

SCRUTINY CO-ORDINATING COMMITTEE AGENDA



Tuesday 25 August 2009

at 2.00 p.m.

**in the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: SCRUTINY CO-ORDINATING COMMITTEE:

Councillors C. Akers-Belcher, S Akers-Belcher, Barker, Brash, James, London, A Marshall, J. Marshall, McKenna, Preece, Richardson, Rogan, Shaw, Simmons, Wright and Young

Resident Representatives: Iris Ryder and Linda Shields.

- 1. APOLOGIES FOR ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 3. MINUTES**
 - 3.1 To confirm the minutes of the meeting held on 31 July 2009 (to follow)
- 4. RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE**

No items.
- 5. CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS**

No items.

6. **CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS**

No items.

7. **CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS**

No items.

8. **ITEMS FOR DISCUSSION**

8.1 Call-In of Decision: Business Transformation (Programme Board and Asset Management Arrangements)

(a) Call-In of Decision: Business Transformation (Programme Board and Asset Management Arrangements) – Briefing Note – *Scrutiny Manager*

(b) Verbal Evidence from the Mayor, Stuart Drummond (subject to confirmation).

9. **CALL-IN REQUESTS**

10. **ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

ITEMS FOR INFORMATION

Date of Next Meeting: Friday 11 September 2009 commencing at 2.00 p.m. in the Council Chamber, Civic Centre, Hartlepool.

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

31 July 2009

The meeting commenced at 2.00 p.m. in the Civic Centre, Hartlepool

Present:

Councillor Marjorie James (In the Chair)

Councillors: Christopher Akers-Belcher, Stephen Akers-Belcher, Francis London, Ann Marshall, Chris McKenna, Arthur Preece, Carl Richardson, Jane Shaw, Chris Simmons, Edna Wright and David Young.

Resident Representatives: Linda Shields and Iris Ryder.

Also Present: In accordance with Council Procedure Rule 4.2, Councillor Sheila Griffin as substitute for Councillor Trevor Rogan.

Officers: Dave Stubbs, Director of Neighbourhood Services
Denise Ogden, Head of Neighbourhood Management
Sue Johnson, Assistant Director (Planning and Service Integration)
John Lovatt, Acting Assistant Director (Operations)
Alison Mawson, Head of Community Safety and Prevention
Anthony Steinberg, Economic Development Manager
Jeff Mason, Head of Support Services
Peter Turner, Principal Strategy Development Officer
Alan Dobby, Business Transformation Manager
Joan Wilkins, Scrutiny Manager
James Walsh, Scrutiny Support Officer
David Cosgrove, Democratic Services Team

10. Apologies for Absence

Councillors Atkinson, Brash, J Marshall, and Rogan.

11. Declarations of interest by Members

None.

12. Minutes of the meetings held on 12 June 2009

Confirmed.

13. Minutes of the meetings held on 17 July 2009

Confirmed.

14. Responses from the Council, the Executive or Committees of the Council to Reports of the Scrutiny Co-ordinating Committee

No items.

15. Consideration of request for scrutiny reviews from Council, Executive Members and Non Executive Members

No items.

16. Draft Work Programme – Neighbourhood Consultative Forum Review 2008/09 *(Scrutiny Manager)*

The Scrutiny Manager reported that a Best Value Review of the Council's Neighbourhood Consultative Forums had been undertaken and report prepared by the Head of Neighbourhood Management outlining the results and actions of the review was submitted for the committees' consideration. Members highlighted that the Central Neighbourhood Consultative Forum was reviewing how minor works monies were allocated and it may be prudent to extend this to all forums to ensure consistency.

Members questioned the involvement in the review of the Resident Representatives and the Community Network. The Chair suggested that the report should be considered by all councillors through an additional meeting where the resident representatives were allowed to fully participate.

Recommended

That consideration of the review of Neighbourhood Consultative Forums be referred to a council meeting where full participation of the resident representatives in the discussion would be permitted.

17. Forward Plan: August – November 2009 *(Scrutiny Manager)*

The Scrutiny Manager submitted the Executive's Forward Plan for August to November 2009 to provide an opportunity for Members to consider whether any item within the plan should be considered by the Committee or referred to a particular Scrutiny Forum.

Members highlighted the following issues and raised questions/comments detailed: -

CE33/09 – Strategic Land Acquisition. The decision was listed to be taken in August by Council when there was no Council meeting scheduled.

SS60/09 – Collocation of Services, Bid for Funding. Members were concerned that as Rossmere Primary School remodelling had been moved up the priority order under the Schools Capital Programme, it would be prudent to schedule these works at the same time to maximise the benefit of the funding available.

NS127/07 – Highway Services Strategy. Members were concerned that this entry had not been fully updated. Members also sought assurance that they would be consulted prior to the decision being taken.

Recommended

That the report and Members comments be noted and actioned where appropriate.

18. Corporate Plan 2009/10 *(Assistant Chief Executive)*

The Principal Strategy Development Officer reported that the version of the Corporate Strategy Plan submitted was the final version of the plan with all entries completed. Members were also informed that there was an element of 'roll-forward' on some of the entries from the previous year's plan.

Members were concerned at the recent announcement from Stagecoach that there were to be significant changes to bus services in the town and how these impacted the corporate plan proposals relating to sustainable transport. The Director of Neighbourhood services commented that officers had received very little notice of Stagecoach's proposals and were working on how the impact of the changes could affect passengers in certain areas of the town. It was correct that there was to be a reduction in the number of stops on some services, but following a consultation exercise conducted by Stagecoach, the increased service provision to a 'ten minute service' would have some benefits.

The Chair questioned the definition in Outcome CORP SC16 of 'Supporting' the development of Hartlepool's Financial Inclusion Partnership. Officers undertook to provide a written response on this point. Members also questioned the results of survey relating to litter. The report stated "The Council continues to respond to residents concerns over litter. Recent survey results have shown a reduction in the levels of litter across the town, with increase enforcement activity helping to reduce these levels." Members asked if the detailed results of this survey could be circulated.

Recommended

That the Corporate Plan 2009/10 be noted together with members comments and the request for additional information set out above.

19. Consideration of financial monitoring/corporate reports

No items

20. Role of the Committee *(Scrutiny Manager)*

The Scrutiny Manager submitted a report outlining the membership, functions and remit of the Scrutiny Coordinating Committee together with the meeting dates of the Committee for 2009/10 for the Committee's information.

Recommended

That the report be noted.

21. Determining the Coordinating Committee's Work Programme for 2009/10 *(Scrutiny Manager)*

The Scrutiny Manager reported on the workload issues for the Committee in 2009/10. As well as investigations that the Committee may choose to undertake, the Committee had a role in managing the workload of the five standing Forums, the budget, budget and policy framework plans and strategies together with and Councillors Calls for action and referrals that may be referred.

Issues identified for investigation during the year by Members were Child Poverty and Business Transformation Programme. The Chair commented that she would wish to see the Child Poverty investigation widened slightly to include Financial Inclusion. This would be a wide ranging investigation that would involve all of the five standing scrutiny forums at some point during the year. Members commented that Children's Services Scrutiny Forum would be heavily involved in the investigation and the issue of education as a means of giving people a pathway out of poverty needed to be a particular focus. While educational standards had improved in the town over the past decade, Hartlepool still stood 9th out of the audit commission's 'family' of eleven similar authorities for five or more Grade A* to C GCSE's including English and Maths. It had to be accepted that while Hartlepool had moved forward, other areas had too and Hartlepool's position was still poor in comparison.

In relation to the suggested investigation into the Business Transformation Programme, the Chair commented that she was particularly concerned that there should be no diminishment of front line services to the public through this process.

Recommended

That the Scrutiny Coordinating Committee undertake investigations into Child Poverty and Social Inclusion (in conjunction with the five standing forums) and the Business Transformation Programme during 2009/10.

22. **Scrutiny Forums – Draft Work Programme 2009/10** (Scrutiny Forum Chairs)

The five Scrutiny Forum Chairs reported on their forums deliberations on the work programme for 2009/10 and indicated the issues that were being put forward for the Coordinating Committees approval.

