

FINANCE AND EFFICIENCY PORTFOLIO

DECISION SCHEDULE



Friday 18th April 2008

at 10.00 am

in Committee Room A,
Civic Centre, Hartlepool

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 Five Year Procurement Plan – *Head of Procurement and Property Services*
- 2.2 Asset Management Programme 2008/2009 – *Head of Procurement and Property Services*
- 2.3 Proposed Lease of Unit 3B, Cromwell Street Business Park, Cromwell Street – *Head of Procurement and Property Services*
- 2.4 Tender of the Council's Cash In Transit Contract – *Chief Financial Officer*

3. **ITEMS FOR INFORMATION**

- 3.1 Procurement Update and Actions – *Head of Procurement and Property Services*

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

No items

5. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

6. **KEY DECISION**

No items

7. **OTHER ITEMS REQUIRING DECISION**

7.1 Briarfields Update – *Head of Procurement and Property Services* (Para 3)

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

18th April 2008



Report of: Head of Procurement and Property Services

Subject FIVE YEAR PROCUREMENT PLAN

SUMMARY

1. PURPOSE OF REPORT

To seek Portfolio approval to the Council's updated 5 Year Procurement Plan.

2. SUMMARY OF CONTENTS

The report outlines the background to the requirement of a 5 Year Procurement Plan and highlights some of the key procurement exercises over the next 5 years.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is Procurement Champion.

4. TYPE OF DECISION

Non key.

5. DECISION MAKING ROUTE

Portfolio Holder Only.

6. DECISION(S) REQUIRED

That the Portfolio Holder approves the updated 5 Year Procurement Plan.

Report of: Head of Procurement and Property Services

Subject 5 YEAR PROCUREMENT PLAN

1. PURPOSE OF REPORT

- 1.1 To seek Portfolio approval to the Council's updated 5 Year Procurement Plan.

2. BACKGROUND

- 2.1 To provide focus for the potential developments and benefits attributable to reviewed procurement practices and outcomes the Council has in place a 5 Year Procurement Plan which provides the basis for a prioritised plan of action which can be communicated to all interested and relevant parties.

- 2.2 The current plan was approved by the Portfolio Holder at the meeting held on 27th November 2006.

- 2.3 The plan is set in the context of the environment within which the Council operates and the pressures which it is required to respond to.

2.4 National and Local Picture

The National Procurement Strategy underlines the need for all local authorities to raise the profile of procurement as a strategic tool and to demonstrate both political and officer leadership. It aims to illustrate how to use innovative ways to procure, work in partnership with others and manage services that will better achieve community plan objectives, deliver consistently high quality services, provide savings, build social cohesion, be sustainable, support delivery of e-Government and enable councils to manage and assess risks.

Locally, procurement is affected by the strategic aims and objectives set out in the Corporate (Best Value Performance) Plan, and with the other corporate and service based strategies and plans that form elements of the Council's strategic framework, such as the Community Strategy, the Economic Development Strategy, the Local Sustainable Development Strategy and the Implementing Electronic Government Strategy.

2.5 Procurement Strategy

The Council's Procurement Strategy, revised in 2008, aims to assist the Council in meeting its objectives, assist the Hartlepool Partnership in the implementation of the Community Strategy, assist in securing continuous improvement and the delivery and realisation of efficiencies, help ensure value for money and economic service provision, ensure efficient and transparent procurement processes, ensure probity, openness and accountability in procurement processes and contribute to efficiency targets.

2.6 Links to Efficiency Strategy

The Council aims to improve the efficiency and effectiveness of procurement activity by standardising procedures and implementing Procurement systems. The 5 Year Procurement Plan will be a key contributor to the Council's Efficiency Strategy.

2.7 Business Transformation Programme

Procurement will play a key role as the Council's programme progresses.

3. **CONSIDERATIONS**

3.1 The revised Plan set out in **Appendix 1** is a flexible document which can be adapted as the Council considers and develops its methods of service delivery, critically challenges existing areas of expenditure and improves planning and purchasing decisions.

3.2 The Plan acts as a strategic tool to bring together the significant procurement activity of the Council linking with elements of the Council's strategic framework such as:-

- Community Strategy
- Economic Development Strategy
- Sustainable Development Strategy
- Implementing Electronic Government Strategy
- Efficiency Strategy
- Procurement Strategy
- Children and Young Peoples Plan (e.g linking with Building Schools for the Future)

3.3 The Plan is required to be delivered in a collaborative way through cross department and cross organisational working. The Council is actively involved regionally with the NECE (North East Centre of Excellence) and NEPO (North East Purchasing Organisation) sub regionally with joint procurement exercises in the Tees Valley and locally with SMEs (Small and Medium Sized Enterprises) and the VCS (Voluntary Community Sector).

4. **CONCLUSIONS**

4.1 Most of the Council's procurement activities take place within the Departments and the 5 Year Procurement Plan has been through a range of consultations via the Corporate Procurement Group, Corporate Management Team and Departmental Management Teams to provide a position statement and action plan. However, the document will evolve over time as procurement exercises develop.

5. **RECOMMENDATIONS**

5.1 That the Portfolio Holder approves the updated 5 Year Procurement Plan.

HARTLEPOOL BOROUGH COUNCIL

5 YEAR PROCUREMENT PLAN



Revised March 2008

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
Procurement Strategy				
<ul style="list-style-type: none"> • Review Corporate Procurement Strategy 	Corporate	Renewed annually in March	G Frankland	To be approved by Portfolio Holder
<ul style="list-style-type: none"> • Procurement Guide for Staff 	Corporate	Continually updated	M Bannister	On Intranet
<ul style="list-style-type: none"> • Sustainable Procurement Strategy 	Corporate	First draft completed by April 2008. Annually thereafter	M Bannister	First Draft to be approved by Joint Portfolio Holders for Finance and Efficiency and Regeneration and Liveability
<ul style="list-style-type: none"> • 5 Year Procurement Plan 	Corporate	Reviewed annually in March	G Frankland	
Member Involvement				
<ul style="list-style-type: none"> • Procurement and Sustainable Procurement Champion 	Corporate	n/a	Cllr R Payne	Cllr R Payne, Finance and Efficiency Portfolio Holder
<ul style="list-style-type: none"> • Procurement Update 	Corporate	Quarterly	G Frankland	To be approved by Portfolio Holder
<ul style="list-style-type: none"> • Review of Corporate Procurement Strategy 	Corporate	Annually	G Frankland	By Portfolio Holder
<ul style="list-style-type: none"> • Review Sustainable Procurement Strategy 	Corporate	Annually	G Frankland	By Portfolio Holder

