

FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD

26 March 2009

The meeting commenced at 3.00 pm. 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, Property and Public Protection
Paula Bass, Revenues Manager
Alison Mawson, Head of Community Safety and Prevention
Christine Armstrong, Central Services Manager
David Dockree, Acting Estates Manager
Julie Pullman, Acting Benefits Manager
Peter Davies, Principal Youth Officer
Kelly Moss, Children's Services Officer
Sarah Bird, Democratic Services Officer

51. Proposed Lease of Unit at Ladysmith Street, Longhill Industrial Estate *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key

Purpose of Report

The report was presented in order to seek the Portfolio Holder's approval to enter into an agreement to occupy a unit on Ladysmith Street, Longhill Industrial Estate for its Youth Offending Service.

Issues for consideration by Portfolio Holder

The Head of Community Safety and Prevention outlined the requirements for premises for the Youth Offending Service and stated that the Council did not currently have any vacant premises suitable for the work of the Youth Offending Team and the unit on Ladysmith Street had been identified as most appropriate although it would be subject to planning consent. The Portfolio Holder stated that a number of council buildings had recently been disposed of which may have been suitable, but was informed by officers that considerable capital outlay would have been necessary to bring them to an

appropriate standard.

Decision

The Portfolio Holder approved the Council taking the Lease subject to the terms proposed.

52. Commissioning and Procurement Strategy *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to provide an update and seek endorsement of the Commissioning and Procurement Strategy for 2009 – 2010.

Issues for Consideration

The Portfolio Holder has received annual reports to update the strategy and the corporate Commissioning Strategy had been approved by Cabinet in 2005 and the framework within it had been adopted as the Commissioning Strategy for Hartlepool. This was now being reviewed and an integrated Commissioning and Procurement Strategy for the Council had been prepared.

The components of the commissioning and procurement strategy for 2009 - 2010 were outlined in the report and this took account of both national guidance and key principles identified in the previously agreed strategy for Hartlepool. It was also supported by the Council's 5 year Procurement Plan which had been approved by the Portfolio Holder on 19 February 2009. A further consideration would be the Business Transformation Programme as that included a major review of the commissioning and procurement function of the Council in order to drive out further efficiency savings. A business case on a 'Centre of Procurement Excellence' would be implemented looking at commissioning and category savings, supplier selection and contract management.

The Portfolio Holder asked whether staff would be briefed on the strategy and was informed that the Corporate Procurement Group were currently involved but it would be rolled out to all staff.

The Buy Local campaign would be followed for sustainability of the local environment, jobs and economy.

Decision

The Portfolio Holder endorsed the Commissioning and Procurement Strategy

for 2009 – 2010.

The Portfolio Holder agreed to receive a further report on an updated Strategy once the outcomes of the procurement review within Business Transformation had been implemented.

53. Assisted Car Purchase Schemes *(Chief Financial Officer)*

Type of Decision

Non key.

Purpose of Report

The report was presented to enable the Portfolio Holder to consider proposed changes for determining the interest rate payable on loans granted through the Council's Assisted Car Purchase Scheme.

Issues for Consideration

The Council operates an Assisted Car Purchase Scheme for employees and the basis for determining the interest rate applied to the scheme was last reviewed in September 2006. At that time it had been determined that the interest rate for the scheme be based on a 1% plusage to the Public Works Load Board (PWLB) five year rate applying at 1 March each year. This was competitive with prevailing market rates and enabled the Authority to achieve a surplus from operating the scheme.

As a result of the credit crunch there had been a significant reduction in PWLB interest rates. It was anticipated that the interest rate of the Council's Assisted Car Purchase Scheme would fall below the HM Revenue and Customs 'official rate' and that employees would be liable for tax on the difference between the 'official rate' and the Council's proposed interest rate. The proposed recommendations would mean that for employees the rate would not fall below the official rate, and therefore would not incur a taxable liability.

The Portfolio Holder asked whether this would encourage employees to utilise the loans for car purchases and was informed that these loans should be easier to get than a loan from a Bank or Building Society in the current economic climate and that this would be advertised to staff.

Decision

The Portfolio Holder approved the principle that for the next three years, the interest rate for the Assisted Car Purchase Scheme should be set at the higher of either :-

- ❖ the PWLB five year interest rate at 1 March each year plus 1%

or

- ❖ the HM Revenue and Customs 'official rate'

The Portfolio Holder agreed that authority be delegated to the Chief Financial Officer to apply the above principle each year, or more frequently if the 'official rate' changed

54. Irrecoverable Debts – Housing Benefit Overpayments (*Revenues Manager*)

Type of Decision

Non key.

Purpose of Report

The report was presented to seek the Portfolio Holder's approval to write out a number of Housing Benefit Overpayments which were now considered to be irrecoverable.

Issues for Consideration

The Council's financial procedure rules outlined that any debt due to the Council of £1,000 or more can only be written out with the express permission of the Portfolio Holder. Every effort was made to collect benefit overpayment debts, but certain debts had become irrecoverable and the report sought the Portfolio Holder's agreement for their write-out although further monitoring and recovery work would continue where possible. It was acknowledged that these individuals had the greatest degree of hardship and although the Council had pursued these debts rigorously it was also done in a supportive manner.

The Portfolio Folder referred to a specific case and was informed that the Authority had liaised with the Police on this matter. It was clarified that any new claims were cross matched with previous names and addresses to see whether there was any outstanding debt.

Decision

The Portfolio Holder agreed to write out debts to the value of £51,000.53 in respect of irrecoverable Housing Benefit Overpayments but should any further information come to light, debts would be pursued

55. Irrecoverable Debts – Sundry Invoices (*Revenues Manager*)

Type of Decision

Non key.

Purpose of Report

The report was presented in order to seek the Portfolio Holder's approval to write out a number of Sundry Invoices which were considered to be irrecoverable.

Issues for Consideration

The Council's financial procedure rules provide that any debt due to the Council of £1000 or more could only be written out with the express permission of the Portfolio Holder. The Revenues and Benefits Teams were proactive in encouraging the public to report cases of suspected fraud to the Council and if the forwarding address of an absconded debtor became apparent during the course of an investigation, the invoice would be re-instated on the system and enforcement action would recommence. A not for publication appendix to the report detailed the individual Sundry Invoices over £1,000 and the reasons why the invoice remained unrecovered.

Decision

The Portfolio Holder agreed to write out debts to the value of £24,974 in respect of irrecoverable Sundry Debtor invoices but should any further evidence come to light, then these would be pursued.

56. Irrecoverable Debts – Business Rates *(Revenues Manager)*

Type of Decision

Non key.

Purpose of Report

The report was presented in order to seek the Portfolio Holder's approval to write out a number of Business Rates debts where were considered to be irrecoverable.

Issues for Consideration

The Council's financial procedure rules provide that any debt due to the Council of £1,000 or more could only be written out with the express permission of the Portfolio Holder. It was important to note that if the forwarding address of an absconded debtor became apparent at a later date, the business rate debt would be re-instated on to the system and enforcement action would recommence. Confidence appendices attached to the report detailed the individual Business Rates over £1,000 and the reasons why each debt remained unrecovered.

The Portfolio Holder congratulated the department in their pursuance of a particular case.

Decision

The Portfolio Holder agreed to write out debts to the value of £420,728 (including £2037.19 costs) in respect of irrecoverable Business Rates on the understanding that should any further evidence come to light these debts would be pursued.

57. Irrecoverable Debts – Council Tax *(Revenues Manager)*

Type of Decision

Non key.

Purpose of Report

The report was presented in order to seek the Portfolio Holder's approval to write out a number of Council Tax debts which were now considered to be irrecoverable.

Issues for Consideration

The Council's financial procedure rules provide that any debt due to the Council of over £1,000 could only be written out with the express permission of the Portfolio Holder. Whilst every effort was made to collect debts due to the Council certain debts become irrecoverable and the report sought the agreement of the Portfolio Holder to write these out. The Chief Financial Officer stated that the amount being written out each year by the Authority equated to 0.2%, in comparison with a national average of 0.8%.

Decision

The Portfolio Holder agreed to write out debts to the value of £37,900.22 (plus costs of £2886.69) in respect of irrecoverable Council Tax and if any further evidence was found these debts would be pursued..

58. Local Land Charge Search and Property Search Fees *(Chief Personnel Officer)*

Type of Decision

Non key.

Purpose of Report

The report was presented to seek approval to set the new fees to be charged for access to property data and to review and agree the scale of fees for Local Land Charge Searches.

Issues for Consideration

Legislation introduced in 2007 ensures that local authorities set fees on the basis of the cost of provision and local authorities were not allowed to make a profit from charges. Recommendations were that authorities should calculate the cost of providing the services and then work out the unit cost of those services. In addition, the government indicated that all information used to compile a local land charge search should be made available to personal search companies and others. Local Land Charges income had fallen significantly over the past 2 years. Details of the proposed charges were outlined in the appendices to the report. The Portfolio Holder suggested that the charges be advertised in Hartbeat to publicise their competitiveness.

Decision

The Portfolio Holder agreed that access to property information be implemented as per Appendix A to the report

The Portfolio Holder agreed that official local land charge searches be implemented as per Appendix B to the report.

59. Former Blakelock Gardens Day Centre *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder in respect of progress in the disposal of the property.

Issues for Consideration

Authority had been granted to demolish the existing buildings and mobile security arrangements had been in place since 2009 to protect the building against vandalism. An acceptable tender for the demolition had been received but there had been issues with regard to a Bat Licence and therefore the site had been unable to be cleared. It was proposed that the issue of the Bat Licence should run with the sale of the property and that the future purchaser should address this problem in whatever way was considered appropriate at that time. It was suggested that the land and buildings be offered for sale, as is on a private treaty basis and that existing security arrangements remained in place until contracts for the sale were in place.

Decision

The Portfolio Holder noted the contents of the report and authorised the disposal of the site with the buildings in situ.

60. Procurement Update Report *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

This was presented in order to update the Portfolio Holder on procurement developments and activities.