Adult and Community Services Scrutiny Forum

The Chair, Councillor Chris Simmons, indicated that the forum proposed to investigate 'Putting People First'; - Personalisation, and Child Poverty, with one meeting investigations on the Allotment Strategy and the Reform of Adult Care and Support Green Paper.

Children's Services Scrutiny Forum

The Chair, Councillor Jane Shaw, indicated that the forum proposed to investigate the Youth Service and Child Poverty.

Health Scrutiny Forum

It was reported that the Forum proposed to investigate Alcohol Abuse, Phase 2 – Momentum Pathways to Healthcare, Hospital Car Park Charges, Thyroid Problems, and Annual Health Check. The Chair also highlighted the issues on the forum's three-year rolling health programme.

Regeneration and Planning Services Scrutiny Forum

It was reported that the Forum proposed to investigate the Transport Interchange and Hartlepool's Business Incubation System.

Neighbourhood Services Scrutiny Forum

The Chair, Councillor Stephen Akers-Belcher, indicated that the forum proposed to investigate Climate Change/Carbon Reduction, and Traffic lights, with one meeting investigations on the Car Parking Strategy on Estates and Speed Humps.

Recommended

That the draft work programmes for the five standing scrutiny forums as detailed above be approved for 2009/10.

23. **Call-In of Decision: Business Transformation (Programme Board and Asset Management Arrangements) – (Scrutiny Manager)**

The Scrutiny Manager reported that a Call-in Notice relating to the decisions of Cabinet of 13 July 2009 relating to Business Transformation – Quarterly Programme Update (Minute 19 refers) and Business Transformation – Asset Management (Minute 21 refers) had been received. The report submitted to the Committee detailed the relevant Minutes of Cabinet of 13 July, the two reports of the Chief Executive and Assistant Chief Executive and a copy of the Call-in Notice.

The Leader of the Labour Group, Councillor Jonathan Brash, a signatory to the call-in notice had submitted a statement to the Chair urging the Committee to support the call-in and to investigate the issues concerned. The statement, together with a letter from the Leader of the Liberal Democrat Group, Councillor Arthur Preece, also a signatory to the call-in notice, was read to the meeting.

The Chair indicated that the consideration of the call-in needed to be undertaken in a timely fashion and in accordance with the views expressed by Members, formally accepted the call-in and indicated that an additional meeting of the Committee would be held as soon as practicable to consider the matter.

The Chair also drew Members attention to the referral from Council of 'Proposals for departures from the budget and policy framework - 2009/10 Capital Programme and Prudential Borrowing Limits' which would be considered at an additional meeting of the Committee on 11 September 2009 commencing at 2.00 p.m.

Recommended

1. That the call-in notice relating to Business Transformation – Quarterly Programme Update and Business Transformation – Asset Management considered by Cabinet at its meeting on 13 July 2009 be accepted and considered by a meeting of the Committee in the week beginning 24 August, 2009.
2. That the consideration of the referral from Council of 'Proposals for departures from the budget and policy framework - 2009/10 Capital Programme and Prudential Borrowing Limits' and the date of the additional meeting on 11 September 2009 be noted.

The meeting concluded at 3.00 p.m.

MARJORIE JAMES

CHAIR

SCRUTINY CO-ORDINATING COMMITTEE

25 August 2009



Report of: Scrutiny Manager

Subject: Call-In of Decision: Business Transformation
(Programme Board and Asset Management
Arrangements) – Briefing Note

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Scrutiny Co-ordinating Committee with the relevant information relating to the Call-In of the Business Transformation (Programme Board and Asset Management Arrangements) decision taken by Cabinet on 13 July 2009, as per the Authority's Call-In procedure:-

Minute No. 19 – Business Transformation – Quarterly Programme Update

- (ii) That the Programme Board be amended in light of recent portfolio changes to delete the Performance Portfolio and to include an additional Cabinet Member to be determined at a later date.
- (iii) That consideration be given to changing the times of the Business Transformation Board meetings to maximise Member attendance.

Minute No. 21 – Business Transformation – Asset Management

- (i) That the Portfolio Holder for Finance and Performance continue with delegated authority for decisions in relation to the disposal of land and buildings.

- 1.2 A full extract from the Decision Record is attached at **Appendix A**.

2. BACKGROUND INFORMATION

- 2.1 At the decision making meeting of Cabinet held on 13 July 2009, two reports were considered in relation to the Business Transformation process, specifically around the quarterly programme update and asset management issues. Copies of these reports are attached as follows:-

Appendix B - Business Transformation – Quarterly Programme Update
Appendix C - Business Transformation – Asset Management

- 2.2 Following the decisions taken by Cabinet at its meeting on the 13 July 2009, as outlined in Section 1.1 above, a Call-In Notice was submitted to the Proper Officer by Members of the Scrutiny Co-ordinating Committee. A copy of this Call-in Notice is provided at **Appendix D**.
- 2.3 As the Call-In Notice met all the constitutional requirements, the Scrutiny Co-ordinating Committee (31st July 2009), gave consideration to the signatories view / opinion that the decision had been taken in contravention of the principles of decision making (as outlined in Article 13 of the Constitution). The reason identified in the Call-In Notice being that
- ‘the decisions were not taken in accordance with the principles of decision making set out in Section 13 of the Constitution – specifically in respect of parts:-*
- vi) a presumption in favour of openness;*
 - viii) due consideration of options available to the decision taken; and*
 - xii) reasonableness’.*
- 2.4 Having considered the content of the Call-In Notice, the Scrutiny Co-ordinating Committee supported the need look closer at how the decisions had been made and accepted the Call-In Notice, together with the three specified reasons contained within it.
- 2.5 It was also agreed that the Call-In would be retained by the Scrutiny Co-ordinating Committee for consideration in a practical and timely manner. In order to facilitate this, it was agreed that an additional meeting of the Scrutiny Co-ordinating Committee would be convened today (25 August 2009) to deal with the Call-In.

3. CALL-IN PROCESS – NEXT STEPS

- 3.4 In the consideration of the Call-In, the Scrutiny Co-ordinating Committee is required in relation to each of the decisions to, in the first instance, focus its discussions solely at the three reasons outlined within the Call-In Notice. Also, to determine if any additional information is required over and above what has already been provided.
- 3.5 Invitations have been extended to the Mayor, Stuart Drummond, and the Chief Executive to be in attendance at this meeting to answer any questions felt to be appropriate.
- 3.6 Having fully discussed the reasons outlined within the Call-In Notice there are two ways forward:-
- (i) Should the Committee be satisfied that the principles of decision making have not been contravened, the decision(s) will be effective immediately; or

- (ii) Should the Committee remain concerned about the decision(s), comments should be agreed for consideration by Cabinet at the earliest opportunity. The next possible meeting of Cabinet being held on the 7th September 2009.

3.7 Following the receipt of comments from Scrutiny, Cabinet would be required to reconsider the decision in light of them and either reaffirm or amend the decision. A response from Cabinet must be referred to the Scrutiny Co-ordinating Committee, setting out the reasons for reaffirming or modifying the decision, in relation to the issues raised by the Committee.

4. RECOMMENDATIONS

4.1 That consideration be given to the whether the decisions detailed in Section 1.1 were taken in accordance with the Principles of Decision Making as outlined in Section 13 of the Constitution.

4.2 That should the Committee be of the view that the decisions detailed in Section 1.1 of this report were not taken in accordance with the Principles of Decision Making, comments be formulated for consideration by Cabinet.

Contact Officer:- Joan Wilkins – Scrutiny Manager
Chief Executive's Department - Corporate Strategy
Hartlepool Borough Council
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BACKGROUND PAPERS

The following background paper was used in the preparation of this report:-

- (i) Hartlepool Borough Council's Constitution;
- (ii) Call-In of Decision: Business Transformation (Programme Board and Asset Management Arrangements) – Scrutiny Co-ordinating Committee (31 July 2009); and
- (iii) Agenda and Minutes – Cabinet (13 July 2009).

