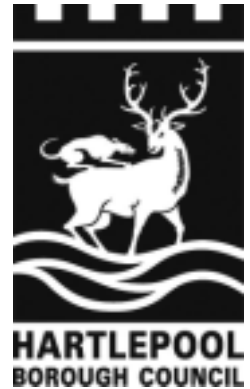


FINANCE AND PERFORMANCE PORTFOLIO

DECISION SCHEDULE



Friday, 4 September 2009

at 10.00 am

in Committee Room C, Civic Centre, Hartlepool

Councillor R Payne, Cabinet Member responsible for Finance and Performance will consider the following items.

1. KEY DECISIONS

No items

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Tender for a Printing & Mailing Service for Local Taxation Demands and Benefit Notifications – *Chief Financial Officer*
- 2.2 Primary Capital Programme - Procurement Of Works - Rossmere Primary School - *Head of Procurement, Property and Public Protection*
- 2.3 Seaton Carew Sports and Social Club - *Head of Procurement, Property and Public Protection*
- 2.4 Extended Career Grade Scheme for Environmental Health And Trading Standards Officers (EHOs And TSOs) - *Head of Procurement, Property and Public Protection and Chief Personnel Officer*
- 2.5 Salix Funding for Energy Efficiency Projects - *Head of Procurement, Property and Public Protection*

3. ITEMS FOR INFORMATION

- 3.1 Employee Attendance 2009/10 – 1st Quarter – *Chief Personnel Officer*

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

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

EXEMPT ITEMS

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

6. KEY DECISION

No items

7. OTHER ITEMS REQUIRING DECISION

- 7.1 Land at Wells Street, Headland, Hartlepool - *Head of Procurement, Property and Public Protection*
- 7.2 Officer Holidays - *Head of Procurement, Property and Public Protection*

FINANCE & PERFORMANCE PORTFOLIO

Report to Portfolio Holder

4th September 2009



Report of: Chief Financial Officer

Subject: TENDER FOR A PRINTING & MAILING
SERVICE FOR LOCAL TAXATION DEMANDS
AND BENEFIT NOTIFICATIONS

SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report seeks to advise the Portfolio Holder that the Council will be inviting tenders for the provision of a printing and mailing service for council tax / business rates bills and council tax / housing benefit notifications, in September 2009

2.0 SUMMARY OF CONTENTS

- 2.1 This report initially provides background to the Council's local taxation billing and benefit notification requirements, and explains the need for the tender of the contract.
- 2.2 The report goes on to detail the key features the tender, such as the nature and recommended length of the contract, as well as the principles behind the evaluation of the tenders.
- 2.3 Finally, the report lists the key recommendations that require the agreement of the Portfolio Holder.

3.0 RELEVANCE TO PORTFOLIO MEMBER

- 3.1 Under the Council's current contract procedure rules the Portfolio Holder has the responsibility of making the following determinations in respect of contracts relating to their executive functions:
- The remit of the tender, the service to be acquired and the contract start date;
 - The nature of the tender i.e. whether the contract is tendered on an 'open' or a 'restricted' basis;

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

4.0 TYPE OF DECISION

- 4.1 The decision is considered to be a non-key decision.

5.0 DECISION MAKING ROUTE

- 5.1 The Finance & Performance Portfolio Holder only.

6.0 DECISION(S) REQUIRED

- 6.1 That the portfolio holder approves the procurement details for the production and issue of the Council's local taxation demands and benefit notifications contained in the main body of the report.

Report of: Chief Financial Officer

Subject: TENDER FOR A PRINTING & MAILING
SERVICE FOR LOCAL TAXATION DEMANDS
AND BENEFIT NOTIFICATIONS

1. PURPOSE OF REPORT

- 1.1 This report seeks to advise the Portfolio Holder that the Council will be inviting tenders for the provision of a printing and mailing service for council tax / business rates bills and council tax / housing benefit notifications, in September 2009.

2. BACKGROUND

- 2.1 Prior to annual billing 2006, the Council printed and mailed the annual council tax / business rates demands and benefit notifications in-house. The process, being highly resource intensive, placed a significant burden on the service both in terms of cost and reduced service standards to the customer during the annual billing period and immediately after. The Council's in-house printing and packing capability also struggled to cope with the large volumes of bills. The resulting machine breakdowns pushed staff to the limit in trying to meet the tight statutory billing timescales over this period.
- 2.2 In view of these pressures and the increasing potential risk to the Council of not being able to bill within the statutory timescales, the Council approached a number of suppliers with a view to outsourcing the annual billing production and mailing service. The initial value of the contract was approximately £10k and therefore fell within the Council's Informal Contract Procedure rules.
- 2.3 As a result, since February 2006, the Council has printed and mailed its' annual council tax / business rates bills and benefit notifications off-site through DSI Billing Services, based in Jarrow. The arrangement has proved to be extremely successful and over the course of the relationship, DSI have used their print expertise to further streamline the Council's billing processes. Hartlepool was one of the first Councils in the country to mail both the council tax bill and associated benefit notification together in the same envelope. This advance realised significant savings for the Council both in terms of mailing costs and improved customer service standards, in that benefit claimants were informed of their council tax liability and benefit entitlement at the same time. This led to a significant decrease in the

number of avoidable contact calls from claimants over the billing period.

- 2.4 Hartlepool's billing arrangements were recognised as best practice across the Tees Valley and resulted in an opportunity to develop a partnership arrangement with Darlington Borough Council for annual billing print and mailing services, with DSI. The resulting economies of scale from the partnership further reduced the cost of the Council's annual billing exercise.
- 2.5 The Council's relationship with DSI has further developed over the last 12 months to include the weekly production and mailing of ad hoc council tax and business rates bills, and will be extended further during the course of the year to include weekly benefit notifications.

3 DECISION TO TENDER

- 3.1 Hartlepool's relationship with DSI has grown rapidly over recent years to the extent that the value of the work undertaken during 2009/10 is expected to exceed £50k, and therefore the EU procurement level over a 3 year contract period. It is also important that, despite the excellent service and support DSI has provided, the Council remains confident that the current bill printing and mailing arrangements provide value for money in today's market.
- 3.2 The Council's partnership with Darlington Borough Council also provides an excellent opportunity for a collaborative procurement exercise, allowing both Councils to benefit from shared resources and a competitive contract price.

