

FINANCE AND PERFORMANCE PORTFOLIO DECISION RECORD

3 December 2009

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

Present:

Councillor Robbie Payne (Finance and Efficiency Portfolio Holder)

Officers: Andrew Atkin, Assistant Chief Executive
Graham Frankland, Assistant Director (Procurement and Asset Management)
Chris Little, Assistant Chief Financial Officer (Corporate Finance)
Liz Crookston, Principal Strategy and Research Officer
Philip Timmins, Estates and Valuation Officer
John Robinson, Children's Fund Manager
Wally Stagg, Organisational Development Manager
Rachel Clark, Human Resources Advisor
David Hunt, Strategy and Performance Officer
Sarah Bird, Democratic Services Officer

77. Chief Executive's Departmental Plan 2009/10 – 2nd Quarter Monitoring Report – *Strategy and Performance Manager*

Type of Decision

Non key.

Purpose of Report

To inform the Portfolio Holder of the achievements made against the Chief Executive's Departmental Plan for 2009/10 for the 6 month period ending 30 September 2009.

Issues for Consideration by the Portfolio Holder

The report detailed the progress against the actions contained in the Chief Executive's Departmental Plan 2009/10. 82% of actions have been reported as having achieved their targets or being on track to achieve target and a further 12% have been assessed as making acceptable progress. However, 5% have been highlighted as requiring intervention and these were detailed in the report with reasons for the delays.

All of the quarterly Key Performance Indicators had been assessed as being on track to achieve their year end target.

Each division also assesses risks identified within the Chief Executive's Risk Register and these were reported quarterly as having either red, amber or green status. There were three risks currently identified as being 'red' and these were detailed in the report.

Decision

The Portfolio Holder:-

- noted the progress on Key Actions and Key Performance Indicators and current rating of risks
- agreed the revised dates as set out in tables 4, 6 and 8 of the report.

78. Banking Arrangements – Assistant Chief Financial Officer (Corporate Finance)

Type of Decision

Non key.

Purpose of Report

To seek approval for an extension to the current banking arrangements to 31 March 2012.

Issues for Consideration

The report outlined the current circumstances facing the Authority in relation to banking arrangements and proposed extending the current arrangements for a two year period after a proposed review by Focus on Banking. The report outlined that because the Council was entering a period of significant internal change, a switch to another bank would require a high input from key Council staff who would be heavily involved in the implementation of the Finance Restructure and Business Transformation Programme. There would be cost implications in relation to the transfer of staff to support the transfer of the bank contract over an estimated nine month period as well as additional cash costs of changing the system and stationery.

The Portfolio Holder queried whether the Council would recoup the cost of the review in value. The Assistant Chief Financial Officer (Corporate Finance) said that he had spoken to colleagues in other Authorities who had advised him of the benefits of having the value review. The Assistant Director (Procurement and Asset Management) pointed out that the contract with the Co-operative Bank had already had one

extension and a review would demonstrate that the Authority had explored other options.

Decision

The Portfolio Holder authorised the Chief Financial Officer to:-

- Enter into negotiations with the Co-operative Bank to continue to provide banking services for two years from 1 April 2010 and to conclude these negotiations if the cost was within the existing contract value. If the contract cost exceeded the current contract value then a further report would be submitted before the negotiations were concluded.
- Commission a review of the current bank charges to assist in these negotiations.

79. Treasury Management Strategy Update – Assistant Chief Financial Officer (Corporate Finance)

Type of Decision

Non key.

Purpose of the Report

To update the Portfolio Holder on matters relating to Treasury Management including changes to Prudential Indicators and consider proposals for revising the existing Treasury Management Strategy.

Issues for Consideration

The report provided details to enable the Treasury Management Strategy for 2009/2010 to be reviewed including Treasury Management Developments, Interest Rates and Economic Outlook, Investment Strategy and Counter Party Risk and Prudential Code Monitoring.

The current world crisis in financial markets and resulting banking failures had resulted in a number of Treasury Management Reviews being undertaken. Draft guidance pointed to a greater importance being placed on the Audit Committee which would require training of the committee in its role and responsibilities.

The outlook for the UK economy was still not positive and although there appeared to be a slight upturn in the private sector it was likely that there would be significant public sector spending cuts.