CABINET

MINUTES AND DECISION RECORD

13 July 2009

The meeting commenced at 9.00 am in the Civic Centre, Hartlepool

Present:

The Mayor (Stuart Drummond) - In the Chair

Councillors: Pamela Hargreaves (Regeneration and Economic Development Portfolio Holder)
Gerard Hall (Adult Services Portfolio Holder)
Cath Hill (Children's Services Portfolio Holder)
Robbie Payne (Finance & Performance Portfolio Holder)
Peter Jackson (Transport and Neighbourhoods Portfolio Holder)
Victor Tumilty (Culture, Leisure and Tourism Portfolio Holder)

Also Present:

Councillor Trevor Rogan, Chair of Regeneration and Planning Services Scrutiny Forum
Councillor Chris Simmons, Chair of Adult and Community Services Scrutiny Forum

Officers:

Paul Walker (Chief Executive)
Andrew Atkin (Assistant Chief Executive)
Peter Devlin (Chief Solicitor)
Mike Ward (Chief Financial Officer)
Joanne Machers (Chief Personnel Officer)
Peter Scott (Director of Regeneration and Planning Services)
Nicola Bailey (Director of Adult and Community Services)
Adrienne Simcock (Director of Children's Services)
Dave Stubbs (Director of Neighbourhood Services)
Joanne Smithson (Head of Community Strategy)
Anthony Steinberg (Head of Economic Development)
Tom Britcliffe (Principal Planning Officer)
Nigel Johnson (Housing Regeneration Co-ordinator)
Patrick Wilson (Employment Development Officer)
James Walsh (Scrutiny Support Officer)
Steve Hilton (Public Relations Officer)
Angela Hunter (Principal Democratic Services Officer)

19. Business Transformation – Quarterly Programme Update *(Chief Executive)*

Type of decision

Non-key.

Purpose of report

To provide a recap on the programme, to update on progress on the Programme since April 2009 and to provide an outline of forthcoming activity.

Issue(s) for consideration by Cabinet

The report provided an overview of the current status of the programme and forthcoming reports which will be considered by Cabinet. In providing this review and forward plan it was the intention of the report to provide sufficient information for the overall monitoring of progress of the Programme against the originally established timescales.

In addition the report included an update in respect of both financial and risk related issues. Although the financial information was, at this stage, limited due to the previously discussed intended savings profiles it was the intention that these monitoring reports provided up to date information in relation to both savings achieved and the costs incurred for future meetings.

This report also encompassed decisions required from Cabinet in respect of the make up of the Programme Board and the department names for the new structure.

It was noted that the Programme Board had suggested extending the Board to include a member from each of the Scrutiny Forums, but the Board already included the Chair of Scrutiny Co-ordinating Committee. It was also noted that some Members had difficulty attending Board meetings and a suggestion to reconsider the timing of meetings was put forward.

Due to the recent changes in portfolio holder responsibilities, it was considered that an additional Cabinet Member be appointed to the Board. A discussion ensued on the suggested names of the new Departments as contained in the report.

Decision

- (i) That the progress made to date on the implementation of the programme and forthcoming reports to Cabinet included in this report were noted.
- (ii) That the Programme Board be amended in light of recent portfolio changes to delete the Performance Portfolio and to include an additional Cabinet Member to be determined at a later date.
- (iii) That consideration be given to changing the times of the Business Transformation Board meetings to maximise Member attendance.
- (iv) That the names of the two new departments be agreed as:
 - Child and Adult Services
 - Regeneration and Neighbourhoods

21. Business Transformation – Asset Management
(Assistant Chief Executive)

Type of decision

Non-key.

Purpose of report

To report on the Asset Management Rationalisation Programme of Council administration buildings and the reduction in surplus property and land.

Issue(s) for consideration by Cabinet

The report concentrated on the rationalisation of council property and land, Cabinet agreed to the implementation of the asset management business case in January 2009. Property rationalisation will result in a reduction in the number of land/buildings in the property portfolio leading to more efficient service delivery and a reduction in property revenue costs and maintenance requirements.

The Asset Management Business case proposed that all land and property held be reviewed and challenged and the surplus reduced. Whilst there was still a great deal of work to be done in respect of non administration operational buildings it was now possible to present a schedule of proposals, see Appendix 1. This will facilitate a start on active disposals being made, taking into account marketability of any land or property and market conditions.

The vision for the administration buildings portfolio was that there will be a reduction as a result of the business transformation programme. This will

be facilitated by the disposal of buildings which cannot be readily adapted or refurbished cost effectively and termination of unsuitable leasing arrangements in order to good quality multi-purpose facilities.

In response to the suggestion from the Performance Board in respect of decision making on land and property disposals, the Mayor indicated that delegated authority in relation to the disposal of land and buildings would continue through the Portfolio Holder for Finance and Performance.

The Chief Executive confirmed that once an approved list of buildings to be considered for disposal was agreed, the current occupiers of those buildings would be kept informed of progress.

Decision

- (i) That the schedule attached at Appendix 1 be approved as the basis for taking the programme forward at this time.
- (ii) That the Portfolio Holder for Finance and Performance continue with delegated authority for decisions in relation to the disposal of land and buildings.

**P J DEVLIN
CHIEF SOLICITOR**

PUBLICATION DATE: 17 July 2009

CABINET REPORT

13 July 2009



Report of: Chief Executive

Subject: BUSINESS TRANSFORMATION – QUARTERLY
PROGRAMME UPDATE

SUMMARY

1. PURPOSE OF REPORT

To provide a recap on the programme, to update on progress on the Programme since April 09 and to provide an outline of forthcoming activity.

2. SUMMARY OF CONTENTS

The report provides an overview of the current status of the programme and forthcoming reports which will be considered by Cabinet. In providing this review and forward plan it is the intention of the report to provide sufficient information for the overall monitoring of progress of the Programme against the originally established timescales.

In addition the report includes an update in respect of both financial and risk related issues. Although the financial information is, at this stage, limited due to the previously discussed intended savings profiles it is the intention that these monitoring reports provide up to date information in relation to both savings achieved and the costs incurred for future meetings.

This report also encompasses decisions required from Cabinet in respect of the make up of the Programme Board and the department names for the new structure.

3. RELEVANCE TO CABINET

The Business Transformation Programme is a cross cutting council wide programme and is therefore of relevance to Cabinet

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet 13th July 2009

6. DECISION(S) REQUIRED

6.1 Cabinet are recommended to

6.1.1 Note the progress made to date on the implementation of the programme and forthcoming reports to Cabinet included in this report

6.1.2 Identify any issues they wish the Business Transformation Team to take into account in the implementation of the programme

6.1.3 Determine the preferred option for the make up of the Programme Board as covered in sections 6.3.1 and 6.3.2 of the main report

6.1.4 Determine the names of the departments based on the recommendations included in section 7.4 of the main report

Report of: Chief Executive

Subject: BUSINESS TRANSFORMATION – QUARTERLY
PROGRAMME UPDATE

1. PURPOSE OF REPORT

- 1.1 To provide a recap on the programme, to update on progress on the Programme since April 09 and to provide an outline of forthcoming activity.

2. BACKGROUND

- 2.1 At the meetings in January and April of 2009 Cabinet made a range of decisions in respect of the implementation, and further development of the Business Transformation programme. For information these are shown in detail in **Appendix 1** but some of the key elements are shown below

- The restructure of the authority from 5 departments to 3 (at the meeting in January) and an overall structure of the authority with some functional changes (at the meeting in April)
- The recruitment of Directors of Place and People in line with the Council's procedures.
- Development outline departmental structures by the appointed Directors, delivering the efficiencies required, to be agreed by Cabinet.
- To the implementation of the Business Case proposals for the following workstreams
 - Restructure and Management Structures:
 - Transactional Services
 - Non-Transactional Services
 - Asset Management
 - Service Delivery Options
- To receive further reports on Customer Services, Service Delivery Options, a Workforce Development Programme and an invest to save programme for energy efficiency
- That the authority implement;
 - Restrictions on filling vacancies across the Council, with limited exemptions.
 - A managed process to receive expressions of interest in voluntary redundancy in line with programme timescales.
- That further reports be brought to Cabinet after the appointment of Directors in respect of the functional structures and the proposed slotting in of Chief Officers.