4. TENDER DETAILS

- 4.1 The print and mailing contract will include the following:
- The printing, merging and mailing of the annual council tax / business rates demands, housing & council tax benefit notifications and the associated statutory information for both Hartlepool and Darlington Borough Councils.
 - The printing, merging and mailing of weekly council tax / business rates demands, housing & council tax benefit notifications and the associated statutory information for both Hartlepool Borough Council only.
 - The application of future technological innovations in the industry to the Council's printing and mailing processes to achieve further efficiencies.
- 4.2 The annual cost of the Contract to the Council is approximately £50,000.

5. AIMS AND REMIT OF THE TENDER

- 5.1 The aim of this tender is to secure a value for money printing and mailing service that meets the needs of the Council in terms of professionalism, reliability and data security.
- 5.2 To balance flexibility in the contract with the need to continue to develop a partnership with the successful contractor that allows innovations in the print industry to be turned into cashable savings for the Council, tenders are being invited on the basis of an initial period of 3 years with the option to extend for a further 2 x 12 month periods.

6. NATURE OF THE TENDER

- 6.1 As the value of the cash in transit service exceeds the EU threshold of £139,893 over the length of the contract period, the contract must be tendered under the provision of the EC rules.
- 6.2 The EC rules contain a strict timetable of intervals between events that must be adhered to. The earliest envisaged contract start date will therefore be 1st February 2010.
- 6.3 As a result of the competitive nature of the print and mailing industry and the number of suppliers that have already shown an interest in the contract, the procurement exercise will be tendered on an 'restricted' basis i.e. a pre-qualification questionnaire will be issued with a minimum 5 suppliers being invited to tender for the contract.

7. EVALUATION OF THE TENDER

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

8. RECOMMENDATIONS

- 8.1 That the Portfolio Holder agrees the following:
 - 8.1.1 The Council's print and mail service for council tax / business rates bills and council tax / housing benefit notifications, be subject to tender procedures September 2009.

- 8.1.2 That tenders are invited on the basis of an initial contract period of 3 years with the option to extend for a further 2 x 12 month periods;
- 8.1.3 That the tender is conducted on a 'restricted' procedure basis;
- 8.1.4 That the tenders are evaluated on a price and performance / quality basis, with the ratio between price and performance / quality being 60:40.

FINANCE AND PERFORMANCE PORTFOLIO

Report to Portfolio Holder

4th September 2009



Report of: Head of Procurement, Property Services and Public Protection

Subject: PRIMARY CAPITAL PROGRAMME -
PROCUREMENT OF WORKS - ROSSMERE
PRIMARY SCHOOL

SUMMARY

1. PURPOSE OF REPORT

To advise the Portfolio Holder of the suggested options for the procurement route for the Rossmere Primary School works.

2. SUMMARY OF CONTENTS

The report gives a detailed overview of the recommended procurement strategy and requests approval for a way forward.

3. RELEVANCE TO PORTFOLIO MEMBER

Falls within the remit of the Portfolio Holder.

4. TYPE OF DECISION

Non Key Decision.

5. DECISION MAKING ROUTE

Finance and Performance Portfolio Holder meeting on 4th September 2009.

6. DECISION(S) REQUIRED

That the Portfolio holder approves an agreed procurement route for this scheme.

Report of: Head of Procurement, Property Services and Public Protection

Subject: PRIMARY CAPITAL PROGRAMME -
PROCUREMENT OF WORKS - ROSSMERE
PRIMARY SCHOOL

1. PURPOSE OF REPORT

To advise the Portfolio Holder of the suggested options for the procurement route for the Rossmere Primary School works.

2. BACKGROUND

2.1 At the Joint Finance and Efficiency & Childrens Services portfolio held on 27th April 2009 the procurement routes for Space to Learn, Jesmond Road Primary School, the former Brierton School and Pupil Referral Unit (PRU) were agreed. Rossmere was deferred and would be the subject of a future meeting.

2.2 It had been agreed that the Dyke House Decant scheme at Brierton School / PRU site would be resourced by the in-house team. The Portfolio Holders wanted to meet the in-house team to discuss this procurement route and advise them of the importance of delivering this scheme on programme. This would also determine whether any future Primary Capital Programme (PCP) work would be given to the in-house team

2.2 Rossmere Primary School will be the second school to receive PCP funding. This work is being financed with money from the first funding allocation of £8.4 million pounds and will cost around £1.5 to £2 million. It is estimated that the required works to the school as a whole will cost in the region of £5.million to complete. This full funding is not currently available so a master plan for the school is in production to prioritise the works / spend. This will enable the work to be carried out in phases as additional funding becomes available. The first phase to be carried out is an entrance and reception remodelling scheme together with classroom alterations to form flexible spaces, new toilet facilities and wet play area.

2.3 This scheme is at an early stage of design. Initial meetings / workshops were held with the school, council staff and governors in April and May as a starting point to develop a design concept

2.4 This initial scheme is currently at sketch scheme stage and therefore needs to be developed, detailed and submitted for

planning and building regulations approval before any procurement procedures can commence.

- 2.5 This scheme is on the same timeline for construction as Jesmond road Primary School with a start on site planned for November / December 2009. The Jesmond Road scheme however is at a much more advanced stage and has been submitted for planning. These start dates are required as the Council needs a £5 million PCP spend before the end of the current financial year to meet agreed milestones.

3. PROPOSALS

- 3.1 The scheme discussed is part of Hartlepool Borough Council's schools transformation programme but unlike the Building Schools for the Future (BSF) programme where there are prescriptive procurement rules, those governing the primary capital programme are within the remit of the Council to procure. This provides an opportunity to have a procurement strategy that would benefit both the school and stakeholders and fit within the Council's objectives.
- 3.2 All procurement will be in accordance with the Council's Contract Procedure Rules (CPR).
- 3.3 This scheme will be below the European Union (EU) procurement threshold for "Works Contracts" (£3,497,313) and therefore will not need to be advertised within the Official Journal of the European Union (OJEU).
- 3.4 There are a number of options available:
- 3.4.1 The first would be to negotiate with the successful contractor for Jesmond Road. This would help us to meet the timescale (subject to completion of production of information), although there is the risk that the contractor would not have capacity.
- 3.4.2 We could use the same 3 stage partnership contract process as we are using for Jesmond Road Primary School although this process takes around two months to achieve a result. Again this would be subject to the completion of production information. We would not be able to achieve the financial milestone required.
- 3.4.3 A traditional single stage tender route that could be followed using contractors from our select list. However, a full and detailed technical information package would need to be completed now to give us any chance of having an appointment made in September to allow an early site start. We would be required (for a scheme of

this size) to give contractors four weeks to tender. We would not be able to achieve the financial milestone required.

