

FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD

27 February 2008

The meeting commenced at 10.00 a.m. in the Owton Manor Community Centre, Hartlepool

Present:

Councillor Robbie Payne (Finance and Efficiency Portfolio Holder)

Officers: Graham Frankland, Head of Procurement and Property Services
Chris Little, Assistant Chief Financial Officer
Mic Bannister, Principal Procurement and Finance Officer
David Dockree, Estates Manager
David Cosgrove, Principal Democratic Services Officer

64. Chief Executive's Departmental Plan 2007/08 – 3rd Quarter Monitoring Report *(Chief Financial Officer, Chief Solicitor and Director of Neighbourhood Services)*

Type of decision

Non-key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

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. 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. The report summarised the progress made, to 31 December 2007, towards achieving these actions and PIs and made commentary where appropriate.

The Portfolio Holder requested further information on why there was a number of performance measures within the Finance Division that were not meeting the agreed targets.

Decision

That the report be noted.

65. Construction Property and Highways Consultancy Services (CPHCS) and Regeneration Consultancy Services (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

To inform the Portfolio Holder on the progress of the procurement of a framework agreement for Construction, Property and Highways Consultancy Services and Regeneration Services and highlighting the current situation with the procurement process and potential collaboration with Tees Valley authorities.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that a variety of options had been considered for delivery of these services with the Cabinet's preferred option being the use of in-house resources wherever possible followed by the use of resources from neighbouring authorities with a framework arrangement with relevant consultants being set up for top-up support and specialist services. Discussions had taken place with Tees Valley Authorities who had identified similar requirements and it was proposed that protocols be set up so that internal resources could be shared. Cleveland Police had also expressed an interest to be involved.

The Head of Procurement and Property Services reported that a recent meeting had been held by many consultants with local bases and larger, national companies. The Portfolio Holder was keen to involve as many locally based companies as possible in providing support to the Council, particularly with the forthcoming Building Schools for the Future projects.

Decision

That the approach being taken towards developing the framework collaborations be endorsed.

66. Licence for Alterations - Land within the Boundary of the Manor Residents' Association Premises, Kilmarnock Road, Hartlepool (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

To obtain approval to the enlargement of the existing premises occupied on Lease.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that in November 2002, Hartlepool Borough Council let the existing land and buildings formerly occupied by the Kilmarnock Road Day Nursery, to the Trustees of the Manor Residents Association. The Lease which ran from the 5th November 2002 was for a term of twenty years. The Association Trustees have submitted plans and details for Planning Consent for a new extension which we are informed has been allocated funding from their resources in the region of £135,000. Planning permission has been applied for in respect of these alterations and Building Regulation Consent would also be required. Details of the financial costs associated with the proposal were set out in the report, which would be met by the Association.

In light of the investment the group was making, the Portfolio Holder asked if they had requested an extension to the lease. It was reported that the group had not at this time but they would have a right of renewal towards the end of the current lease.

Decision

That the granting a licence for alterations, subject to the terms set out in the report, be approved.

67. Procurement Strategy 2007 - 2010 (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

The report provided an update on the progress made on the Council's Procurement Strategy and to sought endorsement of the Procurement Strategy for 2007 – 2010, a draft of which was submitted as an appendix to the report.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that the original Procurement Strategy had been approved in 2005 and was due for a major revision. The strategy is significant in bringing together several national agendas and setting them in a local context. 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

The draft has been consulted upon across the Council via the Corporate Procurement Group.

In response to the Portfolio Holder's questions, the Head of Procurement and Property Services reported that the policy did meet the requirements of national policies. Nationally there was a push towards larger partnerships where the economies of scale could be gained but there was still the need for more localised policies to meet local sustainability and the involvement of the third sector. The Portfolio Holder congratulated officers on the quality of the submitted document.

Decision

1. That the Procurement Strategy for 2007 – 2010 be endorsed.
2. That a further report on the Sustainable Procurement Strategy be submitted to a joint meeting of the Portfolio Holders for Finance and efficiency and Regeneration and Liveability.