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<ul style="list-style-type: none"> NEPO participation 	Corporate	Meetings 6 monthly and Contract decision making	G Frankland	Councillors L Sutheran, P Jackson and J Marshall are the Council's representatives
Staff				
<ul style="list-style-type: none"> Identification and delivery of Training 	Corporate	Part of annual appraisal	G Frankland	Build skills of key corporate purchasing officers
<ul style="list-style-type: none"> Review purchasing / procurement methodology 	Corporate	April 2008 onwards	G Frankland / K Shears	Link with FMS and Business Transformation Programme (e.g. Financial Administration Project)
<ul style="list-style-type: none"> Training on FMS 	Corporate	April 2008 onwards	K Shears	Training via Finance Officers Group
<ul style="list-style-type: none"> Link with HBC Leadership Management Development Programme (LMDP) 	Corporate	Ongoing	G Frankland	Procurement module on LMDP Phase 2 in place and being delivered
E Procurement				
<ul style="list-style-type: none"> Review E procurement business case 	Corporate	May 2008	M Ward / G Frankland	
<ul style="list-style-type: none"> Procurement cards 	Corporate / Departmental	April 2008 onwards	K Shears / Department Reps	Expansion of use (particularly food procurement)
<ul style="list-style-type: none"> E Recruitment 	Chief Execs / Corporate	August 2008	J Machers	Deliver North East Collaborative Project
<ul style="list-style-type: none"> E tendering 	Corporate	July 2008	U Larkin	Commence first phase Via NEPO Portal

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<u>Project and Programme Management Framework</u>				
<ul style="list-style-type: none"> Implement Framework in all relevant procurements 	Corporate / Departmental	April 2008 onwards	G Frankland / A Atkin	Project management arrangements promoted
<ul style="list-style-type: none"> Undertake Gateway Reviews within relevant procurements 	Corporate / Departmental	April 2008 onwards	G Frankland / A Atkin	Gates 0 and 1 completed on Construction Professional Services Procurement Gate 0 completed on ICT contract
<u>Collaboration</u>				
<ul style="list-style-type: none"> Link with RIEP activity via "concordat" including workstream involvement 	Corporate	Ongoing	G Frankland	Including Departmental Reps. Potential funding and development opportunities
<ul style="list-style-type: none"> Continually review consortium arrangements e.g. NEPO, YPO 	Corporate	Ongoing	K Burke	Including Departmental Reps Engage in collaborative contracts
<ul style="list-style-type: none"> Develop Tees Valley sub regional work 	Corporate	Ongoing	G Frankland	Joint and lead procurement development
<u>Contract Procedure Rules</u>				
<ul style="list-style-type: none"> Review existing rules 	Corporate	February 2008 – and annually	M Barnister	Endorsed by Portfolio Holder
<ul style="list-style-type: none"> Recommend amendments 	Corporate	March 2008 – and annually	M Barnister	Constitution Committee
<ul style="list-style-type: none"> Implement new rules 	Corporate	April 2008 – and annually	M Barnister	Council approval
<u>North East Purchasing Organisation</u>				
<ul style="list-style-type: none"> Review all contracts and renewal dates 	Corporate	April 2008 and annually	K Burke/CPG Department Representatives	Review procedure in place

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<ul style="list-style-type: none"> Contribute to NEPO Strategy with other Local Authorities 	Corporate	Ongoing	K Burke	Consider HBC and sub regional requirements
<u>Corporate Services</u>				
<ul style="list-style-type: none"> Review all corporate contracts and renewal dates including Tees Valley collaboration potential 	Corporate	Ongoing	K Burke	Include goods / services not currently on contract. Consider aggregation and collaboration
<ul style="list-style-type: none"> Implement procurement processes as required 	Corporate	Ongoing	K Burke	Renew / retender / new contracts
<ul style="list-style-type: none"> Procure and implement new Performance Management Database 	Corporate	April 2008	D Hunt	
<ul style="list-style-type: none"> Managed Print Services 	Corporate	Phase 1 April 2008 Phase 2 October 2009	C Armstrong / K Burke / J Bulman	Review internal print unit 2 nd Phase MPS Consider printing framework contract
<ul style="list-style-type: none"> Procure and implement new Performance Management Database 	Corporate	April 2008	D Hunt	
<ul style="list-style-type: none"> Procurement consultants for Business Transformation Programme 	Corporate	May 2008	A Atkin	
<ul style="list-style-type: none"> Review postal arrangements (efficiency / procurement) 	Corporate / Departmental	From April 2008	C Armstrong / K Burke	Introduce efficiencies April 2008 Consider procurement of services October 2008

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
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Suppliers

• Selling to the Council Guide	Corporate	Continually updated	M Bannister	Council website
• Meet the buyer events	Corporate/Regeneration & Planning	Ongoing	M Bannister/ M Emerson	Arrange and attend "Meet the Buyer" events HBC Next event June 2008. Specific events for Tall Ships and BSF to be arranged
• E procurement development	Corporate	Ongoing	M Emerson	SME Training opportunities via Economic Development and Business Link
• Link Suppliers to NEPO Contract arrangements	Corporate	Ongoing	M Emerson / K Burke	As NEPO contracts reviewed

Back Office / Transactional Services

• Procurement of various administrative financial and ICT systems and services to assist BPR and efficiency agenda	Chief Execs	April 2008 onwards	A Atkin / M Ward/ J Machers/G Frankland	Engage resource to deliver BPR e.g. EDRMS, CRM
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Legal Services

• Re-new collaborative arrangement with Private Sector provider	Legal	January 2010	P Devlin	Darlington lead buyer for specialist services and top up support across TV Authorities
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ICT Partnership

• Review and Renew arrangements	Chief Execs	April 2006/2010	A Atkin	ICT Partnership with Northgate in Year 5 of 10 year agreement
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5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
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Schools Transformation

<ul style="list-style-type: none"> Submit BSF Strategy for Change Part 2 	Children's Services	May 2008	P Briggs	To Cabinet end April 2008
<ul style="list-style-type: none"> Submit BSF Outline Business Case (OBC) 	Children's Services	October 2008	P Briggs	Drafting commences May 2008
<ul style="list-style-type: none"> Publish OJEU for BSF ICT Managed Service Partner 	Children's Services	January 2009	P Briggs	Dependant on approval of OBC
<ul style="list-style-type: none"> Publish Invitation to Tender (ITT) for D&B Construction Partner 	Children's Services	August 2009	P Briggs	Using F&S Academies Framework (6 national companies)
<ul style="list-style-type: none"> Select ICT Managed Service Partner and commence Managed Service 		December 2009		Managed Service to begin at St Hild's and CLC
<ul style="list-style-type: none"> Achieve Financial Close 	Children's Services	May 2010	P Briggs	Date currently identified in Project Plan
<ul style="list-style-type: none"> Commence Works 	Children's Services	June 2010	P Briggs	Immediate start following financial close
<ul style="list-style-type: none"> Complete Works 	Children's Services	August 2012	P Briggs	Assumes 24 months for construction of a new 8fe secondary school
<ul style="list-style-type: none"> Submit Primary Strategy for Change (PSfC) 	Children's Services	June 2008	P Briggs	Drafting Commences April 2008
<ul style="list-style-type: none"> PSfC approved – 1st phase projects planned – CAPEX value £8.4m 	Children's Services	October 2008	P Briggs	Identification of projects subject to outcomes of Stage 2 consultation
<ul style="list-style-type: none"> First phase projects commence 	Children's Services	April 2009	P Briggs	Finance available to begin on site, subject to procurement
<ul style="list-style-type: none"> First phase projects complete 	Children's Services	September 2010	P Briggs	Assumes maximum 15 months for new build