3.4.4 The final option would be to give the construction delivery role to the in-house team by negotiation. This negotiation would include the agreement of costs that represent best value to the Council. This would be on the understanding that they will be the principal contractor and oversee specialist sub-contract recharges in a similar way to the Civic Centre improvement works.

- i) Initial discussions have been held with the in-house team in this respect and they are confident that they will have the capacity to deliver this scheme when required. Interviews for additional operatives will held before the end of August.
- ii) This route gives us more time to complete documentation which can be "drip fed" to in-house to enable them to cost the scheme. Less documentation is required for this process saving time.
- iii) Saving time in the procurement process is essential if we are to meet financial targets for spending.
- iv) The in-house constructor specialises in this type of scheme and has continually delivered on the Civic Centre refurbishment scheme. Specialist skills are available within the in-house team.
- v) Any specialist sub-contract work packages that cannot be provided by the in-house team will be tendered and the best price option used. This will include such works as asbestos removal, replacement ceilings and floor finishes as examples.
- vi) There is however an additional element to this scheme in that the building will be still occupied during construction. The in-house team is experienced in working in occupied buildings and working with clients to minimise disruption.

3.5 Portfolio Holder's views are sought on these options.

4. FINANCIAL IMPLICATIONS.

4.1 The financial implications of this procurement strategy have been carefully considered to ensure that it will deliver best value. This will be achieved by agreeing prices to ensure that scheme will be delivered within the agreed budget.

4.2 This is the only option that gives us any chance of meeting the agreed spends milestone.

5. RECOMMENDATIONS

- 5.1 That the Portfolio holder approves an agreed procurement route for this scheme.

6. CONTACT OFFICER.

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FINANCE AND PERFORMANCE PORTFOLIO

Report to Portfolio Holder

4th September 2009



Report of: Head of Procurement, Property and Public Protection

Subject: SEATON CAREW SPORTS AND SOCIAL CLUB

SUMMARY

1. PURPOSE OF REPORT

To seek Portfolio Holder approval in connection with the extension of the existing lease of the premises.

2. SUMMARY OF CONTENTS

The report outlines the background and the current situation with regard to the property.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's Land and Property Assets.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

That Portfolio Holder approves the extension of the Lease on Terms to be agreed.

Report of: Head of Procurement, Property and Public Protection

Subject: SEATON CAREW SPORTS AND SOCIAL CLUB

1. PURPOSE OF REPORT

- 1.1 To seek Portfolio Holder approval in connection with the extension of the existing lease of the premises.

2. BACKGROUND

- 2.1 In 1972 the then Seaton Carew Cricket Club took a lease of 11.79 acres of land from the Borough Council at the corner of Elizabeth Way and Tees Road for a term of 60 years at an initial annual rent rising on completion of the Club House and facilities. The property is shown cross hatched at **Appendix 1**.
- 2.2 A further rent review brought the rental to the current amount payable. Details are included in confidential **Appendix 2**. The current lease does not provide for any further reviews. **This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).**
- 2.3 Consent was subsequently granted for the Club to erect a Pavilion with ancillary accommodation and to lay drainage and service mains necessary for their development.
- 2.4 In 2002 a Deed of Variation was entered into between the Borough Council and the Club to lease further land to the South of the subject land to provide additional Rugby pitches this took their holding to 17.95 acres overall.

3. PROPOSALS

- 3.1 A written application has been received from the Club requesting a 20 year extension to their existing lease which would mean that the current lease, if extended, would now expire in 2052.

- 3.2 The rationale in applying for an increase of the lease term is to satisfy the requirements of their funding source who require longer and greater security of tenure. This would enable the Club to develop the ever increasing demand not only for Cricket but also for Football and Rugby.

4. FINANCIAL CONSIDERATIONS

- 4.1 These details are outlined in Confidential **Appendix 2**.
This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).

5. RECOMMENDATIONS

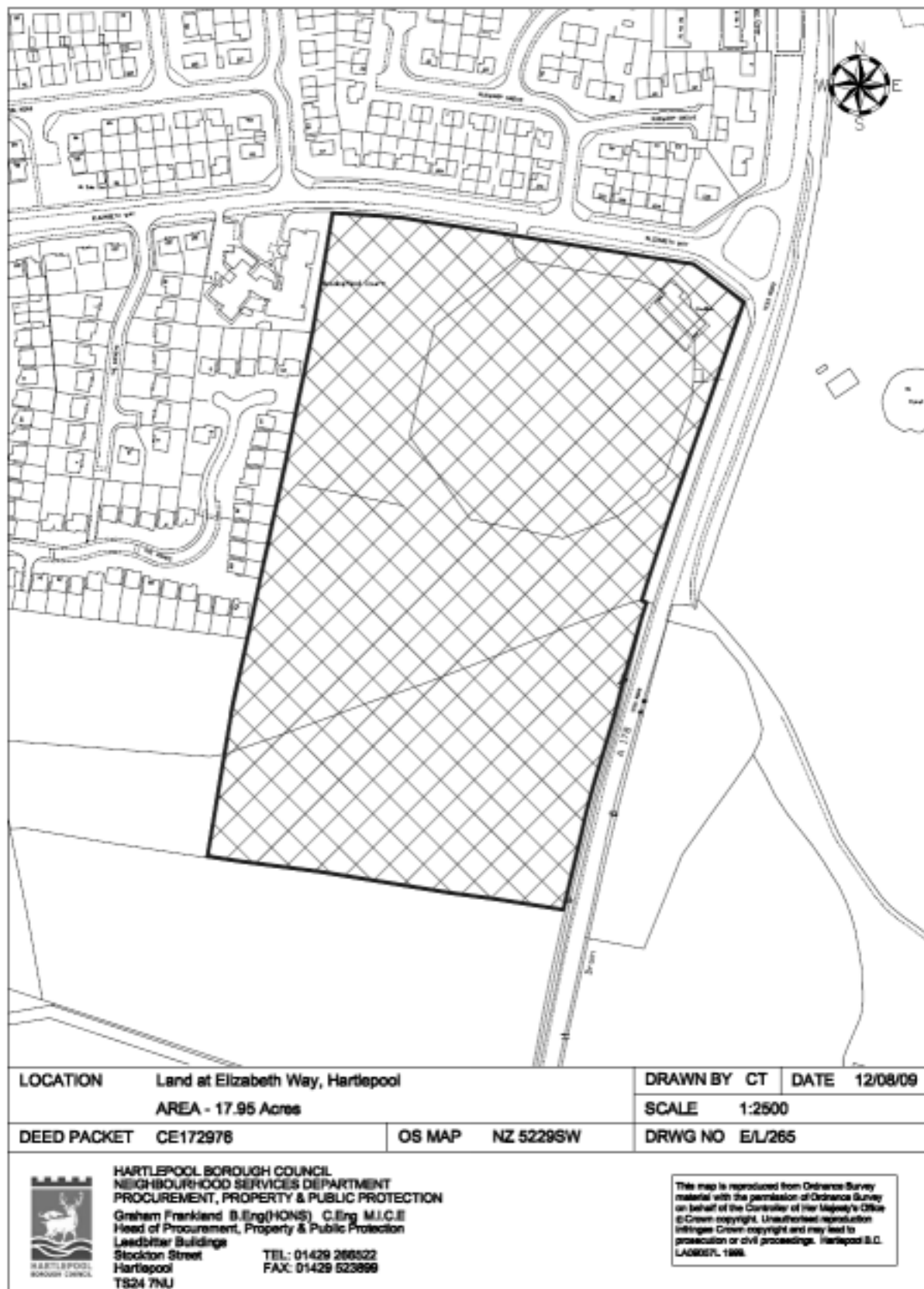
- 5.1 That Portfolio Holder approves the extension of the Lease on Terms to be agreed.