68. Proposed Amendments to Contract Procedure Rules (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

To seek Portfolio Holder endorsement of proposed changes to the Contract Procedure Rules and Article 14 of the Constitution, and submission of those changes to the Constitution Working Group and Committee, and subsequently Council for approval and implementation.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that the changes brought about by the Procurement Agenda have already resulted the a revised Procurement Strategy being adopted by the Council, the adoption of an e-Procurement Strategy, the production of the "Selling to the Council Guide" and the review & re-launching of the procurement guidance as the "Officers Guide to Procurement".

The work carried out to formulate these documents also identified the need to carry out an annual review of the Contract Procedure Rules, which form part of the Council's Constitution, in order to reflect the changing procurement environment brought about by the procurement agenda. As the Contract Procedure Rules are "Standing Orders" within the Constitution, the Constitution requires any amendments to be referred to full 'Council' and the Constitution Committee for implementation.

The detailed changes proposed to the Contract Procedure Rules and Article 14 of the Constitution were set out in appendices to the report. It was highlighted that many of the proposed increases to 'thresholds' set out in the

appendices were to allow greater access to local firms to Council contracts or sub contracts in line with the sustainability agenda.

Decision

That the proposed amendments to the Contract Procedure Rules and Article 14 of the constitution be endorsed and forwarded to the Constitution Working Group/Committee for further consideration.

69. Proposed Lease of Premises, Cromwell Street , Hartlepool *(Head of Procurement and Property Services)*

Type of decision

Non-key.

Purpose of report

To obtain Portfolio Holder approval for the Council to take a lease of part a property at Cromwell Street to accommodate the Day Services Team.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that the Day Services team are currently based in the Council owned Warren Road Day Opportunities Centre where they provide support for up to 133 adults with learning disabilities. A recent report by the Commission for Social Care Inspection has identified that “the present base at Warren Road is run down and people found it over crowded in rooms which were too small for activities which were provided. Opportunities for people with high support needs were restricted”. At the same time, a need for an integrated care facility in the north part of town has been identified and it is considered that Warren Road may be more suitable for this purpose. This is to be the subject of a further report.

The Government has recently published a new ‘Valuing People Now’ Plan, which states that people should have more control over their services and facilities should be provided to allow people to do the things they choose during the day, rather than going to Day Centres. This has reinforced the need for Hartlepool Day Services to obtain a stand alone premises where this type of service can be offered. The intention is to offer a facility for carers and service users to ‘drop in’ and talk to people who can give advice and signpost people to relevant services. The property needs to be accessible to people of all abilities, with secure parking, private office facility and changing facilities.

The former Council owned Cromwell Street Depot, which the Council sold in December 2006, is being refurbished to provide several small workshop units. Discussions have been held with the present owner of this property who has stated that he is prepared to refurbish a unit to the standards and accommodation required by the Day Services Team. The financial implications were set out in the confidential 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).

Decision

That approval be granted to the taking a lease of the premises in Cromwell Street as reported, subject to the terms proposed.

70. Variation of Covenant at Owton Manor Social Club to allow the installation of Telecommunications Equipment *(Head of Procurement and Property Services)*

Type of decision

Non-key.

Purpose of report

To obtain Portfolio Holder's consent to proceed with the variation of covenant on Owton Manor Social Club to allow the installation of telecoms equipment on the property.

Issue(s) for consideration by Portfolio Holder

The Head of Procurement and Property Services reported that the Council sold the land shown on the plan attached as Appendix 1 to the report in August 1957 to Owton Manor Social Club & Institute Limited and this was subject to the following restriction: - "Not to use the property hereby conveyed or any building to be constructed thereon for a purpose other than Social Club or Institute".

This covenant clearly restricts the use of the land and should anything other than a Social Club be desired, the Council would need to agree to either a variation or release of this covenant. It is usual for the beneficiary of the covenant (in this case the Council) to require monetary benefit in return for this.