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
				primary
<ul style="list-style-type: none"> Second phase projects planned 	Children's Services	September 2010	P Briggs	Subject to outcomes of next CSR and announcement on available finance
<ul style="list-style-type: none"> Second phase projects commence 	Children's Services	April 2011	P Briggs	Subject to finance available to start on site
<ul style="list-style-type: none"> Second phase projects complete 	Children's Services	September 2012	P Briggs	Assumes maximum 15 months for new build primary
<ul style="list-style-type: none"> Provider Partners for the provision of Independent foster placements 	Children's Services	June 08	T Maley	
<u>Education and Social Services Transport</u>				
<ul style="list-style-type: none"> Integrate current transport arrangements in order to establish an Integrated Passenger Transport Service 	Corporate / Children's Services / Adult & Community Services	September 2008	P Robson	Establish an Integrated Transport Steering and Sub Group in order to manage the change process
<ul style="list-style-type: none"> Establish a Central Procurement Fleet Timetable within the Tees Valley, in order to progress further collaboration with Local Authorities 	Corporate / Children's Services / Adult & Community Services	September 2009	P Robson	Review the current structure of the Tees Valley Fleet Partnership in order to include specialist groups
<ul style="list-style-type: none"> Establish Phase 2 of the Fleet Tender Process to include all client groups within Hartlepool 	Corporate / Children's Services / Adult &	April 2008 – September 2009	P Robson	

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
	Community Services			
<ul style="list-style-type: none"> Establish further procurement programmes to support the In Control Agenda 	Adult & Community Services	September 2009	P Robson	
<u>Construction, Property and Highways Framework</u>				
<ul style="list-style-type: none"> Procure frameworks 	NSD	March 09	D Reynolds	Tees Valley Collaborative Project
<u>Vehicles</u>				
<ul style="list-style-type: none"> Develop further opportunities for joint purchasing / working with the Tees Valley Authorities 	NSD	September 2009	A Smith/ P Robson	
<ul style="list-style-type: none"> Implement the proposal of the JSU in order to support joint working processes 	NSD	2008/9	A Smith/ P Robson	
<u>Energy</u>				
<ul style="list-style-type: none"> Review existing arrangements with NEPO 	NSD	Ongoing	K Lucas	Flexible purchasing agreement in place
<ul style="list-style-type: none"> Procure and implement automatic meter reading via NEPO 	NSD	Phase 1 July 2008	K Lucas	
<u>Book Purchasing</u>				
<ul style="list-style-type: none"> Continued review and implementation of arrangements in collaboration with other LA's 	Adult & Community Services	2008-2010	J Mennear	To further collaborate with NECE on procurement exercise of book stocks which seeks to develop further efficiencies

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<u>Housing Market Renewal Programme</u>				
<ul style="list-style-type: none"> Implement development scheme 	Regeneration and Planning	2008-2011	N Johnson	In conjunction with partners agree a 3 yr programme of acquisitions to assemble various sites
<ul style="list-style-type: none"> Procure developer 	Regeneration and Planning	Spring 2008 to late 2009	N Johnson	Working with key partners to secure options for individual sites which are cost & time efficient in terms of procurement & deliver to maximize all opportunities for government funding
<ul style="list-style-type: none"> CPO Process / Inquiry and specialist Legal Advisors 	Regeneration and Planning / Chief Execs	2009 - 11	N Johnson / P Devlin	
<ul style="list-style-type: none"> Draft Heads of Terms/Devt Agreement 	Regeneration & Planning / Neighbourhood Services	Mid 2010	N Johnson / E Dixon	In conjunction with funding and local partners seeking to maximize opportunities linked to redevelopment
<u>H₂O Centre</u>				
<i>Provisional</i>				
<ul style="list-style-type: none"> Complete feasibility study Option Appraisal Strategy for Mill House Site 	Adult & Community Services / Regeneration & Planning	2006/2008	J Mennear / G Thompson	Feasibility study completed Nov 2005; Approved by Cabinet as basis for wider programme of public consultation in 2006. Indoor Sports Facility Strategy has now also been completed, this has been approved by Cabinet

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
				Oct 2007 and widely consulted upon including via the PE & Sports Stakeholder Group for BSF and Schools Transformation with recommendations included within SfC part2 April 08 Mill House site included in GENECON consultants Town Centre Strategy work
<ul style="list-style-type: none"> Implement a procurement process 	Adult & Community Services / Regeneration & Planning	2008/2013	J Mennear / G Thompson	In conjunction with TVR and PD Ports in terms of land assembly. Determine a procurement route inc grant bids, explore private sector partners
<ul style="list-style-type: none"> Deliver project 	Adult & Community Services / Regeneration & Planning	April 2013	J Mennear / G Thompson	Secure major public led sporting infrastructure development as part of Victoria Harbour devt
<u>Tall Ships Festival</u>				
<ul style="list-style-type: none"> Procurements in delivery of Tall Ships Festival 	Adult & Community services & Partners	Ongoing to August 2010	J Mennear & S Green	Workstream planning in progress, including pre race planning research with STI (Sail Training International)

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<u>Seaton Carew – Fairground/Development Site</u>				
<ul style="list-style-type: none"> Revise Planning brief and prepare marketing details 	Regeneration and Planning/ NSD	2009/10	D Gouldburn/E Dixon	
<ul style="list-style-type: none"> Investigate Funding options 	Regeneration and Planning/ NSD	2009/10	D Gouldburn/E Dixon	
<ul style="list-style-type: none"> Procure Developer 	Regeneration and Planning/ NSD	2011/12	D Gouldburn/E Dixon	
<u>Seaton Carew – Community/Housing Site</u>				
<ul style="list-style-type: none"> Prepare development briefs for potential sites and carry out public consultation 	Regeneration and Planning	Mid 2008	D Gouldburn	
<ul style="list-style-type: none"> Prepare marketing/ development details 	Regeneration and Planning/ NSD	Mid 2008	S Green/ E Dixon	
<ul style="list-style-type: none"> Procure developer 	Regeneration and Planning/ NSD	late 2008	S Green/ E Dixon	
<u>Central Area Development Framework</u>				
<ul style="list-style-type: none"> Complete development / implementation plan 	Regeneration and Planning	May 2008	R Smith	Single Programme funded study to identify development/ regeneration options within central area

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<ul style="list-style-type: none"> Prioritise schemes and prepare year 1 funding bids 	Regeneration and Planning	Apr-Dec 2008	R Smith	
<ul style="list-style-type: none"> Procure and implement schemes 	Regeneration and Planning	2008-2013	R Smith	
<u>Southern Business Zone</u>				
<ul style="list-style-type: none"> Complete development / implementation plan 	Regeneration and Planning	May 2008	A Steinberg	Single Programme funded study to identify development/ regeneration options for the SBZ
<ul style="list-style-type: none"> Prioritise schemes and prepare year 1 funding bids 	Regeneration and Planning	Apr-Dec 2008	A Steinberg	
<ul style="list-style-type: none"> Procure and implement schemes 	Regeneration and Planning	2008-2013	A Steinberg	
<u>Oakesway Development Options Feasibility Study</u>				
<ul style="list-style-type: none"> Procure study in association with land owners 	Regeneration and Planning	Mid 2008	A Steinberg	
<ul style="list-style-type: none"> Discuss development options with land owners and funders 	Regeneration and Planning	Early 2009	A Steinberg	
<ul style="list-style-type: none"> Support implementation plans 	Regeneration and Planning	2009 onwards	A Steinberg	
<u>Affordable Housing Sites</u>				
<ul style="list-style-type: none"> Identify potential sites 	Regeneration and Planning/ NSD	Early 2008	D Gouldburn	