8. CONTACT OFFICER

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APPENDIX 1



FINANCE AND PERFORMANCE PORTFOLIO

Report to Portfolio Holder

4th September 2009



Report of: Head of Procurement, Property and Public Protection and Chief Personnel Officer

Subject: EXTENDED CAREER GRADE SCHEME FOR ENVIRONMENTAL HEALTH AND TRADING STANDARDS OFFICERS (EHOs and TSOs)

SUMMARY

1. PURPOSE OF REPORT

To review the extended Career Grade Scheme for Environmental Health Officers (EHO's) and Trading Standards Officers (TSO's).

2. SUMMARY OF CONTENTS

The report reviews the progress of the scheme, as agreed by the Portfolio Holder in September 2005, and updates the current position on the retention and recruitment of EHOs and TSOs within Public Protection. Portfolio Holder considered reports on the matter on 27 November 2006 22 June 2007 and 28 June 2008 and requested a further review be undertaken after June 2009.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder is responsible for staff retention and reward matters under Performance Management.

4. TYPE OF DECISION

Non-Key.

5. DECISION MAKING ROUTE

Finance and Performance Management Portfolio Holder.

6. DECISION(S) REQUIRED

That the Portfolio Holder:

- a) Notes the position as regards the recruitment and retention of Environmental Health and Trading Standards Officers.
- b) Approves the continuation of the Extended Career Grade scheme.
- c) Authorises the scheme to be reviewed after a further 12 months with a report will be prepared for the consideration of the Finance and Performance Portfolio Holder.

Report of: Head of Procurement, Property and Public Protection and Chief Personnel Officer

Subject: EXTENDED CAREER GRADE SCHEME FOR ENVIRONMENTAL HEALTH AND TRADING STANDARDS OFFICERS (EHOs and TSOs)

1. PURPOSE OF REPORT

- 1.1 To review the extended Career Grade Scheme for Environmental Health Officers (EHO's) and Trading Standards Officers (TSO's).

2. BACKGROUND

- 2.1 Recruitment and retention of qualified EHOs and TSOs by the Council has proved difficult for a number of years. There is a well documented and recognised national shortage of qualified Officers in both professions which has compounded recruitment difficulties experienced by the Authority. In response to the ongoing difficulties in recruiting and retaining qualified EHO's and TSO's, the Performance Management Portfolio Holder considered a report on 5 September 2005.
- 2.2 The Portfolio Holder approved a revised Career Grade Scheme for all posts occupied by either qualified EHO's or TSO's – the scheme to be reviewed after 12 months in operation.
- 2.3 Reviews have been undertaken at meetings held on 27 November 2006, 22 June 2007 and 28 June 2008 and the Portfolio Holder agreed to continue the Extended Career Grade Scheme for EHOs and TSOs and requested a further review be undertaken after June 2009.

3. CURRENT POSITION

- 3.1 The staffing situation has changed since June 2008 and this needs to be considered in the light of the review.
- 3.2 In January 2008 two qualified EHO's left the Authority. These vacant posts were advertised however only one suitable application was received. The applicant was appointed and commenced employment with the Authority at the end of May. The other post was re-advertised, two applications were received. The successful candidate joined the authority in December 2008.

- 3.3 In April 2008 another Trading Standards Officer left the Authority, whilst this post was released by monitoring of vacancies panel it was decided to await the outcome of job evaluation and the review of this scheme before advertising. This post was filled in January 2009.
- 3.4 Another previously vacated TSO post has not been further advertised. As indicated in the November 2006 report the post has been downgraded on a temporary basis and an existing trainee TSO has been undertaking related duties whilst working towards the professional qualification of the Institute of Trading Standards Officers. It is hoped the trainee will gain professional status during 2009 and will then be offered the vacant TSO post at its full grade as part of our “Grow Your Own” Succession Planning Strategy.
- 3.5 The Council currently has four trainee posts on the establishment (two EHOs and two TSOs). Students have previously been a rich source of qualified staff to the Authority, nevertheless four student posts is an unusually large commitment for a small Authority. Due to the variances in timescales for Officers to successfully achieve professional status, there may be periods when more than two students are on the Council’s employment register.
- 3.6 One of the TSO student posts is currently vacant. We are however unable to advertise this post as we have insufficient qualified Officers within the division to provide the practical training required. The staffing shortage has also affected our ability to complete the training of the current student.

4. THE EXTENDED CAREER GRADE SCHEME

- 4.1 In relation to the scheme for EHOs and TSOs, of the 16 EHOs and TSOs employed by the Council, nine have successfully achieved entry to the scheme. Due to the challenging criteria developed for the scheme, which involves experience, qualifications, performance and attendance, it is not expected that there will be a substantial increase in numbers of staff entering the scheme. The scheme consists of acceleration by two or four increments depending on meeting the criteria.
- 4.2 All posts have now been through the job evaluation process. All qualified EHO and TSO posts came out at least one increment below the salary level offered with the Extended Career Grade Scheme. There is a serious concern as we have been unable to fill posts advertised at the higher level as detailed in 3.2 and 3.3 above and therefore need to continue this scheme to attract and retain qualified Officers within the Authority.
- 4.3 The effect of Job Evaluation (JE) is now evident although the basic pay of officers has increased it remains below that available for those on

the scheme. Other Authorities in the area are also completing their evaluations with some also offering market forces supplements resulting in higher pay grades being offered by other north east Authorities than those currently available at Hartlepool.