The report detailed the forecast for short term and long term borrowing rates. Short term rates would probably remain low and would probably remain so until 2012/2013 depending on inflation factors. Longer term

rates were more stable. As a result of these economic conditions the Authority continued to receive diminishing investment returns. It was pointed out that the Council was not currently borrowing but was using reserves as long term interest rates were not currently advantageous.

It was highlighted in the investment strategy, the reduced number of counterparties considered to be of a low risk for investment. However, these offered a lower investment return. The Portfolio Holder was informed that because the list of counterparties was smaller than previously, the Chief Financial Officer had used his delegated powers to increase the amount that could be placed with each institution.

The Portfolio Holder asked who would be taking on the responsibility for Treasury Management following the early retirement of the Chief Financial Officer and the Assistant Chief Financial Officer (Corporate Finance) confirmed it would be him. The Portfolio Holder was advised that a number of staff are closely involved with Treasury Management owing to the importance of this area and the need to build experience and to maintain continuity.

Decision

The Portfolio Holder:-

- Noted the report.
- Approved changes to the Borrowing and Investment Strategies as outlined in the report.

80. Treasury Management Advice Contract – Assistant Chief Financial Officer (Corporate Finance)

Type of Decision

Non key.

Purpose of Report

To seek approval to negotiate and extension of the current Treasury Management Advice contract to 31 March 2011.

Issues for Consideration

The report outlined the current circumstances facing the Authority and the advantages in extending the contract with Butlers for a further twelve months.

Since becoming the Council's Treasury Advisors, Butlers had supported the Council by:-

- Helping to achieve savings for the restructuring of debt and helping the Council to ensure the security of funds invested by supplying essential market intelligence
- Providing market intelligence on the economic trends and the outlook for interest rates
- Support for technical accounting issues in relation to new disclosure requirements.

An effective working relationship had been established between Council Officers dealing with Treasury Management and the lead advisor from Butlers. As the Finance Department would be undergoing a significant period of change, it was felt that there was a need for stability, consistency and an understanding of the Council's Treasury Management needs and therefore it was suggested that Butler's provide this support for an additional 12 month period.

It was clarified that this contract was approximately £14,000. The Portfolio Holder asked whether this could be reviewed in the same way as with banking arrangements and was informed that there was no company available to carry out such a review.

Decision

The Portfolio Holder approved an extension to the current Treasury Management Advice contract to 31 March 2011.

81. Employee Attendance 2009/10 – 2nd Quarter – Human Resources Advisor

Type of Decision

Non key.

Purpose of Report

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

Issues for Consideration

The report provided details of employee sickness absence for the second quarter of 2009/10 as well as actions taken and planned by the Council.

The target figure was 9.5 days absence per whole time equivalent employee. The end of year prediction at the end of the second quarter showed a slightly below target figure of 9.31. This showed a continued steady improvement from previous years and officers were optimistic

that the target was achievable. Department performance, both predicted and actual were also outlined in the report as well as the long, medium and short term sickness absence analysis.

The Portfolio Holder asked what number of employees would need to be on long term (over 4 weeks) sickness to make a significant difference towards achieving targets. He was informed that as the overall figures were based on approximately 4000 employees it would take a significant number to affect figures. However, on a departmental basis, small departments could be affected if only one or two members of staff were on sick leave.

The Portfolio Holder asked whether swine flu had impacted on the figures and was informed that it did not seem to have done so, although during the winter months, cold and flu viruses always accounted for a proportion of sickness.

The Portfolio Holder asked that future reports could cover trends in departments and numbers of employees involved rather than being statistically based.

Decision

The Portfolio Holder noted the employee absence figures in the second quarter of 2009/10 and actions taken and planned.

82. Space to Learn Project – St Hild's School – Assistant Director (Procurement and Asset Management

Type of Decision

Non key.

Purpose of Report

To update the Portfolio Holder on the progress of the Space to Learn Project at St Hild's School and to inform the Portfolio Holder of the sponsorship commitments which had been offered by external organisations.

Issues for Consideration

The Report detailed the current position in the development of the Space to Learn project. It outlined the variety of sponsorship offers from external organisations that had been received following the launch of the project on 23 April 2009.

