

FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD

18th April 2008

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

Present:

Councillor Robbie Payne (Finance and Efficiency Portfolio Holder)

Officers: Mike Ward, Chief Financial Officer
Graham Frankland, Head of Procurement and Property Services
Keith Lucas, Asset and Property Manager
David Dockree, Temporary Estates Manager
Paula Bass, Revenues Manager
Sue Williams, ILM Project Officer
Jo Wilson, Democratic Services Officer

Also Present: Councillor Carl Richardson

83. Final meeting of 2007/08

The Portfolio Holder noted that this was the last Finance and Efficiency Portfolio meeting of the financial year 2007/08. He paid tribute to officers for their excellent work, with particular emphasis on the work of the Democratic Services Department for their assistance over the previous year.

84. Five Year Procurement Plan (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

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. The current plan was approved by the Portfolio Holder in November 2006 however officers now felt that some revisions were necessary. The revised plan was appended

to the report, further amendments to the plan were anticipated as procurement exercises developed.

The Portfolio Holder queried how achievements with regard to procurement were measured. The Head of Procurement and Property Services advised that the Procurement Service Plan was part of the Corporate Plan. Individual departments managed their own procurement needs following Government guidance as passed down via Procurement and Property Services. The Portfolio Holder requested that a progress report be presented in 6 months.

Decision

- i. That the updated 5 year Procurement Plan be approved and
- ii. That an update report be provided in 6 months.

85. Asset Management Programme 2008/2009 (*Head of Procurement and Property Services*)

Type of decision

Non-key.

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.

Issue(s) for consideration by Portfolio Holder

The 2008-2011 Capital Strategy and Asset Management Plan was endorsed by Cabinet in March 2008. In respect of its property the Council's overall aim is to optimise the utilisation of assets in terms of service benefits, accessibility and financial return. In order to achieve this aim five corporate property objectives had been established as follows:

- 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

Details were given of progress to date on key topics and developments including the work of the Strategic Capital Resource and Asset Programme Team and Corporate Asset Management Group; Departmental Service Asset Management Plans, performance measures and the current status of the Barriers to Building Access Removal Programme. Particular attention was drawn to the changes in the way accessibility was measured. The previous Best Value Performance Indicator 156 would not be one of the new 198 national indicators but measurement would continue to be via one of the new

Public Audit Office Indicators.

The Portfolio Holder was also advised of a number of maintenance requirements expected in the coming year. These would be split into 3 priority groups depending on the urgency of the work required and would be funded via several financial avenues. Details were given of proposed future schemes: roof renewal at Brinkburn Sports Hall and the renewal of the sprinkler system in the Civic Centre underground car park. Key property disposals were listed with information regarding their current status.

The Portfolio Holder requested that work be commenced immediately to improve the condition of staff toilets within the Civic Centre. These had not been modified as part of the ongoing refurbishment work but consideration had recently been given to this but the Corporate Management Team. Funding was being sought by the Head of Procurement and Property Services and the Chief Financial Officer. The Portfolio Holder urged officers to find the money as staff deserved better facilities than those currently available.

The Portfolio Holder also suggested that Cleveland Fire Brigade be approached to help fund the renewal of the Civic Centre underground car park sprinkler system.

Decision

- i. That the progress made on the delivery of the Asset Management Plan be noted including the approach to Property Performance Indicators,
- ii. That the Planned Maintenance Programme (Capital and Revenue) be noted,
- iii. That the continued approach to the removal of Barriers to Access at Buildings Open to the Public be noted,
- iv. That the Head of Procurement and Property Services be authorised 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,
- v. That reports be received for approval on any major departures from the programme that may be required and
- vi. That funding be pursued to refurbish the Civic Centre toilets.

86. Proposed Lease of Unit 3B, Cromwell Street Business Park, Cromwell Street *(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 property at Cromwell Street Business Park to accommodate its Workroute Team.

Issue(s) for consideration by Portfolio Holder

Hartlepool Borough Council's Workroute Team provide projects for youth and older persons from deprived backgrounds including ex-prison offenders and second and third generation unemployed. They were currently based in Usworth Road but their current premises were felt to be too big for their needs and not ideally situated. There were also issues with the condition of the premises. They required a garaging area to house their 2 vehicles, tools and equipment, together with office accommodation. No such accommodation currently exists within the Council's Portfolio.

Unit 3B, Cromwell Street Business Park was newly constructed ground floor accommodation and forms part of the new Cromwell Street Business Park. The site had previously been under Council ownership. The present owner was prepared to provide toilet facilities, power points and self-contained office accommodation. The financial implications were attached to the report in a confidential appendix.