5. NATIONAL AND LOCAL SITUATION ON EHO AND TSO POSTS

5.1 The national position of occupational shortages in Local Authorities is given in The Local Government Pay and Workforce Strategy Survey 2006. This report highlighted that 58% of local authorities were reporting recruitment problems for EHOs and 46% for TSOs. The report also outlines that 37% of Authorities are offering market supplements to EHOs.

5.2 Enquiries of the other Tees Valley Authorities reveal that two Authorities currently have vacancies. All report and comment on the difficulties of recruitment, the lack of numbers of applicants.

6 FINANCIAL AND RISK IMPLICATIONS

6.1 It is estimated that continuing the scheme throughout 2009/10 will result in an additional cost of about £16,260. The estimated cost for 2010/11 is £17,129, although this may vary if additional Officers qualify for the scheme during the course of the year.

6.2 Costs are being met satisfactorily from the operational divisional budgets.

6.3 The report highlights that there is a high risk that we will not be able to recruit & retain EHO's & TSO's if the Extended Career Grade Scheme is not continued.

7 CONCLUSION

7.1 Although there are problems to address there has been an improvement in the retention and recruitment of EHOs and TSOs since the Career Scheme was implemented in 2005. Whilst any improvement cannot be attributed solely to this scheme, it is highly likely that the scheme has had a substantial effect.

7.2 The scheme demonstrates to existing and potential EHOs and TSOs the Council's commitment to attracting and retaining such professional staff. Appointees to posts in both disciplines since 2005 have cited the extended career grade as a significant incentive in applying for employment with Hartlepool Borough Council. In addition, the majority of existing staff have remained loyal to the Council despite the possibility of financial advantages in moving to nearby Authorities.

- 7.3 EHO and TSO salaries within the north east have risen over the last year and may rise further as more Authorities complete the job evaluation process. A number of Authorities are also offering market supplements in an attempt to recruit and retain qualified staff. The result of this and the outcome of job evaluation is that pay grades offered at Hartlepool are below that of some other Authorities resulting in the current recruitment problems.
- 7.4 The current scheme does appear to be providing the Council with good value for money. Its advantage is that it is performance based and not just a “flat rate” market supplement payable to all staff.
- 7.5 The Trade Unions welcome and recognise the need for the continuation of this market forces supplement based on the performance criteria until such time as it is replaced by the new market forces supplement within single status development.
- 7.6 As part of the Council’s restructuring under Business Transformation, there will be a further opportunity to consider resources.

8. RECOMMENDATION

- 8.1 That the Portfolio Holder:
- a) Notes the position as regards the recruitment and retention of Environmental Health and Trading Standards officers.
 - b) Approves the continuation of the Extended Career Grade Scheme.
 - c) Authorises the scheme to be reviewed after a further 12 months when a report will be prepared for the consideration of the Finance and Performance Portfolio Holder.

9. CONTACT OFFICER

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FINANCE AND PERFORMANCE PORTFOLIO

Report to Portfolio Holder

4th September 2009



Report of: Head of Procurement, Property and Public Protection

Subject: SALIX FUNDING FOR ENERGY EFFICIENCY PROJECTS

SUMMARY

1. PURPOSE OF REPORT

To outline the principles of funding options available from Salix Finance, in order that Hartlepool Borough Council can apply for funding for energy efficiency projects.

2. SUMMARY OF CONTENTS

The report highlights the requirement to introduce energy saving measures in order to meet our Carbon Reduction Commitment. A potential funding source is explained with a way forward suggested.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is responsible for the Council's Efficiency Strategy with a link to Asset Management.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Finance and Performance Portfolio Holder.

6. DECISION(S) REQUIRED

That Portfolio Holder agrees to the submission of an application for approximately £100,000 for the energy efficiency improvement projects, such as the installation of Voltage Optimisation equipment in those buildings that will benefit most. The next deadline for funding is 1st October.

Report of: Head of Procurement, Property and Public Protection

Subject: SALIX FUNDING FOR ENERGY EFFICIENCY PROJECTS

1. PURPOSE OF REPORT

To outline the principles of funding options available from Salix Finance, in order that Hartlepool Borough Council can apply for funding for energy efficiency projects.

2. BACKGROUND

- 2.1 The UK Climate Change Act 2008 requires the UK to achieve carbon reductions of 34% by 2020 and 80% by 2050, both based on a 1990 baseline. If these targets are to be met, it is vital that all sectors of the community take action, and Local Authorities will play a central role in influencing behavioural change that will make this possible.
- 2.2 Reductions in energy use will lead to a reduction in running costs.
- 2.3 The Government's Low Carbon Transition plan, which outlines how the UK will meet carbon reduction targets, includes a comprehensive section on how the public sector will contribute to these targets. It is in the best interests of the Council to follow these guidelines.
- 2.4 The Council has signed up to the Hartlepool Declaration on Climate Change, and also to the European Union's (EU) Covenant of Mayors, which require the Council to take action to exceed carbon reduction targets.
- 2.5 The Carbon Reduction Commitment (CRC) will begin in 2010, and will impose a tax on organisations' carbon emissions. Organisations must purchase an allowance, at a cost of £12, for each tonne of carbon emitted. A reduction in energy use will lead to a reduction in the cost of CRC allowances. Furthermore, organisations will receive a reward/penalty depending on performance in a carbon reduction league-table.
- 2.6 The Council is a partner in the Carbon Trust's Local Authority Carbon Management Programme, which offers support and guidance in developing a plan of action to reduce carbon emissions from Council operations. We have set a carbon reduction target of 35% over 5 years from a 2008/09 baseline.