- 2.2 Whilst progress has been made on the programme it is important to note that there are further factors, outside the control of the authority which continue to impact upon the Council (and this programme) in the short and medium

terms. From 2010/11 the efficiency target which Central Government expects the authority to deliver each year has been increased from 3% to 4% (in broad terms this equates to additional efficiency savings of approximately £800K over and above those already required).

- 2.3 The Business Transformation Programme has been established to contribute towards the Medium Term Financial Strategy (MTFS) of the Council and the budgetary issues which have been reported to Cabinet for the short and medium terms. The plans which have been established have been based upon the understanding of the financial position at various points and, as has been identified above in respect of increased efficiency targets, the constraints under which the authority is being placed are significant and likely to increase further.

3. Current Programme status and progress on actions

- 3.1 The implementation of the programme began in line with the decisions of Cabinet and with a range of preparatory work being undertaken for elements of the programme where implementation is not scheduled until later in the year.
- 3.2 Overall the status of the programme and the actions within it is classed as On Target. The programme was not scheduled to have delivered any direct efficiencies at this stage and all programme elements, including decisions needed by Cabinet at this stage of the programme have been received and implementation has begun where appropriate.
- 3.3 Brief summaries of progress and plans for each workstream are attached at **Appendix 2**
- 3.4 It should be noted that each of the six workstreams has made progress in the first quarter of 2009/10.
- Preparations for the recruitment of Directors and ADs
 - Well advanced in implementing new HR/Payroll system
 - Research and baseline data underway for centralisation proposals for ICT, Procurement and Asset Management
 - Customer Services Business Case completed for reporting to Cabinet
 - Review programme prepared for Service Delivery Options for Cabinet
 - Energy Management Invest to Save Programme prepared for Cabinet
 - Researched options for more corporate support service arrangements
- 3.5 A key early deliverable, and one which impacts on many other actions and outcomes, is the corporate restructure. Detailed plans and preparations are in place to ensure that we meet the key milestones for the programme. It is important that the following are met.
- 3.5.1 Corporate Restructures / Management Structures
- The Appointment of Directors for the two new departments by mid-August

- The third tier (Assistant Directors) are all in post by end of October/Early November
- 3.5.2 Transactional Support Services
- HR Payroll phased deadlines
 - Determination of administrative support services by November
- 3.5.3 Customer Services
- Business case report to Cabinet by July
 - Roll in of services to Contact Centre to re commence from August
 - Revised website and online functionality in place from September
- 3.5.4 Service Delivery Options
- Review programme agreed by Cabinet
 - Programme of reviews commences from July
- 3.5.5 Asset Management
- Proposals for centralising resources to be determined by July
 - Invest to save proposals agreed by Cabinet by August
 - Buildings for disposal identified and agreed
- 3.5.6 Non Transactional Services
- Corporate procurement unit and ICT support team established by November
- 3.6 The programme is, overall, on target in respect of the timescales originally set. The programme is, as has been stated on an ongoing basis, complex and with a series of significant and related actions. The management of the programme is appropriate to needs at this stage.
- 4. Financial Update**
- 4.1 There has been very little expenditure to date, other than backfilling for the BT Team and a minor amount of external specialist assistance. No savings are budgeted for in the current year, and none were expected in the first quarter.
- 4.2 The main points to note are:
- The management structure business case is, as a minimum, expected to achieve the target saving set.
 - There is less overlap with revenue budget savings than expected, but potentially more overlap between workstreams than anticipated.
 - The potential contribution from Income Maximisation is estimated at a minimum of £300K in 2010/11, and possibly more in subsequent years.
 - The Energy Management programme is expected to contribute savings , with the level depending on the internal and external investments made
- 4.3 At a consolidated BT programme level, adjustments have been made for the potential overlap of savings across workstreams in determining the forecast

savings that the programme will ultimately deliver for the Council. In terms of programme implementation departments will need to appreciate the cumulative impact of savings required by different workstreams eg. savings will be required from management structures, from SDO reviews, from transactional and non transactional workstreams.

- 4.4 The BT team are currently working with Finance to determine the cash envelopes and more detailed targets for the various elements of the programme.

5. Key Risks

- 5.1 The risks identified which may impact on the programme have previously been reported to Cabinet and are monitored as part of the overall management and control of the programme and its component parts.
- 5.2 It is appropriate to reiterate a number of those that have already been identified and to provide further information on others as the nature, or potential impact, of the risk become clearer. These are identified below (though are not a full report on the risk register and associated risks and management arrangements);
- 5.2.1 The programme comprises, as has always been stated, a number of interrelated elements. The nature of the change required only provides for very limited opportunity for realising efficiencies from discrete, stand alone projects. This therefore increases both the complexity of the change required and the cumulative effect of developments on capacity to achieve successful change.

Whilst this is a known component of the programme, and one which has been recognised since the outset, it reinforces the need to ensure that potential efficiencies are not double counted, that capacity remains in the system to ensure that the programme outcomes can be achieved and to programme realistically.

- 5.2.2 The Service Delivery Options (SDO) element of the programme has been set an ambitious target as part of the overall programme. The target of £4.6m is over half of the overall projected programme savings and requires significant innovation and change to deliver this. The programme of reviews that has been developed provides a framework within which to progress this element of the programme. It is likely that there will be a significant number of potentially complex and challenging decisions to be made in respect of current and future service provision if these scales of efficiencies are to be delivered. This likely to include decisions in relation to the continuation of services, current standards and levels of provision, eligibility thresholds to services, the delivery of the service among a range of others.
- 5.2.3 There are unlikely to be any easily identifiable and deliverable efficiencies within the programme which has been outlined. The Authority has worked to deliver those efficiencies which are easier to realise over the last 4 to 5 years

and it is likely that these have been exhausted. The authority is at the point of needing to make difficult decisions in respect of key service areas and this will need continued commitment and support from Cabinet in conjunction with engagement with both those delivering and receiving the services. Each decision to not agree to changes required as part of the SDO programme as they come forward to Cabinet essentially requires a return to the default of salami slicing budgets within the authority which is the position Cabinet wished to see avoided or minimised.

6.0 Programme Board

6.1 The make up of the Programme Board as determined by Cabinet at the meeting in October 2008 and includes the following

- **Elected Members**
 - The Mayor
 - Portfolio Holder for Performance
 - Portfolio Holder for Finance and Efficiency
 - Chair of Scrutiny Coordinating Committee
 - Elected Member nominated by Council
- **Officers**
 - Chief Executive
 - Assistant Chief Executive
 - Director of Adult and Community Services
- **Key Partners**
 - Trade Union Representatives (x2)

6.2 The Terms of Reference for the Board identify that it will be reviewed at least annually and since the Board was established the portfolio responsibilities for Cabinet members have been revised following the Mayoral election and it has been agreed to move from a departmental structure of 5 departments to one of 3.

6.3 Cabinet have the opportunity to review the Membership of the Board. At Programme Board a number of options were discussed and are open to Cabinet to decide.

6.3.1 That Cabinet membership be the Mayor and Portfolio Holder for Finance and Performance or be supplemented with an additional Cabinet member (to be determined by Cabinet)

6.3.2 The membership by other elected members be maintained as it is currently or be supplemented with a member of each of the Scrutiny Forums as determined by Council.