Issues for Consideration

A review of the Regional Strategic and Operational Leadership of Collaborative Procurement was currently being undertaken from which recommendations were likely to be given.

An update was given on the result of a Local Government Ombudsman Investigation into the Home to School Transport tender. The Council has been approached by the Department for Children, Schools and Families Education Procurement Centre to be involved in a free advisory service to schools and an early pilot with 3 schools is being considered. Further progress will be reported in future. Updates were also given on the 'Buy Local' Campaign, the review of the Contract Procedure Rules and the Contract Scrutiny Committee and Tender Guidance.

Decision

The Portfolio Holder noted this report and endorsed the actions necessary as a result of issues raised by the Contract Scrutiny Committee.

61. Space to Learn Project – St Hild's School *(Director of Children's Services and Head of Procurement, Property and Public Protection)*

Type of Decision

Non key

Purpose of Report

The report was given in order to inform the Portfolio Holder of the development of the Space to Learn project at St Hild's School and to provide an update on the outcomes of the Children's Services Portfolio meeting where decisions were made regarding an approach to elements of sponsorship for the project and the arrangements for an official launch of the project.

Issues for Consideration

Space to Learn was intended to be a purpose built learning environment which would enable all schools throughout the town to test out new ideas in teaching and learning ahead of the Primary Capital Programme and Building Schools for the Future programme. This pioneering facility had attracted the interest of influential organisations who had expressed an interest in endorsing the project as a National Centre of Excellence. The result of this is a significant interest from potential providers in sponsoring the project through the supplying materials, equipment, technology and other goods and services. A similar situation had arisen in relation to the Tall Ships project and subsequently a system had been adopted for accepting such offers at no costs and with no prejudice after approval by the Portfolio Holders. The proposed process in this case was that all offers under the £5,000 contract procurement threshold for a competitive required were approved by the School's Transformation Project Director and all offers of £5,000 and over were brought to the Portfolio Holder for approval. It was noted that it was important that any sponsorship scheme should not interfere in any way with the procurement processes associated with BSF or PCP procurement processes. When any sponsorship was approved a Form of Agreement would be signed by the Sponsor and the Council in order to formalise the arrangement. An event to publicize the project was planned in the near future.

Decision

The Portfolio Holder noted the progress on the Space to Learn Project.

The Portfolio Holder approved the approach to Sponsorship outlined in the report and Appendix A.

The Portfolio Holder noted the arrangements for the launch of the Space to Learn project.

62. 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 63 – Dyke House Community Resource Centre, Wharton Terrace - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 64 – Headland Development Trust, New Life Centre - This item

contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 65 – Caretaker's House, Elizabeth Way, Seaton Carew - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 66 – Hart Smallholdings - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 67 – Land at Maxwell Court - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 68 – Land at Seaton Lane - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 69 – Land at Wells Street, Headland, Hartlepool - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 70 – Rockhaven, 36 Victoria Road - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 71 – Proposed Extension of Lease to Northgate, Level 1, Civic Centre - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

Minute 72 – The Proposed Sale of Land at Londonderry Street - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

63. Dyke House Community Resource Centre, Wharton Terrace *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented in order to update the Portfolio Holder on proposals for the premises

Issues For Consideration

Details of proposals and plans for the premises were put to the Portfolio Holder.

Decision

The decision was outlined in the exempt section of the minutes.

64. Headland Development Trust, New Life Centre *(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 possible disposal of land owned by Hartlepool Borough Council on King Oswy Drive to the Headland Development Trust for the construction of a New Life Centre.

Issues for Consideration

The report provided the background and proposed development of the premises and further details of discussion are outlined in the exempt section of the minutes.

Decision

The decision was set out in the exempt section of the minutes.

65. Caretakers House, Elizabeth Way, Seaton Carew *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder further following the original report of 19 February 2009

Issues for Consideration

The issues regarding this property were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

66. Hart Smallholdings *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder in respect of agricultural leases at Hart and their proposed renewal.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

67. Land at Maxwell Court *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder in respect of two small areas of adopted land between Motherwell Road and Owton Manor Lane.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

68. Land at Seaton Lane *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder on developments in connection with an application for the discharge of a restrictive covenant in respect of land ownership.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

69. Land at Wells Street, Headland, Hartlepool *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder about an expression of interest in the purchase of land at Wells Street.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

70. Rockhaven, 36 Victoria Road *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder on background issues between Hartlepool Borough Council and the Hartlepool Voluntary Development Agency.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

71. Proposed Extension of Lease to Northgate, Level 1, Civic Centre *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to update the Portfolio Holder of a proposal to extend the current lease to Northgate, Level 1, Civic Centre

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

72. The Proposed Sale of Land at Londonderry Street *(Head of Procurement, Property and Public Protection)*

Type of Decision

Non key.

Purpose of Report

The report was presented to obtain the Portfolio Holder's consent to proceed with the sale of freehold reversion of a garage at Londonderry Street.

Issues for Consideration

The issues were contained within the exempt section of the minutes

Decision

The decision was set out in the exempt section of the minutes.

The meeting concluded at 4.25 pm

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 3 APRIL 2009