- 2.7 National Indicators 185, 186 (also a Local Area Agreement (LAA) target) and 194 are directly linked to energy use, and a reduction in energy use would improve outturns for these indicators.
- 2.8 The Council is taking ownership of its environmental impact, and investment in energy efficiency projects will demonstrate this commitment to the wider community. Visible attempts to reduce carbon will contribute significantly to behavioural change within the community.
- 2.9 Good energy performance will enhance the reputation of the local authority. Use of Natural Resources is a Key Line of Enquiry for the Comprehensive Area Assessment.
- 2.10 The Government announced in their 2009 Budget that it would allocate £65m across the UK for investment in energy saving projects in the public sector. £51.5m of this funding will be allocated in loans to public sector bodies in England. Salix Finance Ltd will be responsible for distributing the funding. Salix is an independent, publicly funded company, set up in 2004, to accelerate public sector investment in energy efficiency technologies through invest to save schemes.
- 2.11 Investment in technology and education will be vital if organisations are to reduce their carbon emissions in line with challenging Government targets. By investing in various energy/resource saving initiatives, organisations can achieve savings in a relatively short time period. However, organisations are often unable to fund the initial investment required for such activities internally, and for this reason, are unable to install proven technology that will reduce energy usage. There are a large number of relatively simple projects that have payback periods of less than five years, and by implementing such projects, organisations will realise year on year savings that will not only cover the cost of the initial investment, but also provide funding for further energy saving projects.
- 2.12 Cabinet has already agreed a £40,000 Invest-to-Save programme, which will go a long way to improving energy efficiency within the Council. However, a number of other proven projects are possible, for which extra funding will be required.

3. THE SALIX FUNDING PROCESS

- 3.1 Salix's Local Authority Finance scheme has been established to bridge the funding gap that exists for energy efficiency projects in the public sector. The past round of Salix funding that ended in 2008 required 50% match funding from local authority applicants. However, the latest round of funding does not require match funding, meaning that local authorities can borrow 100% of the cost of projects. A further 15% can be borrowed to cover operational costs resulting from the delivery of projects.

- 3.2 Local Authority finance provided by Salix is interest free, meaning that all cost savings made are profit for the local authority, which may wish to reinvest savings to fund further projects. Applications can be made for a single project or for a series of projects.
- 3.3 Applications for funding will be processed on a first come, first served basis until all funds are allocated. Funding will be allocated in a number of rounds. The deadline for the next round is 1st October 2009. The final deadline for applications (subject to funding being available) is 31st December 2009.
- 3.4 The minimum amount for an application is £5,000 and there is no maximum limit. The minimum amount of individual projects must be over £500, and again, there is no maximum limit. VAT should only be included in the application if it cannot be reclaimed by the organisation. Salix will not fund projects that are legislative requirements or where funding has already been identified.
- 3.5 Projects will only be eligible for Salix funding if they have a pay back period of five years or less, and the cost of CO₂ savings over the lifetime of the project is less than £100 per tonne. Salix provide a Project Compliance Tool (PCT), which assesses whether or not proposed projects will meet these criteria.
- 3.6 Applications must consist of a completed application form and a completed PCT. Applicants will be informed, in writing, within two weeks if their application is successful. Funding for projects will be released only when they have been successfully completed, and a completion certificate and loan agreement have been signed and returned to Salix.
- 3.7 Once a project has been accepted, the applicant has nine months to complete associated works. All projects originating as a result of this funding must be completed by December 2010.
- 3.8 Loan repayments will be made by Direct Debit in eight equal instalments over four years. The first instalment will be due in March 2011.

4. PROPOSALS

- 4.1 A number of projects are available for the Council to significantly reduce energy use and reduce running costs, which are also consistent with Salix's funding criteria.
- 4.2 One option for the Council is Voltage Optimisation, which reduces the incoming voltage to a building, which is generally higher than is required. This leads to a direct reduction in energy use and cost.

Voltage optimisation typically gives energy reductions of approximately 10%, and has a payback period of approximately 2 to 3 years.

- 4.3 There are several providers of voltage optimisation units. Active Energy UK have already provided quotes for a number of Council buildings, based on a general assessment of energy use. The most desirable location of those buildings assessed was the Civic Centre, where Active Energy claim that the Payback period for investment in Voltage Optimisation would be approximately 20 months, and that the annual carbon savings would be approximately 110 tonnes.
- 4.4 Power Perfector is another organisation offering Voltage Optimisation units, and is generally considered to be the market leader. Power Perfector is a more expensive option, but has an impressive client base, including Department for Food, Environment and Rural Affairs (DEFRA).

5. FINANCIAL CONSIDERATIONS

- 5.1 Salix funding will give the Council the opportunity to invest heavily in energy (and cost) saving projects. All funding awarded will be interest free. No match funding will be required.
- 5.2 Any funding received would need to be repaid in eight equal instalments over a 4 year period from March 2011.
- 5.3 By reducing energy use we will minimise the cost of allowances for the Carbon Reduction Commitment (CRC), and also reduce the risk of penalties as a result of poor performance in the CRC league table.
- 5.4 Energy security may be defined as being the risk associated with uncertainties surrounding future energy supply. By reducing energy use, we will be reducing our dependency on energy suppliers.
- 5.5 All savings made as a result of projects funded by Salix will be retained by the Local Authority, and can be re-invested into further energy (and cost) saving projects.

6 RISK

- 6.1 The application may be unsuccessful. The risk of this happening will be reduced by a sound business case and consultations with Salix prior to the submission of an application.
- 6.2 Projects that are granted funding cannot be delivered. This risk will be minimised by involving all relevant officers, including technical and energy experts in the application process.

- 6.3 If the application is successful, the chosen projects may not present the savings that were anticipated. However, as funding is granted subject to the completion of a Project Compliance Tool, it is highly unlikely that qualifying projects would not deliver savings.
- 6.4 Rising energy costs may offset cost savings. However, energy saving projects will minimise the effect of rising energy costs by reducing energy usage, compared to a 'business as usual' approach.

7. RECOMMENDATIONS

- 7.1 That Portfolio Holder agrees to the submission of an application for approximately £100,000 for the energy efficiency improvement projects, such as the installation of Voltage Optimisation equipment in those buildings that will benefit most. The next deadline for funding is 1st October.

8. CONTACT OFFICER

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FINANCE AND PERFORMANCE PORTFOLIO

**Report to Portfolio Holder
4th September 2009**



Report of: Chief Personnel Officer

Subject: EMPLOYEE ATTENDANCE 2009/10 –
1st QUARTER

SUMMARY

1. PURPOSE OF REPORT

To update the Portfolio Holder on performance up to the first quarter of 2009/10, and actions taken in relation to employee sickness absence.

2. SUMMARY OF CONTENTS

The report provides details of employee sickness absence for the first quarter of 2009/10 and actions taken across the Council.

3. RELEVANCE TO PORTFOLIO MEMBER

Corporate issues.

4. TYPE OF DECISION

Non-key decision.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

Note the report.

Report of: Chief Personnel Officer

Subject: EMPLOYEE ATTENDANCE 2009/10 –
1st QUARTER

1. PURPOSE OF REPORT

- 1.1 To update the Portfolio Holder on performance up to the first quarter of 2009/10 and actions taken in relation to employee absence.