7.0 Department Names

- 7.1 As part of the proposals for the restructure of the authority we have been operating on the principle that the “working titles for the two new departments are People and Place. As we come to the point of recruiting directors and implementing the structural and service changes which will bring into being the new departments it is appropriate to determine the department names.
- 7.2 A range of options are available in this regard, and it is difficult to reflect all service areas forming part of a department in the title. The current department titles are ;
- Adult and Community Services
 - Children’s Services
 - Neighbourhood Services
 - Regeneration and Planning Services
- 7.3 There are numerous permutations and combinations available however the following are suggested ;
- Child and Adult Services (or visa versa)
 - Children, families and community services
 - Children, Adults and Families
 - Care, Create and Achieve
 - Regeneration and Neighbourhoods (or vice versa)
 - Cleaner, Safer, Greener
- 7.4 It is important that we try to use titles for the departments that are clear but which do not attempt to describe everything in the department. On this basis the following are recommended
- Child and Adult Services
 - Regeneration and Neighbourhoods

8.0 Communications

- 8.1 Communication is an important and constantly evolving part of the Business Transformation programme. As the overall programme, and then elements within it have been agreed by Cabinet there has been an ongoing process of communication. Over the last quarter a growing amount of general staff information on the programme has been regularly broadcast via the intranet pages, general Newsline articles and a Newsline Special Edition, a variety of staff workshops and seminars (both corporate and departmental), and through all of the normal management channels. Two Member seminars have also been held in May. Union representatives have been briefed on a monthly basis. One further option for communication is a series of ‘drop in’ events at points around the town, so that staff who may not normally come to briefings at the central offices or use the intranet can hear messages and ask questions directly to the BT Team.

9.0 Future Plans

9.1 The report identifies the key activities and actions over the last quarter building upon the agreements made by Cabinet in previous meeting. In addition there are a range of reports planned over the next 6 months as follows :

- Assistant Director structures and slotting in proposals (Sept/Oct)
- Management Development Programme proposals (Autumn)
- Business case report for Customer Services (July)
- Service Delivery Review Options programme (July)
- Proposals for centralising asset management (July/ August)
- Invest to save proposals for energy management (August)
- Quarterly updates on the overall Programme

10.0 Conclusion

10.1 The overall Transformation Programme is proceeding in line with the originally agreed scope and timescale. There are a range of interrelated elements to the programme which are being both developed and implemented in line with previous agreements. The programme has inherent within it a range of decisions at various stages which are important in ensuring the ability to deliver the contribution to the Medium Term Financial Strategy. The Programme of Service Delivery Options has the single largest contribution to the overall financial savings of the programme. Any decision to not implement available options in respect of these reviews will leave a subsequent financial deficit in the Medium Term Financial Strategy which will require addressing. It is part of the overall ethos of the programme that we will take a managed, though often difficult, approach to the change required to avoid the need to resort to wholesale salami slicing of services and budgets.

10.2 The programme at this stage is deemed to be on track.

11.0 Recommendations

11.1 Cabinet is recommended to

11.1.1 Note the progress made to date on the implementation of the programme and forthcoming reports to Cabinet included in this report

11.1.2 Identify any issues they wish the Business Transformation Team to take into account in the implementation of the programme

11.1.3 Determine the preferred option for the make up of the Programme Board as covered in sections 6.3.1 and 6.3.2

11.1.4 Determine the names of the departments based on the recommendations included in section 7.4

Background Papers

Cabinet reports of

6th April 2009 – Business Transformation Programme (Corporate Restructure)

26th January 2009 – Business Transformation Programme

15th September 2008 – Business Transformation Programme

11th February 2008 – Business Transformation Programme

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Appendix 1

Previous decisions of Cabinet

Cabinet 26th January 2009

At the meeting of Cabinet on the 26th January 2009 the following was agreed in respect of the restructure:

- i. The restructure of the authority from 5 departments to 3 in line with the principles in section 4 of this report (of 26th January 2009), with the detailed departmental structures to be developed.
- ii. The review of the remuneration of the Directors of People and Place in line with the agreed Council Remuneration strategy to be agreed by Cabinet.
- iii. The recruitment of Directors of Place and People in line with the Council's procedures.
- iv. Development outline departmental structures by the appointed Directors, delivering the efficiencies required, to be agreed by Cabinet.
- v. The review of the current structure of the Chief Executive's department, with the development of new structures, if appropriate, to be agreed by Cabinet.

In addition to the decisions detailed above Cabinet also agreed

- i. To the continuation of the Business Transformation Team to support Directors and manage and deliver elements of the programme.
- ii. To the implementation of the Business Case proposals identified in section 5 of the report
 - a. Restructure and Management Structures:
 - b. Transactional Services
 - c. Non-Transactional Services
 - d. Asset Management
 - e. Service Delivery Options
- iii. To receive a further report on the implementation of the business case for Customer Services
- iv. To receive a report on the Service Delivery Options incorporating a programme for future years, comprising at least 4 reviews per year and service delivery principles and evaluation criteria.
- v. That the authority implement;
 - a. Restrictions on filling vacancies across the Council, with limited exemptions.
 - b. A managed process to receive expressions of interest in voluntary redundancy in line with programme timescales.
- vi. The principle of funding one-off severance costs of £3.1m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.
- vii. The principle of funding other one-off programme costs of £0.64m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal

to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.

- viii. That proposals for a Workforce Development Programme be developed for consideration by either Cabinet or the Performance Portfolio holder to underpin the requirements of the programme
- ix. That proposals for an invest to save programme for energy efficiency be developed and submitted for consideration and approval
- x. The Communications Plan.

Cabinet 6th April 2009

1. That the overall structure of the Council as set out in sections 7.2, 7.8 and the phased approach to the implementation of the People Department as shown in section 7.4 and 7.6 of the report be approved.
2. That Cabinet determines that the structural location of the services / sections considered within the report are as follows
 - (a) That Procurement, Property and Assets is located in the Place Department as set out in section 8.2 of the report.
 - (b) That Community Strategy (Sustainable Communities) is located in the Chief Executives Department (Corporate Strategy Division) and Place Department (Planning and Economic Development Division and Regeneration and Housing Division) as set out in section 8.3 of the report.
 - (c) That the Drugs Action Team (DAT) is located in the Place Department (Community Safety and Prevention Division) as set out in section 8.4 of the report.
 - (d) That the Youth Offending Service (YOS) is located in the Place Department (Community Safety and Prevention Division) as set out in section 8.5 of the report.
3. That the programme updates set out in **Appendices 1 to 4** of the report be noted.
4. That the recruitment process and timescales for the Directors of People and Place be noted and that Council be informed that Cabinet members wish to be involved in the appointment process.
5. That further reports be brought to Cabinet after the appointment of Directors in respect of the functional structures and the proposed slotting in of Chief Officers.
6. That staff consultation on the proposed structures be in line with the protocols already agreed with the Trade Unions.

Appendix 2

CORPORATE RESTRUCTURE/MANAGEMENT STRUCTURES

The vision for this work stream is for the Council to have management structures which are sustainable in terms of capability and capacity to deliver a high performing council, whilst freeing up resources for service delivery and front line services.

The preparation stage for this work stream is now well underway.

New Functional Structures

Functional structures of the three departments were agreed by Cabinet on 6th April.

Preparation for the recruitment of the new Directors

A detailed plan is in place for the recruitment exercise for the new Directors. Approval has been given to establishing new Director posts by the Monitoring of Vacancy Panel. Two Appointments Panels have been set by Council. External Consultants have evaluated the new posts.

The outcomes of the evaluation process and Directors pay will be subject to a Cabinet report at the first meeting following the Mayoral election. Following this the appointment process will be determined by the Appointment Panels. It is planned to have new Directors appointed by mid-August.

Review of HR Policies and Procedures

An external adviser has undertaken a review of HR Policy and Procedures to ensure that they are appropriate for the implementation of this work stream and the Business Transformation Programme as a whole.

Recruitment of the new Assistant Directors

This workstream will be phased on a tier by tier basis. The Timelines for the appointment of the Assistant Director tier have been drafted. It is planned to have this phase completed by end of November. The fourth and the following management tiers are planned to be delivered between November and May 2010.

Overall Progress - Amber

The delivery plan for this workstream remains on schedule.