The Portfolio Holder asked how many of the sponsor companies were local and was informed that the only Hartlepool firm was Bridgman IBC Ltd although all local firms had been invited to the launch event and had

been given an opportunity to assist.

Decision

The Portfolio Holder:-

Noted the progress on the Space to Learn Project

Noted the sponsorship offers outlined in Section 3 of the report.

83. Half Yearly Diversity Report – Organisational Development Manager

Type of Decision

Non key.

Purpose of Report

To report progress made in respect of planned actions detailed in the Single Equality and Diversity Scheme 2008-2011 and Corporate and Diversity Action plan, including those which contribute towards achieving excellence within the Equality Framework of Local Government (EFLG), other diversity achievements in the first six months of 2009/10 and planned diversity actions for the remainder of the year. To obtain the Portfolio Holder's endorsement of the half yearly Diversity report.

Issues for Consideration

The report provided details of the Council's progress in respect of the actions planned to achieve excellence of the EFLG, corporate and departmental diversity achievements to date and planned diversity actions for the next six months.

The Portfolio Holder congratulated the Contact Centre on achieving the Customer Services Excellence award.

He expressed thanks to all departments on achievements in diversity matters.

Decision

The Portfolio Holder endorsed the report and noted the achievements and progress made.

84. The Development and Achievement of the Team Around the Primary School (TAPS) Project –

Director of Child and Adult Services

Type of Decision

Non key

Purpose of Report

To notify the Portfolio Holder of the development and progress of the Team around the Primary School project and options for the future commissioning arrangements.

Issues for Consideration

The TAPS had been operational for nine months and had made positive achievements and links with Primary Schools in Hartlepool although the timescales for commissioning set out in the Cabinet agreement had not been achieved. The report updated the Portfolio Holder and provided some current case load examples. The Children's Services Portfolio Holder had also been updated on this subject.

The commissioning process should be completed by 15 January 2010. However it was noted that the scheme had attracted a great deal of interest Nationally as a new model of service provision. It was noted that this project is grant funded and that £842,000 had been awarded to Hartlepool for prevention in 2010/2011, funding was not necessarily available for subsequent years.

The Portfolio Holder thanked the Team for their achievements thus far.

Decision

The Portfolio Holder:-

- Noted the issues around commissioning of this project.
- Noted the progress made by the project in its work with families
- Noted that the TAPS is in part funded by Grants which are due to terminate in March 2011.

85. Corporate Complaints – July to September 2009 –
Principal Strategy and Research Officer

Type of Decision

Non key.

Purpose of Report

To report to the Portfolio Holder on corporate complaints performance for the second quarter of 2009/10

Issues for Consideration

The report covered performance information on numbers of complaints, timescales for investigation and outcomes of investigations for formal complaints dealt with in the second quarter of 2009/10. A total of 16 formal complaints was received in the quarter. 94% of these were responded to within Authority deadlines. 9 out of 16 complaints were upheld in part or full.

The Principal Strategy and Research Officer also outlined remedies offered for complaints and gave examples of practice reviews as a result of complaints made. She highlighted that an updated complaints and comments leaflet had recently been produced, publicised and distributed.

Decision

The Portfolio Holder noted the report.

86. Local Government (Access to Information) (Variation) Order 2006

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

Minute 87 – Qualification Based Training Application - This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to any individual (Para1)

Minute 88 – Land Adjoining 3A Milton Road, Hartlepool – This item contains exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (Para 3)

87. Qualification Based Training Application (Para 1) – *Chief Personnel Officer*

Type of Decision

Non key.

Purpose of Report

To seek approval from the Portfolio Holder for an application for post entry qualification support.

Issues for Consideration

The report provided details of the corporate policy on post entry training and details of the request.

Decision

This was outlined in the exempt section of the minutes.

88. Land Adjoining 3A Milton Road – Assistant Director
(Procurement and Asset Management)

Type of Decision

Non key.

Purpose of Report

To update the Portfolio Holder regarding the situation on land adjoining 3a Milton Road.

Issues for Consideration

The report outlined the current situation and proposed a way forward.

Decision

This was outlined in the exempt section of the decision record.

The meeting concluded at 10.45 am.

P J DEVLIN
CHIEF SOLICITOR

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