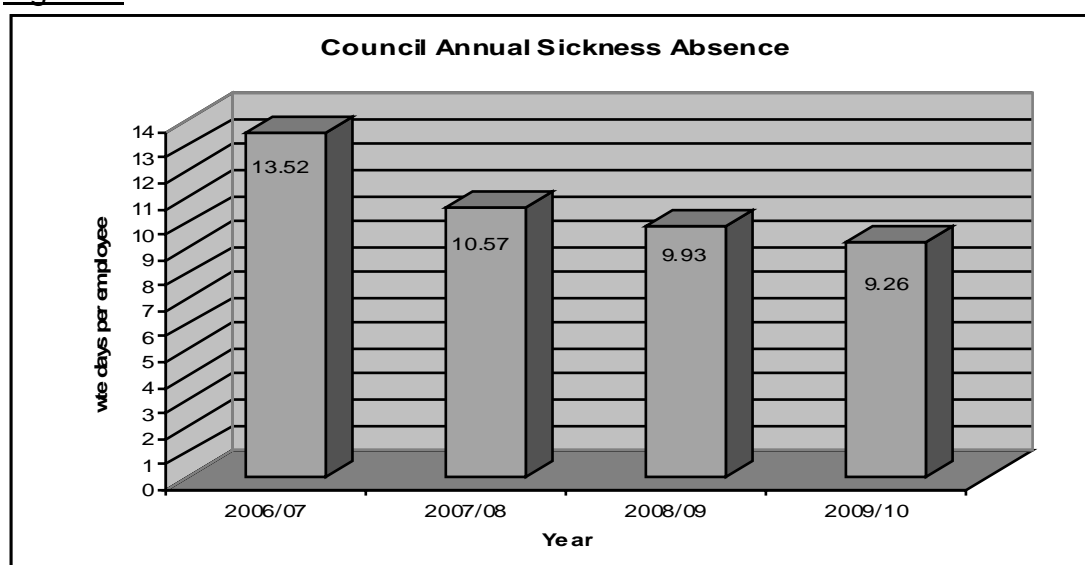
2. BACKGROUND

- 2.1 The extent to which employees are absent from work due to illness has a direct impact on the quality, level and cost of the provision of services. As such the Council have included this as a Local Performance Indicator (HRPI 5A) – The number of working days/shifts lost due to sickness absence in its group of Corporate Health Performance Indicators.

3. THE COUNCIL'S PERFORMANCE FOR THE 1st QUARTER OF 2009/10

- 3.1 The target figure for 2009/10 for the Council is 9.50 days absence per wte employee (whole time equivalent). The end of year prediction at the end of the 1st quarter shows a slightly below target figure of 9.26 days per wte per employee per annum as illustrated in Figure 1 below. This shows a continued steady improvement from the previous years. The Council continues to focus on sickness absence management to enable the Council to achieve its target of 9.50 wte average sickness per employee for the 2009/10 year and is optimistic this will be achieved.

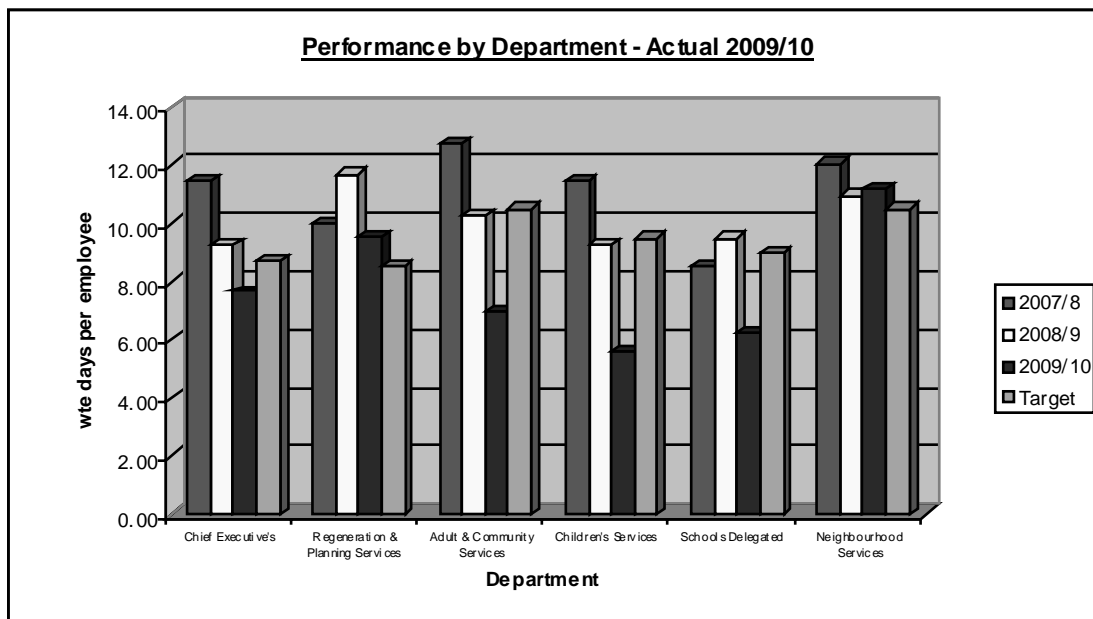
Figure 1



3.2 Figure 2 below illustrates the actual performance for each Department and Schools as at 30 June 2009. This can be compared to performance over the last two years. The final column shows the 2009/10 annual target set by each Department and Schools.

The figure identifies that there is an overall downward trend in sickness absence rates across all Departments and Schools as compared with the last two years. The increase in Neighbourhood Services is due to a number of long term cases. It is expected that the figure will reduce over the year.