SERVICE DELIVERY OPTIONS

The SDO element of the Business Transformation programme is about realising cashable savings and ensuring better use of resources. In order to deliver maximum benefit the SDO programme takes into account other programme elements i.e. customer services, transactional changes, management structures, and non-transaction services.

Each SDO review is expected to take no longer than 4-6 months maximum and be completed within the financial year it commenced. Upon completion Departments with the support from the business transformation team will oversee the implementation stage converting plans into appropriate action.

SDO Prioritisation Programme

A prioritisation model has been developed to assist in determining the final programme based upon a range of factors and criteria. The SDO element of the programme is about ensuring we achieve the best use of resources it is not about providing poor quality services or outsourcing. The programme includes the full range of services provided by the authority including both front line and back office services. Services have been grouped, based largely upon the new structures, to determine an achievable prioritisation programme which can be delivered over 4 years.

To ensure a manageable SDO work programme and effective focus is maintained, a threshold value of £0.3million is proposed and any proposed service activity/ function review with a gross budget less than this value will be excluded from this programme. However, any such units will be expected to contribute towards the council's annual efficiency target.

The proposed SDO programme will be presented to Cabinet in July 09

SDO Review Framework

A review framework and guide has been developed to support the review process. The SDO reviews will be carried out over a predetermined period of time, follow an agreed and planned process, and conclude with the production of an efficiency improvement plan and savings.

Upon completion the nominated Department Senior Manager with the support of the Business Transformation team will oversee the implementation stage converting plans into appropriate action and monitoring the efficiency implementation plan in line with the benefits realisation model. The efficiency improvement plan will be defined, i.e. individual service delivery project business cases, which will set out the costs/ impacts of change to delivery models and forecast financial savings that will be generated.

Consideration needs to be given as to what happens in the early years of the review programme to those services not subject to review till years 3 or 4.

Consideration needs to be given as to how we will resource the SDO programme and what provision will be made to the cost of achieving the savings.

Overall Progress - Amber

TRANSACTIONAL SUPPORT SERVICES

HR / Payroll Project

Project has commenced and progress is on target with the project plan. There remain a few outstanding issues relating to interfacing with the SIMS (schools) system, and communications links set up which could give rise to increased set-up costs. The key implementation dates of the end of March for the migration of posts and mid-May for employee details were both achieved. The parallel running of existing and replacement system remains broadly on schedule for July, with the new system being used exclusively from that point forward.

The scheduled transfer of 4-weekly payrolls to monthly pay was completed as planned during April. Transfer of weekly paid staff to monthly pay in keeping with the Single Status Agreement requires the formal agreement from the Trade Unions.

Income Receipting Project

The project is split into two phases. Phase 1 covers the upgrade of the existing income management software and the introduction of a secure bureau service (AIM upgrade). Phase 2 covers the introduction and roll-out of browser based software for the receipt of credit and debit card payments. The project plan has been amended to reflect the combination of system set-up arrangements for both phases. Implementation dates for the end of September for Phase 1 and the end of October for Phase 2 have been agreed. These dates are later than those included within the original project timeline (May and August respectively) but are dependent upon Capita and HBC resource availability. The overall completion of this program element still remains March 2010.

Re-engineer & Standardise Support Services

The upgrade of the Integra system server was completed on time however problems in creating a test environment have resulted in delays in completing new developments. As a consequence, the phased introduction of upgraded budgetary control reports and the roll-out of web access to the Integra financial management have both been rescheduled for July implementation. These will provide the foundations to support a number of the proposed changes for transactional and support services. Limited progress has been made to date in relation to the support services review and the creation of service delivery arrangements. This is owing to available resources being concentrated on the set up of the HR payroll system. These need to be rescheduled in accordance with system development commitments.

Administrative Staff

The review of administrative staff is closely linked to both the review of management structures and the corporate restructure. As such, no progress was scheduled for this area to this point.

Overall Progress - Amber

ASSET MANAGEMENT

Accommodation & Rationalisation of Administration Buildings

The accommodation strategy pilot on the north wing on level 3 of the civic is progressing, adopting the principle “*work is an activity not a place*”. The flood in level 1 civic centre has resulted in delays to the civic centre refurbishment which in turn has had an impact on the relocation of some services to the civic. The opportunity to revisit occupancy levels 2 and 4 of the civic centre following refurbishment has been undertaken to identify occupancy levels post and pre refurbishment and demonstrates what can be achieved by adopting hot desking based on 4 employees to 3 workstations. A report to Cabinet will be made in July 09.

Centralisation of Asset and Property Management

The Asset Management business case was based on the adoption of a strategic approach to asset management, i.e. centralisation. This element of the asset management business case has commenced and central finance team are currently identifying departmental budgets and spend, discussions are being held between the BT team and departments to determine which responsibilities should be considered for centralisation. A report to Cabinet will be made in August 09.

Rationalisation of Council land and property

An initial disposal programme of council land and premises has been considered. As a consequence, service providers are being challenged to utilise property more efficiently and improve service delivery, linking into the accommodation strategy. This work is being undertaken corporately so as to ensure a joined up approach to utilisation of the whole operational and non operational portfolio.

Energy Invest to Save Programme

The establishment of an ‘Invest-to-Save’ scheme will enable officers to identify opportunities within the Council to improve its energy efficiency and produce a rolling programme of projects. A programme has been drafted and further detailed examination with the support of the Carbon trust is being considered. The programme will provide both environmental and financial benefits, both directly in the way that the Council operates, but also indirectly in encouraging partner organisations and the people of Hartlepool to economise on energy usage.

It is envisaged that the individual schemes will pay for themselves, and there will be additional savings on running costs at the end of the payback period. The Carbon Trust has established an independent and arms length company – Salix Finance Ltd. – to operate a local authority energy-financing scheme to assist local authorities to reduce energy use and carbon emissions through the uptake of energy savings and renewable technologies. An expression of interest has been submitted to Salix Finance for an additional one-off £100,000 to supplement any Council contribution to a scheme. A report to Cabinet will be made in Aug 09

Overall Progress - Amber

CUSTOMER SERVICES

The Customer Service Business Case aims to transform customer services through the delivery of four key elements. A full report on this business case will be considered by Cabinet in July.

Prioritised plans aligned to other activities are currently being developed to ensure each element is delivered.

Reduce Avoidable Contact

A data capture exercise was carried out across the authority in November 2008 to provide a baseline of the authority's customer contact, further to this a validation exercise was carried out in February 2009. The data captured has been analysed by the Customer Champions Group and is being used to identify improvements in end-to-end service delivery in order to reduce the amount of avoidable contact.

The total avoidable contact across the authority is 25.66%. The aim is to reduce this over the next 3 years to:-

- 23 % - 2009/2010
- 21.5% - 2010/2011
- 20 % - 2011/2012

In order to meet these targets a prioritised plan to reduce avoidable contact targeted to specific service areas is currently being developed by the Customer Champions Group. This is on target to be developed by July 2009.

Consolidate Contact to the Contact Centre

The phase 1 programme includes service areas that will be considered for transfer into the Contact Centre;

Public Protection
Revenues
Benefits
Hartlepool Art Gallery and Tourist Information Centre
Free School Meals
Admissions
Housing
Transport
Parking Services
Registrars

A detailed programme of prioritising services for migration to the Contact Centre is currently being drafted, this will include the scope of the programme, milestones, dependencies on other projects, data capture, risks, and business process re-engineering. The plan is on target to be drafted by July 2009

Channel Shifting to more efficient channels

Channel shifting includes reviewing how customers access services now and how they want to access services in the future and providing a choice of access methods that improve services delivered to customers. This is dependant on a number of projects that are currently underway (e-forms, website upgrade and redesign, and the payment and booking systems). The channel shifting programme will link in with the migration of services into the Contact Centre and will assist in the reduction of avoidable contact.

A plan detailing the implementation priorities, dependencies and links between all of the projects is in development and will complete by July 09.

