities, generally, have top sliced procurement savings to fund their teams, to create a budgeted resource. These courses of action, however may not be appropriate until we have achieved targeted savings.
- 5.4 Accordingly it would be most appropriate to fund the costs of the additional capacity from the reserve for 15 months with the ongoing costs of £40k in 2009/10 rising to £50k in 2010/11 being funded from topslicing the procurement target for those years. In this way no net cost will fall on the general fund and capacity to generate additional net savings will be obtained for 2009/10 onwards.
- 5.5 This proposal would enable progress to be made at the earliest opportunity. It would also result in the removal of a pressure from the 2008/9 budget process.

6. RECOMMENDATIONS

- 6.1 The Portfolio Holder approves the proposals to strengthen the Council's procurement capacity together with the funding strategy as detailed in the report.

FINANCE AND EFFICIENCY PORTFOLIO

Report to Portfolio Holder

11th December 2007



Report of: Chief Financial Officer, Chief Solicitor and Head of Procurement and Property Services

Subject: **CHIEF EXECUTIVE'S DEPARTMENTAL PLAN 2007/08 – 2ND QUARTER MONITORING REPORT**

SUMMARY

1. PURPOSE OF REPORT

To inform the Portfolio Holder of the progress made against the Chief Executive's Departmental Plan 2007/08 in the second quarter of the year 2007/08.

2. SUMMARY OF CONTENTS

The progress against the actions contained in the Chief Executive's Departmental Plan 2007/08 and the second quarter outturns of key performance indicators.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Member has responsibility for performance management issues in relation to finance, legal services and procurement.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Portfolio Holder meeting 11th December 2007.

6. DECISION REQUIRED

Portfolio Holder is asked to :-

- note the achievement of key actions and second quarter outturns of performance indicators

Report of: Chief Financial Officer, Chief Solicitor and Head of Procurement and Property Services

Subject: CHIEF EXECUTIVE'S DEPARTMENTAL PLAN 2007/08 – 2ND QUARTER MONITORING REPORT

PURPOSE OF REPORT

1. To inform the Portfolio Holder of the progress made against the key actions identified in the Chief Executive's Departmental Plan 2007/08 and the progress of key performance indicators for the period up to 30 September 2007.

BACKGROUND

2. The Performance Management Portfolio Holder agreed the Chief Executive's Departmental Plan in May 2007.
3. The Chief Executives Department is split into four divisions, with Finance and Legal Services reporting to the Finance and Efficiency Portfolio Holder. Issues relating to the Corporate Strategy and Human Resources Divisions are reported separately to the Performance Portfolio Holder. Issues relating to Procurement are included in this report to Performance Portfolio.
4. The Chief Executive's Departmental Plan 2007/08 sets out the key tasks and issues within an Action Plan to show what is to be achieved by the department in the coming year. The plan also describes how the department contributes to the Organisational Development Improvement Priorities as laid out in the 2007/08 Corporate Plan. It provides a framework for managing the competing priorities, communicating the purpose and challenges facing the department and monitoring progress against overall Council aims.
5. The Council recently introduced an electronic Performance Management Database for collecting and analysing corporate performance. In 2007/08 the database will collect performance information detailed in the Corporate Plan and the five Departmental Plans.
6. Each Division has also produced a Divisional Plan, detailing the key tasks and issues facing each division in the coming year. Each plan contains an action plan, detailing how each individual division intends to contribute to the Organisational Development Priorities contained in the Corporate Plan, as well as the key tasks and priorities contained in the Chief Executives Departmental Plan. Divisional Chief Officers will have the lead

responsibility for managing performance of issues and tasks identifies in their divisional plans. Where appropriate, issues can be escalated for consideration by CEMT.

SECOND QUARTER PERFORMANCE

7. This section looks in detail at how the Finance Division, Legal Services Division and the Procurement and Property Services Section within Neighbourhood Services (Procurement issues only) have performed in relation to the key actions and performance indicators that were included in the Chief Executives Departmental Plan 2007/08.
8. On a quarterly basis officers from across the department are asked, via the Performance Management database, to provide an update on progress against every action contained in the Departmental Plan and, where appropriate, every Performance Indicator.
9. Officers are asked to provide a short commentary explaining progress made to date, and asked to traffic light each action based on whether or not the action will be, or has been, completed by the target date set out in the Departmental Plan. The traffic light system is: -

| | |
|-------|---|
| Red | - Action/PI not expected to meet target |
| Amber | - Action/PI expected to be meet target |
| Green | - Action/PI target achieved |

10. Within the Finance and Legal Services Divisions and Procurement and Property Services there were a total of 70 actions and 6 performance indicators identified in the 2007/08 Departmental Plan. Table 1, below, summarises the progress made, to 30 September 2007, towards achieving these actions and PIs.

Table 1 – Finance/Legal Services progress summary

| | Finance | | Legal Services | | Procurement | |
|--------------|---------|-----|----------------|-----|-------------|-----|
| | Actions | PIs | Actions | PIs | Actions | PIs |
| Green | 18 | 1 | 2 | n/a | 1 | n/a |
| Amber | 23 | 4 | 9 | n/a | 9 | n/a |
| Red | 7 | 1 | 0 | n/a | 0 | n/a |
| Annual | 0 | 0 | 1 | n/a | 0 | n/a |
| Total | 48 | 6 | 12 | n/a | 10 | n/a |

11. A total of 21 actions, or 30%, have been completed, and a further 41 (59%) are on target to be completed by the target date. One action is an annual action (1%) and therefore no update is available at this point in time. However, 7 actions (10%) have been highlighted as not being on

target. More information on these actions can be found in the relevant sections below.

12. There were 6 Performance Indicators included in the 2007/08 Departmental Plan and 1 (17%) of these has been completed. A further 4 of these (66%) have been assessed as being on target. However, 1 (17%) has been assessed as not expected to meet target. This is also detailed in the relevant section below.

Finance Division

13. The Plan contained 48 actions that were the responsibility of the Finance Division. 18 actions (37.5%) have been completed, and 23 (47.9%) have been assessed as being on target to be completed by the target date stated in the plan. However, 7 actions (14.6%) have been assessed as not being expected to meet target. Table 2 below details these actions, together with a comment explaining why the deadline has not/will not be met and any appropriate remedial action.

Table2: Finance Actions not completed on target/not on target

| Ref | Action | Date to be Completed | Comment |
|--|--|----------------------|---|
| Objective: Review of Interdepartmental Insurance Charging Framework | | | |
| CED 710 | Analysis of claims history / risks | Sept 07 | Other priorities have overtaken the work required in achieving this objective |
| Objective: Implementation of FMS Phase 3 | | | |
| CED 715 | Evaluate Alternate software arrangements | Dec 07 | Other priorities have superseded this. To review once business case produced for Partnership Board. Proposed to reschedule completion date to December 2007. |
| CED 716 | Determine project plan / proposal for implementation of Phase 3. | Dec 07 | Other priorities have superseded this. To review once business case produced for Partnership Board. Proposed to reschedule completion date to December 2007. |
| Objective: Extend and evaluate homeworking pilot | | | |
| CED 745 | Promote and extend homeworking arrangements | Jun 07 | Homeworking continues to be promoted, however due to delays in the provision of broad band links, our home-worker is not yet in place. These issues have now been resolved - the member of staff should be set up from home in the near future. |
| CED 746 | Report Homeworking pilot evaluation to joint trade union group | May 07 | Job Evaluation continues to be the Unions main focus, although with the exercise nearing conclusion, we hope to be able to take a report to the joint trade unions group before the end of this calendar year. |

| Ref | Action | Date to be Completed | Comment |
|---|---|----------------------|--|
| | | | |
| Objective: Review and further develop integrated Efficiency Strategy | | | |
| CED104 | Centralisation of FMS – Payments arrangements | Jun 07 | Implementation Plan covering key tasks and lead officer responsibilities has been developed. Go live forecast for Jan 08. Delays associated with key amendments to arrangements / procedures and evaluation of the need to upgrade the system. |

14. The plan also contained 6 Performance Indicators that were the responsibility of the Finance Division. 1 indicator has been assessed as not being expected to hit the target, and Table 3 below details this indicator, together with a comment explaining why the indicator has been adjudged to be not on target.

Table3: Finance PIs not on target

| PI | Indicator | Target | Outturn | Comment |
|--------|-------------------------------------|--------|---------|--|
| BVPI 8 | Percentage of invoices paid on time | 92.5 | 85.61 | Performance has marginally improved with procedural changes, direct debit payments and increase central processing improving performance. Further increase in central processing to be introduced from December. |

15. Within the second quarter the Finance Division completed a number of actions, including: -

- Engagement with Credit Union and Banks in relation to the establishment of bank account arrangements for benefit claimants
- The Statement of Internal Control has been produced and submitted to the Audit Commission

Legal Services Division

16. The Plan contained 12 actions that were the responsibility of the Legal Services Division. As at 30 September 2007, 2 (17%) had already been completed, and a further 9 (75%) were on target to be completed by the target date stated in the plan. 1 further action (8%) is an annual indicator and therefore no update is available at this point in time.