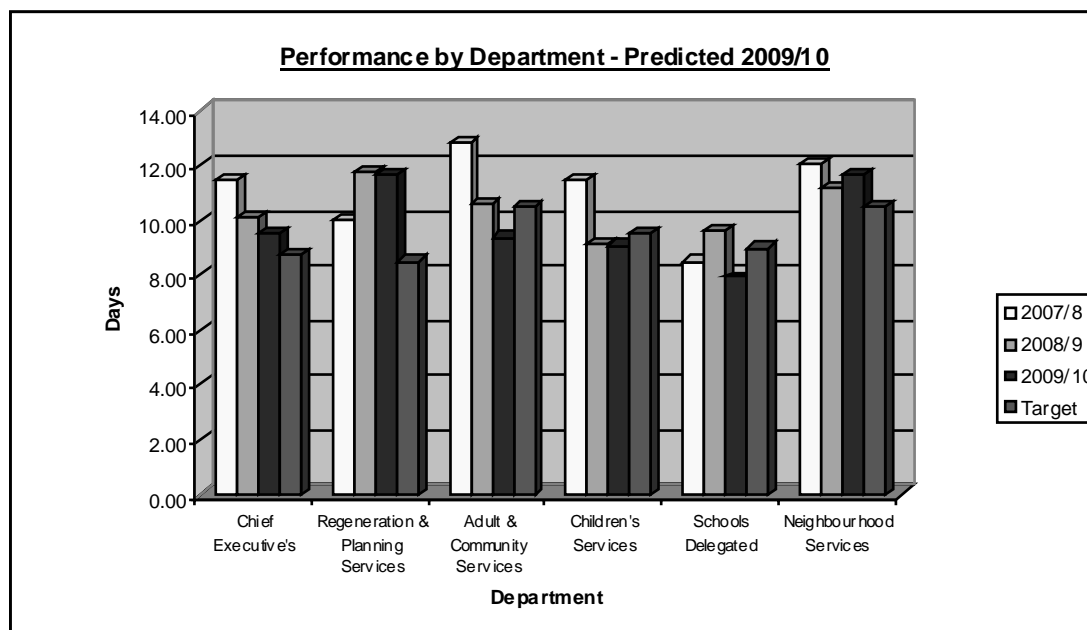
Figure 2



3.3 Figure 3 below identifies the end of year prediction figures for each Department and Schools as at 30 June 2009 and forecasts the performance as at 31 March 2010, using the previous 12 months performance data. This can be compared to the actual performance over the last two years. The final column shows the 2009/10 annual target set by each Department and Schools.

These figures illustrate an overall expected improvement in sickness absence rates across the Council if the performance of the last 12 months can be maintained.

Figure 3



- 3.4 Table 1 below illustrates the actual **1st quarter** (April to June) average sickness absence days per wte employee and a comparison of performance at the 1st quarter in the last 2 years. The results in 2009/10 for the 1st quarter indicate sickness has reduced consistently over the last two years. This year identifies the lowest rates recorded for this Council in any quarter.

Table 1

Sickness Rate	2007/8	2008/9	2009/10
1 st Quarter	10.54	9.43	7.41

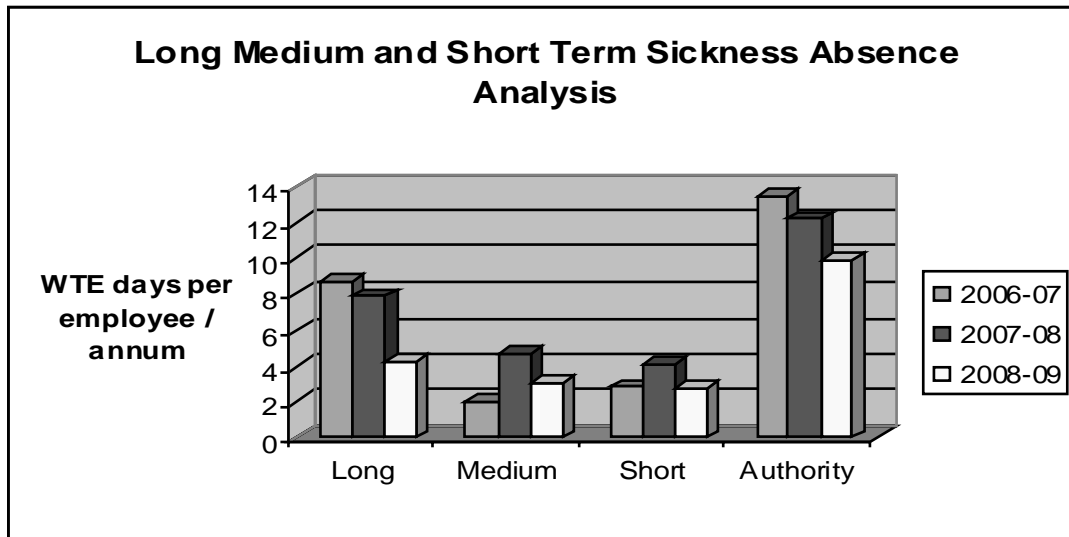
3.5 Long, Medium and Short Term Sickness Absence Analysis

Figure 4 below shows what level of long, medium or short term sickness absence made up the total figure for the past 3 years. This section presents information as at 31 March 2009. The final column shows the impact this had on the overall Council sickness absence figure.

We can identify that the biggest impact has been the reduction of long terms sickness absence cases. This mirrors where the focus of HR Officers has been in supporting managers to manage cases

resulting in employees returning as early as possible back to work or managing the employee leaving the Council. There appears to be an increase in medium and short term cases in 2007-08 which has now settled back down. This cannot be identified to any particular reason but may have been the result of the impact of managing the long term cases.

Figure 4



3.6 Actions Underway

A number of actions were undertaken during the first 9 months of 2008/9 which are expected to help to achieve the target including:

- The new Occupational Health Service to proactively promote and market employee support initiatives to positively increase the options for employees who become ill and in turn, impact on the sickness absence rates.
- Sickness Champions strategically reviewing key reasons for absence and implementing practical measures to reduce impact on employee sickness absence
- A Wellbeing Strategy to promote the health, safety and general wellbeing of the Council's employees.
- Review of sickness absence management arrangements in light of the Single Status Agreement.
- Review of LMDP Absence workshop to focus managers on key areas, and introduce mental health awareness.
- Implementation of a Stress Risk Assessments action plan across the Council.
- Departments are recognising the high rates and the need to manage sickness absence so awareness of the issues is far

greater. Departments are reviewing communication methods to ensure sickness absence management maintains a high profile.

- A closer partnership with trade unions to work together to manage sickness absence in the Council as part of the Single Status programme.
- Continued review of flexible working measures, including home working, may impact on the rates in the future.

3.7 Actions Planned

A number of actions are planned for 2009 that is expected to help in achieving sickness targets in the future. These are set out below.

- Review of statistics and monitoring information as a result of the plans for the implementation of an integrated HR/Payroll computerised system.
- Specialised return to work interview and refresher training for managers (ACSD) planned in October and November 2009.

4. RECOMMENDATIONS

That employee absence in the first quarter of 2009/10 and actions taken, or planned, is noted.

5. BACKGROUND PAPERS

None

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