The Council was approached by the agents acting on behalf of the Social Club who were in negotiations with O2 to erect a mobile phone mast on the building. O2 were looking for an alternative location for their phone mast which is currently located on the Access to Learning Centre at Brierton School. O2 had become aware of the proposed closure of the school which would result in this mast requiring relocation.

In anticipation of the school closure, O2 submitted a planning application for the erection of a 6.5 meter tower at Owton Manor Social Club which was refused in October 2007. O2 were informed that the Council did not consider further negotiation possible in light of this refusal; however, the agents acting on behalf of the Social Club have expressed a desire to obtain a decision from Portfolio Holder on this matter.

The Portfolio Holder stated that he would only consider the matter further should an appropriate planning permission be approved.

Decision

That the application for variation of the covenant only be resubmitted in the event that an appropriate planning permission had been received by the applicant.

71. Adult Training Centre, Warren Road, Hartlepool Industrial Estate, Hartlepool (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

To obtain Portfolio Holder approval to a variation in the User Covenant and terms of the existing 99 year lease.

Issue(s) for consideration by Portfolio Holder

On the 19th October 1978 the then English Industrial Estates Corporation granted a 99 year building lease to the then Cleveland County Council for the purposes of the erection of an Adult Training Centre at Warren Road on the Hartlepool Industrial Estate. The original rental was the annual sum of £1250 which was reviewable at twenty year intervals throughout the 99 year term. This lease was transferred to Hartlepool Borough Council at the time of Local Government reorganisation and subsequently the Ground Rent was reviewed in accordance with the Ground Lease in 1998 to the annual sum of £7,400. Since the demise of English Industrial Estates Corporation, the new Landlord in this matter is Landmaster Properties Limited, 115 Craven Park Road, London N15 6BL.

Within the existing Lease there is a restriction on the use to which the premises can be put, namely the industrial training of adults or the business of industrial manufacture and associated storage.

The NHS Trust of the Tees, Esk and Wear Valley propose to integrate a team with Hartlepool Borough Council to be located at Warren Road. The NHS Team under the commission of the Hartlepool PCT would comprise community nursing team personnel from allied health professionals currently based at Hart Lane. This will involve the usage of the premises, to the extent of their occupation, being utilised for office purposes and this raises the question of a prospective change of use within the Lease document.

The proposed terms of this variation to the existing Lease are contained within a Confidential 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). It was indicated that the NHS Trust would be meeting these costs.

The Portfolio Holder questioned how long the NHS Trust proposed to remain within the property. The Head of Procurement and Property Services stated this was not known at this time but would form part of the continuing discussions with the NHS Trust.

Decision

That the provisional terms proposed be approved in principle and that a further report be submitted to the Portfolio Holder once the discussions with the NHS Trust had been concluded.

72. Local Government (Access to Information) (Variation) Order 2006

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 below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 73 “Land At English Martyrs School, Catcote Road and Land at St. John Vianney School, King Oswy Drive” (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Minute 74 “Banking Arrangements Extension” (Para. 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

73. Land At English Martyrs School, Catcote Road and Land at St. John Vianney School, King Oswy Drive
(Head of Procurement and Property Services)

Type of decision

Non-key.

Purpose of report

To propose rectification of a title anomaly at English Martyrs School, Catcote Road and to provide an update on the issue of a Children’s Centre built on Diocesan land at St. John Vianney School.

Issue(s) for consideration by Portfolio Holder

Details are set out in the exempt section of the decision record.

Decision

Details are set out in the exempt section of the decision record.

74. Banking Arrangements Extension *(Chief Financial Officer)*

Type of decision

Non-key.

Purpose of report

To consider a proposal for extending the existing contract for Banking Services.

Issue(s) for consideration by Portfolio Holder

Details are set out in the exempt section of the decision record.

Decision

Details are set out in the exempt section of the decision record.

J A BROWN

CHIEF SOLICITOR

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