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<ul style="list-style-type: none"> Consult and seek council / cabinet approval 	Regeneration and Planning/ NSD	October 2008	D Gouldburn	
<ul style="list-style-type: none"> Procurement process 	Regeneration and Planning/ NSD	2008 onwards	D Gouldburn	
Fish Restaurant				<i>Provisional</i>
<ul style="list-style-type: none"> Procurement process for developer 	Regeneration and Planning	2012 onwards	S Green	Procurement and timing of this development is to be pursued with Tees Valley Regeneration and PD Ports in the context of Victoria Harbour's overall development, with development of the fish restaurant and associated retail/residential development by private sector unlikely before 2008
<ul style="list-style-type: none"> Agree development proposals with developer 	Regeneration and Planning	2012 onwards	S Green	
<ul style="list-style-type: none"> Complete works 	Regeneration and Planning	2012 onwards	S Green	

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
<u>Supporting People</u>				
<ul style="list-style-type: none"> Procure short term SP eligible support services as agreed by Commissioning Body 	Departmental/ Supporting People Programme Governance	September 2008	Pam Twells	Portfolio Holder approved process for seeking expressions interest from specialist providers
<ul style="list-style-type: none"> Procure SP services as agreed by SP Commissioning Body and identified as High priority in 5 year SP Strategy 	Departmental/ Supporting People Programme Governance	December 2008	Pam Twells	Liaise with Planning and Housing to ensure joint approach in agreeing priorities
<ul style="list-style-type: none"> Agree Floating Supporting Services for people with learning disabilities 	Departmental/ Supporting People Programme Governance	September 2008	Pam Twells	Liaise with Commissioning and LD Teams and RSL to progress around new development for shared ownership scheme
<ul style="list-style-type: none"> Ensure HIA service established with HBC 	Departmental/ Supporting People Programme/Regeneration and Planning	April 2008	Pam Twells	Interim arrangements for HIA services to be established as agreed by Cabinet
<u>Strategic Partnership for Maintenance and Minor Works</u>				
<ul style="list-style-type: none"> Review and Renew Contract 	Neighbourhood Services	March 2009	A Williams / C Bolton	
<u>Leisure Trust</u>				
<ul style="list-style-type: none"> Examination of potential 	Adult and Community	2006/12	J Mennear	In conjunction with H ₂ O Centre Development

5 YEAR PROCUREMENT PLAN (update March 2008)

Activity	Type Of Activity - Corporate / Departmental	Timescale	Lead Officer (s)	Comments
	Services			feasibility work
<u>Environment and Waste Management Services</u>				
• Weed Control	Neighbourhood Services	April 2008	Denise Ogden	piggy back Redcars contract
• Household Waste Recycling Centre	Neighbourhood Services	December 2008	Denise Ogden	book to extend existing by 6 months and procure in partnership with Redcar
• Bring Recycling Centres	Neighbourhood Services	August 2008	Denise Ogden	will be procured this year for the 5 Tees Valley authorities - JSU leading officer Ken Sherwood
• Dog Wardens Service	Neighbourhood Services	August 2008	Denise Ogden	
• Abandoned and untaxed vehicles	Neighbourhood Services	August 2008	Denise Ogden	possible 3rd sector involvement

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

18 April 2008



Report of: Head of Procurement and Property Services

Subject ASSET MANAGEMENT PROGRAMME
2008/2009

SUMMARY

1. PURPOSE OF REPORT

To provide a position statement on the management of the Council's land and property assets, to outline plans for 2008/09 and to seek approval to the proposed property maintenance and access improvements programmes for 2008/09.

2. SUMMARY OF CONTENTS

Progress to date on key topics and developments. Details of proposals for Corporate Planned Maintenance and Access Works for 2008/09.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Non-Key.

5. DECISION MAKING ROUTE

Performance Management Portfolio Holder.

6. DECISION(S) REQUIRED

That the Portfolio Holder:-

6.1 Notes the progress being made on the delivery of Asset Management Plan including the approach to Property Performance Indicators.

- 6.2 Notes the Planned Maintenance Programme (Capital and Revenue)
- 6.3 Notes the continued approach to the removal of Barriers to Access at Buildings Open to the Public.
- 6.4 Authorises the Head of Procurement and Property Services to apply flexibility in the order and value and proportions of works executed to ensure maximised benefits from the budgets available with minimised service disruption.
- 6.5 Receives reports for approval on any major departures from the programme that may be required.

Report of: Head of Procurement and Property Services

Subject: ASSET MANAGEMENT PROGRAMME
2008/2009

1. PURPOSE OF REPORT

- 1.1 To provide a position statement on the management of the Council's land and property assets, to outline plans for 2008/09 and to seek approval to the proposed property maintenance and access improvements programmes for 2008/09.

2. BACKGROUND

- 2.1 The 2008 to 2011 Capital Strategy and Asset Management Plan was considered and endorsed by Cabinet on 31 March 2008.

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

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

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

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

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

- Better public services through better assets – the right assets in the right place can make the difference.
- Sustainable Communities – the contribution of land and property to regeneration.
- Property and investment planning is a key part of the Council's overall budget framework – contributing to the efficiency strategy and effective use of resources.

- Sharing public sector property assets – in the future integration and alignment of services.

2.3 **Strategic Capital Resource and Asset Programme Team**

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

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

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

2.4 **Corporate Asset Management Group**

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

The remit of the Group will include:

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

2.5 **Departmental Service Asset Management Plans**

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

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

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

2.6 **Performance Measures**

Through effective performance management within the Asset

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

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

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

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

National indicators have been collected in accordance with the National Property Performance Management Initiative (NaPPMI) and all indicators are capable of comparison on a national basis through membership of the Institute of Public Finance (IPF). New indicators published by the Public Audit Offices will be developed over 2008/09.

National Indicators

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

Local Indicators

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

2.7 **Accessibility**

Best Value Performance Indicator 156 (National Indicator)

Best Value Performance Indicator 156 has been the measure of accessibility (measures the percentage of buildings open to the public classified as being accessible). The indicator will not be one of the new "198 National Indicators", but accessibility will continue to be measured via one of the new Public Audit Office Indicators.

2007/08 saw the completion of a further phase of this programme combined with works to remove the shortcomings at identified buildings.

In addition Capital Funding has been secured to undertake major improvements to the Disabled Toilet provision and the concourse ramp at the Civic Centre.

The Council's percentage of buildings being classified as fully accessible using this indicator is currently assessed as 30%, however a number of properties are awaiting resurvey following improvement

works and should the pass as anticipated there is a reasonable expectation of being able to reach 46% within another 2 years if the current levels of investment and improvement are continued.

