

# **FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD**

7 November 2008

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

**Present:**

Councillor Robbie Payne (Finance and Efficiency Portfolio Holder)

Officers: Nicola Bailey, Director of Adult and Community Services  
Alan Dobby, Assistant Director (Support Services)  
Graham Frankland, Head of Procurement, Property and Public Protection  
Emma Dixon, Estates Manager  
Chris Catchpole, Criminal Justice Integrated Team Strategic Manager  
Sarah Bird, Democratic Services Officer

## **18. Blakelock Road Day Centre: Closure, Demolition and Sale of Land** *(Asset and Property Manager)*

The Portfolio Holder had asked that a representative of the Adult and Community Services Department be present to explain why this building had been emptied contrary to Cabinet policy.

The Assistant Director (Support Services) explained that the building had formerly been used by the Blakelock Co-operative which had since relocated to a more amenable site on the Hartfields development and the decision had been made to move out on the Bank Holiday weekend in order to provide minimal disruption in services. The Portfolio Holder pointed out that the Authority now had to pay for security for the building. The Head of Procurement, Property and Public Protection confirmed that this was correct but stated that the demolition contract was in place, although this had been held up due to the presence of bats in the building.

The Portfolio Holder stated that he would rather the money used to secure the building was used for services to the community. The Head of Procurement, Property and Public Protection stated that the Mayor had been approached by a representative of the Elim Emmanuel Christian Fellowship who had expressed an interest in purchasing the building which would be investigated and any developments in this would be reported to a subsequent Portfolio meeting.

## **19. Proposed Extensions and Alterations to Stranton School Sports and Arts Centre** - *Head of Procurement and Property Services*

### **Type of Decision**

Non key.

### **Purpose of Report**

The report was presented in order to request the Portfolio Holder's permission to an exception of the Contract Procedure rules in orders in respect of the procurement of the proposed construction works at Stranton School Sports and Arts Centre.

### **Issues for Consideration by the Portfolio Holder**

A need to create additional space to allow the centre to provide a base for the services and to improve office and reception facilities for the centre had been identified. Funding for this scheme was to be provided by three sources, i.e. Children's Services Department, New Deal for Communities (NDC) and devolved capital from Stranton School. The £42,000 provided by NDC had to be spent by the end of this financial year and could not be carried over. Under normal circumstances the Authority would be required to invite tenders in accordance with the Contract Procedure rules but if this process was adhered to, then the timescale would not allow the money to be spent by the end of the financial year. An exception to the contract procedure rule was therefore sought and it was proposed to procure the works through the partnership contract which had already been competitively tendered to speed up the procurement process in order to achieve the financial spend deadlines. An estimate prepared by the Authority's quantity surveyors would indicate a construction value of approximately £255,000.

### **Decision**

The Portfolio Holder approved the decision for an exception to the Contract Procedure rules.

## **20. Procurement Update and Actions** – *Head of Procurement, Property and Public Protection*

### **Type of Decision**

Non key.

## **Purpose of Report**

The report was presented to provide the Portfolio Holder with an update on procurement developments and activities.

## **Issues for Consideration**

### *Tall Ships 2010*

A report was given on the preparation for the Tall Ships event as prior to the event a wide range of goods and services would need to be purchased. A representative from the Procurement team had already provided a training session to the project teams in respect of procurement.

A further initiative was the Park and Ride Service and a number of interested parties had met with members of the Tall Ships team at an event at the Innovation Centre. Further events were planned at the Maritime Experience Centre to give information on the types of goods and services required for the event. The estimated gross cost of the event was likely to be in excess of £3 million and the procurement of goods and services required would be carried out using the Authority's procurement regulations. An external consultant had been contracted by the Authority to develop a sponsorship strategy and to generate over £340,000 in private sector sponsorship together with in-kind contributions. The proposed process for approval of these proposals was that all offers under a £5,000 threshold were approved by the Tall Ships' Project Manager and that all offers over £5,000 were brought to the appropriate Portfolio Holder for approval.

The Portfolio Holder queried the accountability of the delegated responsibility and it was clarified that any approvals under the £5,000 would be notified to future Portfolio meetings with other Tall Ships procurement updates.

### *Agency Contract*

The Head of Procurement, Property and Public Protection informed the meeting that the North Eastern Purchasing Organisation (NEPO) contract was due to expire at the end of December. He reported that the arrangement has been the subject of problems with some agencies taking advantage and over-charging the Authority. The Scrutiny Co-ordinating Committee has recently examined this subject and their final report was awaited and any recommendations would need to be approved by Cabinet. NEPO was due to renew the arrangement with a vendor neutral contract in April 2009 but it was not felt that this would provide the Authority with best value. A further option was to be considered, that of a Tees Valley collaboration which was being formulated by Stockton and Darlington Borough Councils. This would

be a four year framework with an option of two, twelve month extensions. The contract would encompass a number of blue and white collar workers. In order to realise any savings, and to adopt a change of culture with regard to the uses of agency staff, changes were needed to the current method of engaging agency workers.