Develop a new Customer Service and Channel Strategy

The customer service and channel strategy will support the delivery of all of elements of the customer service business case. This includes a review of the existing Customer Service Strategy by the Customer Champions Group. The Draft Strategy will be complete by September 2009

The leadership, membership and remit of the Customer Champions Group will be reviewed in September after the restructure.

Overall Progress - Amber

NON-TRANSACTIONAL SUPPORT SERVICES

ICT Restructure

Departments are working together to assess how to improve the planning and delivery of development projects, and how to streamline ICT support. This has slipped slightly, but data collection and analysis is underway, and the recommendations should be reported to Programme Board and Cabinet in August/September. The changes would be implemented with the new departments from October/November.

ICT Infrastructure

We are investigating opportunities to benefit from modernisation of our ICT infrastructure, including server hardware, network, and common software tools. This work is progressing, and expected to generate small scale savings from 2010/11.

Corporate Procurement

Departments are working together to assess how to establish a centre of procurement excellence within existing budgets. This is now expected to be considered by Board and Cabinet in August/September. The new arrangements should come in with the new departments from October/November.

There are expected to be significant potential benefits through obtaining better value from spending budgets. Specific procurement improvements are already in hand.

Other Projects

An opportunity has been identified to increase income and improve the consistency of charging policies. The preparatory work has begun, and a report will be produced later this year.

Work is well advanced on devising models for internal Service Delivery Agreements, which will clarify the arrangements governing relations between services.

Overall Progress - Amber

CABINET REPORT

13 July 2009



Report of: Assistant Chief Executive

Subject: BUSINESS TRANSFORMATION – ASSET
MANAGEMENT

SUMMARY

1. PURPOSE OF REPORT

To report on the Asset Management Rationalisation Programme of Council administration buildings and the reduction in surplus property and land.

2. SUMMARY OF CONTENTS

This report concentrates on the rationalisation of council property and land, cabinet agreed to the implementation of the asset management business case in January 2009. Property rationalisation will result in a reduction in the number of land/buildings in the property portfolio leading to more efficient service delivery and a reduction in property revenue costs and maintenance requirements.

The Asset Management Business case proposed that all land and property held be reviewed and challenged and the surplus reduced. Whilst there is still a great deal of work to be done in respect of non administration operational buildings it is now possible to present a schedule of proposals. This will facilitate a start on active disposals being made, taking into account marketability of any land or property and market conditions.

The vision for the administration buildings portfolio is that there will be a reduction as a result of the business transformation programme. This will be facilitated by the disposal of buildings which cannot be readily adapted or refurbished cost effectively and termination of unsuitable leasing arrangements in order to good quality multi-purpose facilities.

3. RELEVANCE TO CABINET

The Business Transformation Programme and this workstream are of strategic importance and corporate in nature

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet 13th July 2009

6. DECISION(S) REQUIRED

6.1 Cabinet are requested to

6.1.1 Approve the schedule included in **appendix 1**

6.1.2 Provide views on those factors to be taken into account in the disposal of assets

6.1.3 Determine the decision making route regarding the disposal of property as recommended by Programme Board, in paragraph 6.

Report of: Assistant Chief Executive

Subject: BUSINESS TRANSFORMATION – ASSET
MANAGEMENT

1. PURPOSE OF REPORT

- 1.1 To report on the Asset Management Rationalisation Programme of Council administration buildings and the reduction in surplus property and land.

2. BACKGROUND

- 2.1 Cabinet will recall the Asset Management original business case covers specific aspects
- The rationalisation of Council property and land;
 - The centralisation of asset and property management; and
 - An Energy 'invest to save' programme.
- 2.2 This report concentrates on the rationalisation of council property and land, cabinet agreed to the implementation of the asset management business case in January 2009
- 2.2 Property rationalisation will result in a reduction in the number of land/buildings in the property portfolio leading to more efficient service delivery and a reduction in property revenue costs and maintenance requirements. As a consequence, service providers are being challenged to utilise property more efficiently and improve service delivery. This work is being undertaken corporately to ensure a joined up approach to utilisation of the whole operational and non operational portfolio.
- 2.3 The property rationalisation process is a complex, ongoing exercise linked to the introduction of more flexible working practices and new technology to improve service delivery and efficiency.
- 2.4 Extensive asset management information on Council property holdings is being used to enable this process as it provides a framework for the delivery of a portfolio that is fit for purpose, sustainable and is managed to deliver acceptable rates of return from investment property. Rationalisation will have added benefits such as reduced carbon emissions.

3 RATIONALISATION OF ADMINISTRATION BUILDINGS

- 3.1 The Asset Management original business case set out the position at that time and whilst discussions are on going as to which service will best fit into which building what is clear at this time is that there is a surplus of workspaces within the Administration Building Portfolio.

- 3.2 The business case proposed the disposal of at least one major administration building within two years and the surplus workspaces that will become available within the Civic Centre within the next year support that proposal.
- 3.3 The accommodation strategy principles which are based upon an open place space environment with improved layout with provision of meeting and break out spaces in the right locations, 8 sq.m/ workstation, hot desking, and working from home currently being piloted on level 3 of the civic centre has been well received, albeit not operating to full capacity due to the flood experienced on level 1 earlier this year.

4 REDUCTION IN SURPLUS LAND AND PROPERTY.

- 4.1 The Asset Management Business case proposed that all land and property held be reviewed and challenged and the surplus reduced. Whilst there is still a great deal of work to be done in respect of non administration operational buildings it is now possible to present a schedule of proposals.
- 4.2 This will facilitate a start on active disposals being made, taking into account marketability of any land or property and market conditions.

5 SURPLUS PROPERTY DISPOSALS SCHEDULE

- 5.1 The Strategic Capital Resource and Programme Team (SCRAPT) have considered the work undertaken to date regarding the rationalisation of administration buildings and the reduction in surplus property and have concluded that the attached schedule (**appendix 1**) be considered as the current position and that it be agreed in principal as the basis of taking the programme forward at this time.
- 5.2 When any specific land/property disposal is proposed it will need to be supported by a business case with financial implications and be the subject of further reports.
- 5.3 The Head of Procurement, Property Services and Public Protection will recommend a method of disposal and marketing strategy for acceptance and the timing of any marketing / disposals will need to be considered against the background of the Council's budgetary requirements, together with the current state of the property market.

6. PROGRAMME BOARD

- 6.1 The Business Transformation Programme board have considered this report and recommend cabinet consider altering the current decision route for disposal of land and buildings which is the Cabinet Member for Performance, Finance and Efficiency for decision.
- 6.2 Programme board have suggested the decision be carried out by more than one portfolio holder to ensure a coordinated approach is taken representing

a variety of views e.g. regeneration, housing and economic development when considering the disposal of property and land identified through the business transformation programme. An alternative option would be for cabinet to identify from the schedule key property/land they wish to receive reports upon regarding disposal.

7. CONCLUSION

- 7.1 The vision for the administration buildings portfolio is that there will be a reduction as a result of the business transformation programme. This will be facilitated by the disposal of buildings which cannot be readily adapted or refurbished cost effectively and termination of unsuitable leasing arrangements in order to good quality multi-purpose facilities.
- 7.2 It is prudent to bear in mind that the marketability of land or property at the moment is uncertain and the balance of probability is that it will be some time before market conditions improve.

8 RECOMMENDATIONS

- 8.1 That Cabinet
 - 8.1.1 Approve the schedule included in **appendix 1**
 - 8.1.2 Provide views on those factors to be taken into account in the disposal of assets
 - 8.1.3 Determine the decision making route regarding the disposal of property as recommended by Programme Board, in paragraph 6.