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

Compliance with this indicator requires certification in accordance with Approved Document Part M of the Building Regulations 1991. The majority of the Council's building stock was constructed before that time and is not easily or economically altered retrospectively.

2.8 Barriers to Building Access Removal Programme

This programme has been on going since 2001 and up until 2007/08 a budget totalling £350,000 has been provided and properties across the portfolio have benefited from schemes including the provision of level access and accessible toilets.

In 2007/08 works were completed at

- Jutland Road Community Centre
- Lynn Street Vehicle Testing Centre
- Burbank community Centre
- Headland Branch Library
- Civic Centre (automation of internal doors)

The Council's Medium Term financial Strategy 2008/09 to 2010/11 confirmed that an annual allowance of £50,000 would be available for the next 3 years.

The proposed programme of works for **2008/09** is as follows:-

Property	Scheme	Budget
Greatham Community Centre	Unisex disabled toilet	£20,000
Mill house Leisure Centre	External main entrance doors.	£ 5,000
Various buildings	Induction loops	£15,000
Hartlepool Maritime Experience	Improvements to entrance way	£ 5,000
Civic Centre	North Entrance Doors	£ 5,000

It is proposed that the following schemes are considered for inclusion in years 2009/10 and 2010/11

- Lynn Street Depot
 - Various Community Centres
 - Various Community Buildings
- Ramp and entrance doors
Induction Loops
Disabled Parking Bays

- | | |
|-------------------------------|---|
| • Various Community Buildings | Pavings/dropped kerbs |
| • Drugs Rehabilitation Centre | Minor shortcomings |
| • Brinkburn Sports Hall | Accessible Changing Facility |
| • Aneurin Bevan House | New Entrance Doors |
| • Leadbitter Buildings | External works, main entrance, internal corridors |

Schemes will need to be considered in more detail with respect to the Council's future Accommodation Strategy at the appropriate times. It is hoped that Service Departments may offer to contribute to the funding of some of these works and therefore there will need to be some flexibility in the proposed expenditure on individual schemes and the ability to move from year to year to suit Service Department requirements so that front line services are not disrupted.

The schemes are scheduled in order of increasing expenditure and that even with some Service Department contributions; it is unlikely that it will be possible to complete all works from within the budget available. However a noticeable difference will be made to access to building open to the public and the BVPI 156 performance will be improved.

The programme for the Removal of Major Barriers has been prioritised using a number of factors:-

- Disability Equality
- Disability Rights Commission Survey
- Access Audits
- Suitability Surveys
- Characteristics of site

From existing data the Council has identified the following to be the areas of highest priority:-

- Stepped main access to buildings
- Lack of accessible toilets
- Uneven internal levels
- Provision of lift access to first floor
- Provision of aids to communication (i.e. Induction Loop Systems)
- Internal corridors/doors

The Council conducted a Viewpoint 1000 survey in April 2000 upon Access for the Disabled in which the views of both disabled and able-bodied people on access to public buildings used by the general public were sought. The results indicated that the buildings where the respondents felt that access could be most improved were:-

- Civic Centre
- Local Housing Offices
- Central Library
- Municipal Buildings
- Borough Buildings
- Mill House Leisure Centre

The survey also indicated that the most improvement to make access for the disabled easier could be made at :

Council Offices
Leisure facilities
Tourist Attractions
Libraries.

Representatives of Hartlepool Access Group indicated that priority should be given, in the first instance to buildings that the public had no option but to attend to obtain services. These factors inform the prioritisation process. A close working relationship has been made with the Hartlepool Access Group through the Council's Access Officer and attendance at meetings of the Hartlepool Access Forum, which the Access Officer chairs.

2.9 Property Condition. Backlog and Required Maintenance

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

For all corporate property excluding schools this is now assessed at £7,206,000, based upon what is required to bring property condition up to a reasonable standard and to maintain that standard.

This is made up as follows:

- **Priority 1 £43,000** Urgent work that will prevent immediate closure of premises and/or address an immediate risk to the health and safety of occupants and/or remedy a serious breach of legislation.
- **Priority 2 £3,756,000.** Essential works required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of occupants and/or remedy a less serious breach of legislation.
- **Priority 3. £3,406,000** Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

These figures need to be considered in the context of a five year planning period and the way to consider this information is that **Backlog Maintenance** is the **Priority 1** items which should be addressed first.

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

Works outside the 5 year planning period are of a long term nature and

not classified as backlog or required at this time. As each year passes required items will be noted and planned.

2.10 Planned Maintenance

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

2.11 Capital Planned Maintenance 2008 to 2011

Cabinet at their meeting held upon 4 February 2008 approved a total of £1,200,000 per year for each of the years 2008/09, 2009/10 and 2010/11 for unsupported Prudential Borrowing and the following is the schedule of Proposed Schemes as considered and prioritised by the Strategic Capital Resource and Asset Team.

Project	2008/09 Allocation £'000	2009/10 Allocation £'000	2010/11 Allocation £'000
Middleton Grange Multi-storey Car Park	362		
Lynn Street Depot – Heating	60		
Burn Rd. Recycling Centre - Security Fencing	55		
Civic Centre – Concourse Access Ramp	29	151	
Civic Centre – Access Control System	72		
Municipal Buildings – Access Control System	9		
Civic Centre – Disabled Toilets	78		
Brougham Enterprise Centre – Toilet and shower facilities	40		
Highways Maintenance Schemes	40	40	
Coast Protection	100	100	
To be allocated as part of 2009/10 Budget Process		709	1,200

Note: Some projects are phased into 2009/10. The remainder of 2009/10's allocation and that for 2010/11 will be prioritised over the next twelve months.

2.12 Revenue Planned Maintenance

Works classified as Priority 1 have been reported to Service Departments for their urgent attention and are undertaken via the reactive maintenance budgets.

A sum of £190,000 Revenue Budget has been allocated by the Council towards the implementation of Planned Maintenance in 2008/09. This is to be applied to reduce the balance of Required Priority 2 works.

The Prioritisation Criteria have been applied to the Required Priority 2 works and the following schemes are proposed:-

Civic Centre	Renew Fire Sprinkler System	£90,000
Brinkburn Sports Hall	Renew Roof Covering	£95,000

2.13 Service Delivery and Accommodation Needs

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

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

Current initiatives include:

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

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

2.14 Key Property Disposals

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

3. FINANCIAL IMPLICATIONS

In summary available resources for 2008/09 include:-

- Corporate Prudential Borrowing £1,200,000
- Corporate Revenue Planned Maintenance £190,000
- Barriers to Access £50,000

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

4. CONCLUSIONS

- 4.1 Considerable progress has been made in the management of the Council's assets in the past three years. Our aim to continue improvement and embedding of good asset management in our service and business processes.

5. RECOMMENDATIONS

That the Portfolio Holder:-

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

FINANCE & EFFICIENCY PORTFOLIO

Report to Portfolio Holder

18th April 2008



Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF UNIT 3B, CROMWELL STREET BUSINESS PARK CROMWELL STREET

SUMMARY

1. PURPOSE OF REPORT

To obtain Portfolio Holder approval for the Council to take a lease of property at Cromwell Street Business Park to accommodate its Workroute Team.