17. Within the second quarter the Legal Services Division completed 2 actions, including: -

- Revisions to the Members code of conduct have been approved by the Standards Committee
- The ethical framework provisions have been modified.

Procurement and Property Services

18. The Plan contained 10 actions that were the responsibility of the Procurement and Property Services section within the Neighbourhood Services Department. As at 30 September 2007, one action has been completed (10%) and a total of 9 (90%) have been assessed as being on target to be completed by the due date. There is a concern that the delivery of targeted savings may be delayed due to the capacity of the corporate procurement unit this is reflected in the change in status of the associated strategic risk from amber / green to amber / amber.

19. Within the second quarter of 2007/08 the Procurement and Property Service section have progressed a number of actions including: -

- The review of the Procurement Strategy is progressing, with a draft being considered by Portfolio Holder.
- Procurement guidance is being constantly reviewed and updated and modules have been programmed into the LMDP programme.
- The review of the managed print service

Recommendations

20. It is recommended that Portfolio Holder: -

- notes the achievement of key actions and second quarter outturns of performance indicators

FINANCE & EFFICIENCY PORTFOLIO

Report to Portfolio Holder

11th December 2007



Report of: Chief Financial Officer

Subject: IRRECOVERABLE DEBTS – HOUSING
BENEFIT OVERPAYMENTS

SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To seek the Portfolio Holder's approval to write-out a number of Housing Benefit Overpayments, which are now considered to be irrecoverable.

2.0 SUMMARY OF CONTENTS

- 2.1 The report highlights Housing Benefit Overpayment accounts with outstanding debts of £1000 or more and details the reasons why each debt is deemed to appropriate for write out.

3.0 RELEVANCE TO PORTFOLIO MEMBER

- 3.1 Under the Council's current financial procedures, debts of £1000 or more can only be authorised for write-out by the relevant Portfolio Holder.

4.0 TYPE OF DECISION

- 4.1 The decision is considered to be a non-key decision.

5.0 DECISION MAKING ROUTE

- 5.1 The Finance and Efficiency Portfolio Holder only.

6.0 DECISION(S) REQUIRED

- 6.1 That the Portfolio Holder approves the write-out of the attached Housing Benefit Overpayments for the reasons detailed.

Report of: Chief Financial Officer

Subject: IRRECOVERABLE DEBTS – HOUSING
BENEFITS OVERPAYMENTS

1. PURPOSE OF REPORT

- 1.1 To seek the Portfolio Holder's approval to write-out a number of Housing Benefit Overpayments, which are now considered to be irrecoverable.

2. BACKGROUND

- 2.1 The Council's financial procedure rules provide that any debt due to the Council of £1000 or more can only be written-out with the express permission of the Portfolio Holder.
- 2.2 Overpayments of housing benefit are given the nature of the financial circumstances of claimants often difficult to recover. Where an overpayment has occurred and the individual continues to be in receipt of benefit, a weekly deduction is made from their ongoing benefit entitlement at source. However, for those claimants no longer in receipt of benefit, an invoice is issued for the overpayment and debt recovery protocols are actioned. Recovering such debt can take a number of years which adds to the risk of ultimate non collection.
- 2.3 The Council's performance in terms of recovery of benefit overpayments compares well with other Councils. In 2006/7, the Council collected 53.4% of the total value of Benefit overpayments outstanding that were brought forward from previous years plus the new benefit overpayments that occurred in 2006/7.
- 2.4 Whilst every effort is made to collect benefit overpayment debts, certain debts become irrecoverable, and this report seeks the Portfolio Holder's agreement for their write-out.

3. FINANCIAL IMPLICATIONS

The appendices attached to this report detail the individual Housing Benefit and Council Tax Benefit Overpayment debts over £1000, and the reasons why each debt is considered appropriate for write out. These appendices cover a variety of scenarios, Debtor Absconded, Miscellaneous, Not recoverable under Legislation, Deceased. These appendices contain exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or

business affairs of a particular person (other than the Council)(para 7).

- 3.2 All debts submitted for write-out from the accounting records have been comprehensively scrutinised by my officers. However further monitoring and recovery work will continue where possible and individual debts will be reinstated if payment is eventually received or further developments indicate a debt to later become recoverable.

4. RECOMMENDATIONS

- 4.1 That the Portfolio Holder agrees to write-out debts to the value of £66,359.76 in respect of irrecoverable Housing Benefit Overpayments.