The Portfolio Holder expressed a preference for the Tees Valley approach and was assured by the Head of Procurement, Property and Public Protection that Stockton was committed to the Tees Valley initiative. The Portfolio Holder asked whether Hartlepool would be able to co-ordinate its own pool of agency workers and was informed that it might be straightforward for some staff e.g. drivers, but if a social worker or architect was needed, then it would be more difficult to retain a pool of available staff. At this point it was not a practical way forward.

### *Postal Services*

The Portfolio Holder was informed that following the review of postal services by the Scrutiny Co-ordinating Committee a number of measures had been put into place including a 6 month trial with the postal providers TNT. It was hoped to save approximately 12% on all postal budgets because of these measures. It was clarified that although TNT was the provider, there was still Royal Mail involvement in the process.

### *Managed Print Services*

The Head of Procurement, Property and Public Protection reported that Phase 1 of the Managed Print Services (MPS) had been implemented earlier in the year across the main administrative buildings and other selected buildings and generally this had gone well.

Phase 2 was due to commence which included the rolling out of printers to other buildings, the functionality of printers and review of the in-house print unit. It was noted that the in house print unit delivered only part the Authority's printing, some being contracted out to local firms. A review of expenditure on the external printing would take place which could result in tender opportunities which could be taken up by local firms.

### *Electronic Procurement*

The Head of Procurement, Property and Public Protection stated that progress was being made with the move towards Electronic Procurement with a trial anticipated with the Neighbourhood Services Property Services Division and this would be rolled out across other departments. There had been an extension in the use of purchase cards within food procurement and work had been undertaken with additional suppliers so that this form of transaction could be developed. Another element would be added to the Integra system to ensure ease

of use.

### *Regional Procurement*

With regard to regional procurement, there was to be a formation of the North East Improvement and Efficiency Partnership (NEIEP) and a review of NEPO. Further reports would be brought to the Portfolio Holder as this was developed.

### *Business Transformation*

Following a review by KPMG, the findings of this were currently being explored in order to produce a business case for the development of procurement across the Authority. One possibility was the centralising of procurement across the Council although still having experts within the departments but further options were being discussed.

### *Schools Transformation*

ICT documentation was being prepared in liaison with external advisers and advertisements would be in place in March 2009.

Design and Build documentation was being developed using the national frameworks in place. The procurement process of engaging with the six named framework contracts for expression of interest were due to commence in August/September 2009. Four of the companies had visited the Authority and expressed a tentative interest in the project here.

The Primary Capital Programme was more flexible in terms of providers and priorities had been agreed by Cabinet for the programme.

Further reports would be brought to the Portfolio Holder as the programmes developed.

### **Decision**

The Portfolio Holder noted the report.

## **21. 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 22 – 8/9 Church Street (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Minute 23 – Briarfields Update (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Minute 24 – Amenity Land Adjoining the Hartlepool 6<sup>th</sup> Form College (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

## **22. 8/9 Church Street** - *Head of Procurement, Property and Public Protection*

### **Type of Decision**

Non key

### **Purpose of Report**

The report was presented in order to acquaint the Portfolio Holder of recent developments in respect of 8/9 Church Street.

### **Issues for Consideration**

The report contained background and current information in respect of the two properties with proposals for future use and refurbishment.

### **Decision**

The Portfolio Holder noted the developments set out in the content of the report.

## **23. Briarfields Update** - *Head of Procurement, Property and Public Protection*

### **Type of Decision**

Non key.

### **Purpose of Report**

The report was presented to update the Portfolio Holder with regard to the position of the sale of Briarfields House and to confirm approval for the market arrangements.

### **Issues for Consideration**

The report highlighted the up to date position on the sale of Briarfields House including the marketing arrangements.

### **Decision**

The Portfolio Holder noted the up to date position in relation to the sale of Briarfields House.

The Portfolio Holder also confirmed the decision on the marketing arrangements.

## **24. Amenity Land Adjoining the Hartlepool 6<sup>th</sup> Form College** - *Head of Procurement, Property and Public Protection*

### **Type of Decision**

Non key.

### **Purpose of Report**

The report was presented in order to obtain Portfolio Holder approval to the temporary occupation on licence of land adjoining the Bum Valley.

### **Issues for Consideration**

The report contained background information with regard to the land and the proposed temporary use.

### **Decision**

The Portfolio Holder granted approval to the terms set out.

The meeting concluded at 10.45 am.

**P J DEVLIN**

**CHIEF SOLICITOR**

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