2. SUMMARY OF CONTENTS

This report outlines the requirement for premises to accommodate the Workroute Team and considers the financial implications of the proposed lease.

3. RELEVANCE TO PORTFOLIO MEMBER

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

4. TYPE OF DECISION

Non-key

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

That Portfolio Holder grants approval to the Council taking a lease of the premises subject to the terms proposed.

Report of: Head of Procurement and Property Services

Subject: PROPOSED LEASE OF UNIT 3B, CROMWELL STREET BUSINESS PARK CROMWELL STREET

1. PURPOSE OF REPORT

- 1.1 To obtain Portfolio Holder approval for the council to take a lease of part of a property at Cromwell Street Business Park to accommodate the Workroute Team.

2. BACKGROUND

- 2.1 Hartlepool Borough council Workroute team are currently based at Units 25 Biz Space, Usworth Road where their team of 8 personnel provide support for young people from underprivileged backgrounds in Hartlepool.
- 2.2 The premises which they currently occupy on licence are not ideally situated being on the periphery of the town, they are too big for their requirements and additionally there are issues with the condition of the premises.
- 2.3 The Workroute team, funded by the Working Neighbourhood Fund provide projects for youth and older persons from deprived backgrounds which would include ex-prison offenders and second and third generation unemployed. The object to their schemes is to get people back to work and the projects that they provide include graffiti removal and general maintenance projects.
- 2.4 The project was started in 2000 and was originally based in the Enterprise Centre from where they moved to the Biz Space accommodation which they currently occupy. The Team concentrates on personnel from certain postcode areas in the town including Jackson Ward, Stranton Ward, Dykehouse Ward and Brinkburn Ward.
- 2.5 The space that they need requires a garaging area to house their 2 vehicles, tools and equipment, together with the addition of office accommodation. There has been an active search for premises of this kind from within the Borough Council's Portfolio but no such accommodation is available.

- 2.6 The property which has been offered to Workroute is newly constructed ground floor accommodation and forms part of the new Cromwell Street Business Park currently being developed. Discussions have been held with the present owner of the property who is prepared to provide accommodation including toilet facilities, power points and self-contained office accommodation.

3. FINANCIAL IMPLICATIONS

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

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder grants approval to the Council taking a lease of the premises subject to the terms proposed

FINANCE & EFFICIENCY PORTFOLIO

Report to Portfolio Holder

18th April 2008



Report of: Chief Financial Officer

Subject TENDER OF THE COUNCIL'S CASH IN
TRANSIT CONTRACT

SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report seeks to advise the Portfolio Holder that the Council's contract for the provision of the cash in transit service will be subject to tender procedures in May 2008.

2.0 SUMMARY OF CONTENTS

2.1 This report initially provides some background details to the Council's cash in transit contract and explains the need for the retender of the contract.

2.2 The report goes on to detail the key features the tender, such as the nature and recommended length of the contract, as well as the principles behind the evaluation of the tenders.

2.3 Finally, the report lists the key recommendations that require the agreement of the Portfolio Holder.

3.0 RELEVANCE TO PORTFOLIO MEMBER

3.1 Under the Council's current contract procedure rules the Portfolio Holder has the responsibility of making the following determinations in respect of contracts relating to their executive functions:

- The remit of the tender, the service to be acquired and the contract start date;
- The nature of the tender i.e. whether the contract is tendered on an 'open' or a 'restricted' basis

- The basis of evaluation of the tender i.e. whether the contract will be based on 'best price', or the rationale for a 'price/performance' contract;

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 & Efficiency Portfolio Holder only.

6.0 DECISION(S) REQUIRED

6.1 That the Portfolio Holder approves the tender details for the cash in transit contract contained in the main body of the report.

Report of: Chief Financial Officer

Subject: TENDER OF THE COUNCIL'S CASH IN
TRANSIT CONTRACT

1. PURPOSE OF REPORT

1.1 This report seeks to advise the Portfolio Holder that the Council's contract for the provision of the cash in transit service will be subject to tender procedures in May 2008.

2. BACKGROUND

2.1 The Council's current cash in transit service contract has been held by Loomis, formerly Securitas, since 1996. The contract has been extended on an annual basis to ensure an uninterrupted and secure service provision to the various teams across the Council collecting cash.

2.2 A recent deterioration in the quality of the service provided by Loomis, plus the need for the Council to formally update the detail of the contract and ensure value for money, has led to the retender of the contract.

2.3 The Council's cash in transit contract covers the cash collection arrangements for schools, leisure outlets, car parking, day services and the Council's main payment offices. The contract contains 3 main elements:

- Emptying of cash from the Council's pay and display parking machines, and the subsequent bulk processing of the car parking coin;
- Cash collection and subsequent banking services from Council buildings (including schools);
- Delivery of change orders to Council buildings.

2.4 The annual cost of the Contract to the Council is approximately £80,000.

3. Aims and remit of the tender

3.1 The aim of this tender is to secure a low cost cash in transit service that meets the needs of the Council in terms of professionalism, reliability, security and financial accountability.

- 3.2 To balance flexibility in the contract with the need to develop a partnership with the successful contractor, the Council is inviting tenders on the basis of an initial period of 2 years with the option to extend for a further 2 x 12 month periods.

4. Nature of the Tender

- 4.1 As the value of the cash in transit service exceeds the EU threshold of £139,893 over the length of the contract period, the contract must be tendered under the provision of the EC rules.
- 4.2 The EC rules contain a strict timetable of intervals between events that must be adhered to. The earliest envisaged contract start date will therefore be 1st October 2008.
- 4.3 As a result of the nature of the cash in transit environment the Council expects only a limited number of responses to the invitation to tender advert. The market itself is dominated nationally by two leaders, both of whom have strong presence in the North East. Loomis (formerly Securitas) the current holders of the contract; and G4S (formerly Securicor). We envisage that both organisations will submit strong tenders for the contract.
- 4.4 Therefore, in view of the time constraints, there is little value in including a pre-qualification stage within the tender procedure. On that basis the contract will be tendered on an 'open' basis i.e. all tenderers expressing an interest in the invitation to tender advert will be invited to tender.

5. Evaluation of the Tender

- 5.1 The evaluation stage of the tender process will focus on examining how the tender proposals will deliver the service in terms of performance and quality, and the cost of the service.
- 5.2 The ratio between price and performance / quality will be 60:40 basis.
- 5.3 The award of the contract will be to the most economically advantageous tenderer in terms of price, guaranteed standards of service and reliability in meeting the quality, technical and performance standards required in line with Best Value principles.

6. RECOMM ENDATIONS

- 6.1 That the Portfolio Holder agrees the following:
- 6.1.1 The Council's cash in transit contract being subject to tender procedures in May 2008;

- 6.1.2 That tenders are invited on the basis of an initial contract period of 2 years with the option to extend for a further 2 x 12 month periods;
- 6.1.3 That the tender is conducted on an 'open' procedure basis;
- 6.1.4 That the tenders are evaluated on a price and performance / quality basis, with the ratio between price and performance / quality being 60:40.

FINANCE & EFFICIENCY PORTFOLIO

Report to Portfolio Holder

18th April 2008



Report of: Head of Procurement & Property Services

Subject: PROCUREMENT UPDATE & ACTIONS

SUMMARY

1. PURPOSE OF REPORT

To provide an update to the Portfolio Holder on procurement developments and activities.

2. SUMMARY OF CONTENTS

The report outlines some of the key developments and activities that are currently taking place.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is the Procurement Champion.

4. TYPE OF DECISION

Non-key decision.

5. DECISION MAKING ROUTE

Portfolio Holders only.

6. DECISION(S) REQUIRED

That the Portfolio Holder notes the progress to date.

Report of: Head of Procurement & Property Services

Subject: PROCUREMENT UPDATE & ACTIONS

1. PURPOSE OF REPORT

1.1 To provide an update to the Portfolio Holder on procurement developments and activities.

2. REGISTER OF CONTRACTS HELD BY THE COUNCIL AND IN-HOUSE PROVIDERS

2.1 The Council's Contract Register is being continually updated to provide details of all contracts held by the Council, with details of not only their subject matter, but also contact details for the officer responsible for the contract and its start and end dates. As most contracts are actually organised by officers within the departments, rather than by a centralised procurement section, a concentrated effort has taken place in the past six months to ensure that departments have identified contracts which should appear on the register, and to keep the entries already on it as up to date as possible.

2.2 The Contract Register is made available to suppliers by publishing it on the Procurement Pages of the Councils Website and allows them to:

- Identify contracting opportunities with the Council;
- When these contracts are due for renewal and;
- Who to contact to express an interest in submitting a tender or quotation.

2.3 A 'Register of In-house Providers' has also been added to the 'Procurement' pages of the Intranet to aid procuring officer in identifying sections of the Council which directly provide works or services; including sections that provide a co-ordinating role on behalf of the Council. This will assist in avoiding unnecessary procurement processes being carried out, where the Council has established an In-house Provider for the subject of a potential procurement.

3. HARMONISATION OF CONTRACTING DOCUMENTS

3.1 As part of the work of Regional Centres of Excellence, officers from Hartlepool Borough Council have been working with the North East Centre of Excellence (NECE), and legal, procurement and other specialist staff from other North East local authorities, on a project designed to produce a range of standard (harmonised) documents which will be used by all North East local authorities.

3.2 The key aim of this project is to replace the existing myriad of separate local authority contracting documentation, with a set of simplified and standardised

documents, effectively reducing red tape for potential suppliers, providers and contractors. The anticipated benefits of this project being to: -

- “Simplify the tender process, reducing inconsistencies, duplication and bureaucracy to deliver time and money savings for both suppliers and procurers;
- Incorporate sustainability considerations in order to realise the greater contribution to well-being objectives within procurement decisions”.

3.3 This project is now completed and the resultant harmonised documents were launched at two events organised by the NECE on the 10th and 11th March 2008. The Officers’ Guide to Procurement was updated on 13th March 2008 to include both the new documents and guidance on their use. Procuring officers have been advised that they should ensure that they use these new documents on all procurement exercises that commence on or after this date.

3.4 The Portfolio Holder is asked to endorse the requirement to utilise these documents across the Council.

4. SUSTAINABLE PROCUREMENT STRATEGY

4.1 On 1st April 2008 the Portfolio Holder, together with the Portfolio Holder for Regeneration & Liveability, received a report on the progress made with the development of, and to seek endorsement of the Draft Sustainable Procurement Strategy. This report highlighted that the relevance of sustainable procurement to Hartlepool is enhanced because of Hartlepool’s: -

- self-contained, peripheral nature;
- historic pattern of disadvantage;
- on going physical and economic transformation and;
- expanding small business sector.

All of which create a strong need and opportunity to identify effective means of procurement that allow opportunities for local enterprise and utilise measures which do not put further pressure on the Borough’s environment and infrastructure.

4.2 As well as suggesting the Environmental and Socio-economic Objectives, which could be included in the strategy, it also highlighted that the Council should have engagement with the community and suppliers on ‘sustainable procurement’ as a key objective within this strategy. Engagement objectives would include: -

- Maintain transparency and openness with the whole of the supplier community;
- Make this strategy and policy publicly available and communicate it: -
 - within the Council;
 - to relevant national and regional bodies;
 - to providers, suppliers and contractors (current and potential) and

- other key stakeholders.

This engagement objective has led to the organising of a 'Meet the Buyer' event as reported below.

5. 'MEET THE BUYER' EVENT

5.1 Officers from Regeneration & Planning and Procurement are working with the North East Chamber of Commerce to organise a 'Meet the Buyer' event to be held at in June 2008. Key procuring officers from various departments within the Council will present a variety of contracting opportunities, which will occur during 2008/09, to potential suppliers or providers with explanation of when these contracts will be advertised, the content of the contracts and how they will be able to take part in the tender process.

5.2 Procurement officers will also be available to:

- Introduce the aims and principles that are being incorporated into Council's 'Sustainable Procurement Strategy' and explain how it will affect the Council's buying processes and how suppliers can aid in achieving the aims of the strategy;
- Re-advertise the general procurement guidance available to potential suppliers to the Council, in the 'Selling to Hartlepool Borough Council' guide, and;
- To provide general guidance on the processes involved in public sector procurement and how these are used by Hartlepool Borough Council;
- To explain the use of harmonised contract documents.

5.3 There will also be a future event specifically for suppliers who may wish to be involved in the Tall Ships event.

6. CONTRACT PROCEDURE RULES (CPRS)

6.1 On 27th February 2008, the Portfolio Holder endorsed a report highlighting the need to carry out an annual review of the CPRs, which form part of the Council's Constitution, in order to reflect the changing procurement environment brought about by the procurement agenda. As the CPRs are "Standing Orders" within the Constitution, the Constitution requires any amendments to be referred to the Constitution Committee and full 'Council' for implementation.

6.2 It was highlighted in the report that many of the proposed increases to 'thresholds' were intended to allow greater access to local organisations to Council contracts or sub-contracts in line with the sustainability agenda.

6.3 The amendments have been endorsed by the Constitution Committee at its meeting on 28th March 2008, with an additional recommendation that the tender limit for goods, materials and services be increased from £15,000 to £25,000,

rather than to £20,000 as previously proposed by officers. This recommendation has been included in the finalised draft CPRs.

6.4 The revised CPR's will be approved by full Council.

7. PROCUREMENT GUIDANCE

7.1 The Officers Guide to Procurement is being continually updated and is held on the Intranet to allow easy access to all officers involved in procurement. Its purpose is to enable a consistent corporate approach to achieve efficiencies and best practice.

7.2 As part of this continual update process, new sections as well as amendments to keep the guidance up to date with best practice have taken place. These updates have been communicated to all officers of the Council involved in procurement by including articles in "Management Matters" - the monthly publication that highlights important information that managers in the Council need to be aware of, and by providing updates to monthly meetings of the Corporate Procurement Group.

7.3 The following new section has been added to the guidance since the last Procurement Update report to Portfolio Holder: -

- Re-Tender or Extend Contract - to provide guidance on the decision as to whether an existing contract should be 'Extended' or subjected to competition once more and 'Re-Tendered'

7.4 Additionally amendments have been made to various sections of the guidance on subjects such as but not limited to: -

- Making contracts accessible to small businesses and the 3rd Sector;
- Reporting the results of price/performance and partnering tender processes to Contract Scrutiny Panel;
- Avoiding un-necessary tendering by using in-house providers.
- The setting and monitoring of 'Equality' and 'Diversity' targets and objectives in relation to the 'Equality Standard.'
- Use of the Council's Statement regarding Standards and Partners in the procurement process;
- Definition (and examples) of 'Community Benefits' and guidance on 'Achieving Community Benefits' via the procurement process;
- The new (reduced) EU procurement thresholds, which came into effect on 1st January 2008;
- Guidance from the Regional Centres of Excellence (RCEs) 'Procurement Programme' entitled 'How to be successful in procuring consultancy services';
- Promoting the Regional Centres of Excellence (RCEs) sponsored 'Sustainable Procurement Information Network' website.

- To confirm the requirements of the Contract Procedure Rules with regard to the 'Receipt and Opening of Tenders'.
- Standard letters, notifying the Council's intention to award a contract, which should be sent to all potential providers and tenderers including those already rejected at the selection stage. Plus guidance on when and how these letters should be used.

8. THE REGIONAL IMPROVEMENT AND EFFICIENCIES PARTNERSHIP (RIEP)

- 8.1 From 1st April 2008, the Regional Centre of Excellence will be 'disbanded' and joined up with the Improvement Partnership and North East Connects to form the RIEP.
- 8.2 The RIEP Strategy sets out how North East Councils, Fire and Rescue Services and their partners will build on their firm foundation and record of success to drive improvement, deliver efficient public services and accelerate the pace of change in and for their communities.
- 8.3 The RIEP's outcomes include: -
- Improved value for money, meeting the 3% efficiency target in line with the VfM delivery plan;
 - Leadership of economic development and neighbourhood renewal that supports Sub National Review;
 - Innovation and customer focus in the drive for service transformation;
 - Citizens and communities shaping and influencing service provision;
 - Improved performance;
 - Delivering LAAs and MAAs.
- 8.4 The RIEP main areas of work and potential funding packages are outlined in **Appendix 1**

9. CONSTRUCTION PROPERTY AND HIGHWAYS FRAMEWORK

- 9.1 The collaborative 'Procurement Exercise' for top up support to in-house teams across the Tees Valley is progressing. ~Hartlepool is taking the lead role.
- 9.2 Packages will include: -
- Civil Engineering and Highway design.
 - Building Consultancy Services.
 - Traffic / Transport / Road Safety.
 - Environmental / Urban Design / Coast Protection.
- 9.3 It is important at this stage that all requirements for consultants in these fields are identified and channeled through one source, i.e. the Corporate

Procurement Unit, in order that in-house capacity can be assessed prior to commissioning external help. The commissioning would be undertaken by the relevant department / section.

10. REGENERATION, PLANNING AND HOUSING

- 10.1 A similar framework is being undertaken in these areas with Middlesbrough Borough Council taking the lead on behalf of the Tees Valley authorities.
- 10.2 Requirements in 9.3 above also apply to this area of work.

11. RECOMMENDATIONS

That the Portfolio Holder notes the progress to date.

IMPROVEMENT AND EFFICIENCY PROGRAMME OVERVIEW

Table 1: Programme Overview

	Improving VFM and meeting the 3% efficiency target	Supporting partnerships to deliver LAAs	Community empowerment	Leadership of economic development and neighbourhood renewal	More customer focussed delivery	Better partnerships for better places	Better outcomes for citizens	Year 1 indicative budget	Total indicative budget £million	Percentage of possible RIEP budget (rounded)
Children's Services !	✓	✓	✓		✓	✓	✓		1.75	10%
Adult Services !	✓	✓	✓		✓	✓	✓		2.75	16%
Construction and Asset Management !	✓		✓	✓	✓		✓		1.5	9%
Collaborative Procurement	✓			✓	✓	✓	✓		2.0	12%
Waste and Environment !	✓	✓		✓	✓	✓	✓		1.5	9%
Organisational development and workforce planning #	✓	✓	✓	✓	✓	✓	✓		2.5	15%
Partnerships # !	✓	✓	✓	✓	✓	✓	✓		1.25	7%
Community Engagement and Empowerment !		✓	✓		✓	✓	✓		1.0	6%
21 st Century Services !	✓		✓		✓	✓	✓		0.5	3%
Regional Leadership #	✓	✓	✓	✓	✓	✓	✓		0.25	1%
Programme Management									2.0	12%
TOTAL								£4.6*	£17m*	

Additional funding has been sought under the recent bid process against the allocation of 2007-8 Improvement and Efficiency Resource

! These programmes will include an innovation fund for collaborative bids up to a maximum of 10% of the overall programme

* Subject to funding allocation

Programme Detail

Brief summaries of the RIEP's programmes are outlined below :

Children's Services - This programme seeks to support authorities and their partners to make demonstrable progress in tackling the challenges of delivering high quality, support to the growing number of children with very complex care and health needs and planning for their future as adults.

Adult Social Care - This programme seeks to support authorities and their partners to make demonstrable progress in tackling the challenges involved in delivering improved outcomes for the population around national priorities tailored to reflect regional and sub-regional significant issues.

Construction and Asset Management - This programme will deliver collaborative development of effective contracting management and asset management to realise significant cashable efficiencies and optimising sustainability and well being benefits from 'Built Environment' activity.

Collaborative Procurement - This programme aims to enable a better deal for citizens and communities, exercising leverage over the £1.5 billion identified annual spend on bought in goods, works and services, with a view to releasing a substantial (£100m) cashable discount and transactional efficiencies in the context of a value for money approach.

Waste and Environment - This programme aims to deliver significant cashable efficiencies whilst ensuring that environmental impact from Waste Management is minimised. This will be achieved by enabling and encouraging transformational and collaborative working to reduce the amount of waste being generated and diverted to landfill, increasing levels of recycling and re-use and making a positive contribution to improved carbon management.

Organisational Development and Workforce Planning - This programme is intended to support organisational culture change and increased effectiveness and productivity. We will continue to build our own capacity and expertise in Organisational Development and strategic HR, so that we can lead whole system change. The RIEP will support the application of Business Process Improvement techniques to lever efficiencies and promote lean systems thinking.

Partnerships - This programme will support transformational change in LSPs and other partnership settings to enable partners to deliver to their full potential in order to meet the challenges of LAAs, CAA, improving third sector engagement and responding to scrutiny all of which place increasing emphasis on the role and quality of LSPs.

Community Engagement and Empowerment - This programme will support authorities to better integrate policing and service delivery alongside stronger local leadership and community engagement.

21st Century Services - The overriding outcome for this programme is that all our local authority services are designed around the needs of the citizen and recognised by the citizens as being responsive, effective and delivering value for money.

Regional Leadership - This programme will support authorities in delivering a culture of enhanced collaborative leadership, underpinned by mutual accountability for strategy and delivery across a broad agenda including improvement and efficiency

Further work in accordance with the key milestones below will be carried out to prioritise programmes and projects across the whole RIEP programme and to address any issues of over or under programmed funding, once the extent of partnership funding is confirmed.