Decision

That approval be granted to the Council taking a lease of the premises subject to the terms proposed.

87. Tender of the Council's Cash In Transit Contract (*Chief Financial Officer*)

Type of decision

Non-key.

Purpose of report

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.

Issue(s) for consideration by Portfolio Holder

The Council's current cash in transit service contract had been held by Loomis since 1996. It had been extended on an annual basis, at an approximate cost of £80,000 a year, to ensure an undisrupted and secure service provision. However a recent deterioration in the quality of service coupled with the need to ensure value for money had led to the retender of the contract. The aim of this tender was to secure a low cost cash in transit service meeting the needs of the Council in terms of professionalism, reliability, security and financial accountability.

As the value of the service exceeds the EU threshold of £139,893 the contract must be tendered under the provision of the EC rules. As the Council were

expecting a limited number of responses to the invitation to tender it was felt an open tender process would be most appropriate. Companies would be invited to tender for an initial 2 years with the option to extend for a further 2 years. It was proposed that the evaluation stage focus on examining the performance, quality and cost of the service on a price:performance ratio of 60:40.

The Portfolio Holder queried the process of collection used. The Chief Financial Officer advised that this had changed in recent years owing to a reduction in the amount of cash available for collection. Companies tended to pool the collected money in regional centres before banking when there were substantial amounts. Officers were expecting the 2 primary companies in this field to bid for the contract although it was possible that 2 smaller companies could also tender. The Portfolio Holder indicated that he would like to see smaller companies be given the opportunity to expand and avoid a monopoly situation developing.

Decision

- i. That the Council's cash in transit contract be made subject to tender procedures in May 2008,
- ii. That tenders be 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,
- iii. That the tender be conducted on an open procedure basis and
- iv. That the tenders be evaluated on a price and performance/quality basis, with the ratio between price and performance/quality being 60:40.

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

Type of decision

Non-key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report outlined some of the key developments and activities in procurement currently taking place, including the updating of the Council's Contract Register, the harmonisation of contracting documents and the sustainable procurement strategy.

The Portfolio Holder queried how procedures could be put in place to ensure

as much work was carried out by “in house” teams as possible, particularly in relation to the Schools Transformation Schemes. The Head of Procurement and Property Services acknowledged that there were opportunities for both design and building work. Government requirements meant that sometimes it was necessary to employ external consultants for some aspects of the work however officers were giving consideration to the employment of an in house Senior Architect particularly for the forthcoming Primary Capital Programme where it was felt there would be more flexibility than Building Schools for the Future. Another issue was the increase in schools applying for foundation status. This gave schools more autonomy and choice in the service providers they employed. Council departments needed to promote themselves in these situations to be awarded relevant contracts ahead of external competition. The Portfolio Holder commented that Council departments should employ Council in-house teams wherever possible.

Decision

- i. That the progress to date be noted and
- ii. That Council Departments should employ Council in-house teams wherever possible.

88. 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 89 “Briarfields Update” (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

89. Briarfields Update (*Head of Procurement and Property Services*)

Type of decision

Non-key.

Purpose of report

To update the Portfolio Holder with regard to the progress that has been made in the sale of 3 plots of land at Briarfields, Elwick Road.

Issue(s) for consideration by Portfolio Holder

In late 2006 three plots of land at Briarfields were marketed. Three preferred bidders were subsequently selected by Cabinet and the Portfolio Holder was asked to deal with all subsequent approvals related to this issue. Details were

given within the report of the current situation to date with particular emphasis being drawn to utility services within the sites access road issues.

The Portfolio Holder queried what impact this work would have on the rest of the Briarfields site. The Head of Procurement and Property Services confirmed there were large tracts of land still available but no decision had been made regarding their future use. The Portfolio Holder requested that officers ensure complete access to this land, suggesting the possibility of more land being sold off as individual plots. The Head of Procurement and Property Services acknowledged this had advantages but would take more time than selling the land in bulk. However with land currently at a premium more money could be made through individual plot sales.

Decision

That approval be granted to the implementation of the highways scheme as described in the report using part of the capital receipt to fund the works,

That approval be given to the costs in the removal/diversion of the gas pipes and electricity cables that cross the development plot being funded from the capital receipt and

That the Portfolio Holder receive further reports on the progress of the land sale.

P DEVLIN

ACTING CHIEF SOLICITOR

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