8.1 (a) APPENDIX C						
SURPLUS PROPERTY DISPOSAL SCHEDULE at 30th June 2009				APPENDIX 1		
Ranking						
1 = disposal in progress						
2 = available for disposal						
3 = available for disposal but to be deferred until appropriate circumstances and time.						
4 = available for disposal in longer term upon resolutions of complexities.						
5 = not for disposal at this time						
UPRN	Location	Acres	Description	Disposal Comment	Rank	Disposal Timeframe
334	Victoria Football Ground	6.44	Leased to Hartlepool United Football Club	Negotiations are on going with HUFC in respect of the possibility of purchase of the freehold .	1	2009-2011
482	Blakelock Road Day Centre, Blakelock Gardens	0.73	Surplus building, services moved to Hartfields.	Currently being marketed. Possible housing.	1	2009-2010
504	65 Jutland Road - Police Office	0.06	Surplus Building.	Currently being marketed	1	2009-2010
	73 Jutland Road		Surplus . Former Anti Social Behaviour Unit now relocated to Hartlepool Police Station. Leased from Housing Hartlepool	Lease being terminated	1	2009-2010
28	Land at Burbank Street (East of No 120-122)	0.10	Vacant land. Site of former Hostel.	Offer for sale	2	2009-2011
101	Land at Millpool Close/Brunel Close	0.62	Vacant land	Offer for sale	2	2009-2011
103	Land at Golden Flatts (Grazing Fields)	61.88	Grazing land	Offer for sale	2	2009-2011
117	Land at Huckelhoven Way/ Reed Street	0.38	Vacant land	Offer for sale.	2	2009-2011
118	Land at West View Road (Rear of No 238-294)	3.25	Vacant land	Offer for sale	2	2009-2011
120	Land at Brenda Road (West) - Area 1	43.42	Vacant land. Grey crested newts present on site, land contaminated	Offer for sale.	2	2009-2011
122	Land at Kipling Road (West of No's 78-94)	1.38	Vacant land	Offer for sale	2	2009-2011
147	Flaxton Street Garage	0.01	Single garage used by local resident	Offer for sale	2	2009-2011
182	Land at Clavering Road (rear of St Marks Church)	0.46	Vacant land	Offer for sale	2	2009-2011
190	Land at Dalton Piercy (Rear of North View) - Area 1	0.36	Vacant land	Offer for sale	2	2009-2011
190	Land at Dalton Piercy (Rear of North View) - Area 2		Used as allotment land	Offer for sale	2	2009-2011
197	Land at Charles Street (South East of Community Drugs Team)	1.88	Vacant land	Offer for sale	2	2009-2011
312	Land at Brenda Road (Slag Banks)	75.37	Vacant land	Offer for sale	2	2009-2011
364	Land at Shields Terrace (adjacent No 20)		Vacant Land	Offer for sale	2	2009-2011
366	Aneurin Bevan House, 35 Avenue Road	0.19	Admin building. Administration Buildings Accommodation Rationalisation Strategy. Services to be relocated within 18 months.	Market for sale with vacant possession.	2	2009-2011
377	Dyke House Community Team Library & Resource Centre	0.09	Building. Leased to Wharton Trust	Offer for sale	2	2009-2011
392	Land at Dickens Grove		Vacant land. Currently subject to Village Green Application	Offer for sale	2	2009-2011
429	Land at King Oswy Drive	2.46	Vacant land	Offer for sale	2	2009-2011
437	St. Begas RC Primary School Field	1.66	Vacant land	Offer for sale	2	2009-2011
465	Land at Burbank Street (Former Bridge Community Centre)	0.73	Vacant land	Offer for sale	2	2009-2011
472	85 Station Lane	0.43	Admin Building	Offer for sale	2	2009-2011
474	Manor Residents Community Resource Centre, 44 Kilmarnock Road	0.26	Building. Leased to Manor Residents Association	Offer for sale	2	2009-2011
487	Land at Burbank Street	0.89	Former Lynn Street ATC	Offer for sale	2	2009-2011
494	Rockhaven, 36 Victoria Road	0.07	Building. Leased to HVDA	Offer for sale to HVDA or other	2	2009-2011
497	Briarfields Field, Elwick Road	2.82	Vacant land. Identified for housing in the future	Offer for sale	2	2009-2011
524	Land at Northgate (Ground Lease)	0.08	Leased to Co-op.	Offer for sale	2	2009-2011
526	Land at Londonderry St (Ground Leases for Garages)	0.03	Ground Leases for Garages	Offer for sale	2	2009-2011
536	Land at Tofts Road West	1.02	Leased to Tilcon	Offer for sale	2	2009-2011
594	West View Road, No's 135, 147 & 149 (Ground Lease)	0.07	HBC holds freehold interest in land	Offer for sale	2	2009-2011
615	Land at West View Road (Area 2)		Vacant land	Offer for sale	2	2009-2011
656	Eamont Gardens Garages	0.19	Currently managed by Housing H/Pool for HBC	Offer for sale	2	2009-2011
680	Land at Manners Street (Ground Lease for garages)	0.05	Ground Lease for garages	Offer for sale	2	2009-2011
689	Land at Clarence Road (Ground Lease)	0.22	Leased to H/Pool Mail	Offer for sale	2	2009-2011
700	Former Fairground Site, Seaton Carew	1.23	Vacant land	Offer for sale	2	2009-2011
723	Land at West View Road (East of No 108)	0.25	Vacant land	Offer for sale	2	2009-2011
1082	Land at Graythorp	0.86	Rented out as grazing field	Offer for sale	2	2009-2011
1178	19a Lowthian Road	0.05	Building. Leased to Hartlepool Carers. Option to buy at a later date	Offer for sale	2	2009-2011
1658	Land at Croft Terrace (Ground Leases for Garages)	0.16	HBC freehold of land only, Garages belong to local residents	Offer for sale	2	2009-2011
1659	Land at Queen Street (Ground Leases for garages)	0.01	HBC freehold of land only, Garages belong to local residents	Offer for sale	2	2009-2011
1661	Land at King Oswy Drive (Ex Henry Smith's School)	9.40	Vacant land	Offer for sale.	2	2009-2011
1741	Land at Marine Drive (No 38-62)	0.33	Ground Lease	Offer for sale	2	2009-2011
2009	Land at Victoria Place (Rear of)	0.05	Currently used by property owners as back yards, no lease arrangements in place	Offer for sale	2	2009-2011
2011	Land at Princess Street	0.02	Currently used by property owners as back yards, no lease arrangements in place	Offer for sale	2	2009-2011
2019	Vane Street Garages		2 garages sites	Offer for sale	2	2009-2011

Hartlepool Borough Council

Overview and Scrutiny – Call-in Notice – Scrutiny Chairs



1. Which decision would you like to call-in?

(Please include details of the decision, when it was taken and by whom)

Business Transformation – Quarterly Programme Update, decision of Cabinet – 13th July

- (i) That the Programme Board be amended in light of recent portfolio changes to delete the Performance Portfolio and to include an additional Cabinet Member to be determined at a later date.
- (ii) That consideration be given to changing the times of the Business Transformation Board meetings to maximise Member attendance.

Business Transformation – Asset Management, decision of Cabinet – 13th July

- (ii) That the Portfolio Holder for Finance and Performance continue with delegated authority for decisions in relation to the disposal of land and buildings.

2. What are the reasons for calling-in this decision?

Call-in must only be used in exceptional circumstances and the justification for the call must be either:

- that the decision or proposed decision is outside the Budget and Policy Framework
- that the decision was not taken in accordance with the principles of decision making set out in Article 13 of the Constitution.

That the decisions was not taken in accordance with the principles of decision making set out in Article 13 of the Constitution – specifically in respect of parts vi) a presumption in favour of openness; viii) due consideration of options available to the decision taker; xii) reasonableness.

Councillor	Position and Party Group	Signature
1. J Brash	Chair - Health Scrutiny Labour	Brash
2. MA James	Chair - SCC Labour	MA James
3. A. PREECE	Member of SCC - Liberal Democrat	A. Preece

NB. Each of the Scrutiny Chairs may initiate call-ins providing they have the support of at least two members of the Scrutiny Co-ordinating Committee. The three signatories must represent at least two of the Council's political groups.

Councillor: Jonathan Brash

Signed: Brash

Date: 23-7-2009

For office use only

Date received:

Initials:

SCC Agenda: