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

Present:

Councillor Robbie Payne (Finance and Procurement Portfolio Holder)

Officers: Dale Clarke, Estates and Asset Manager
Albert Williams, Property Manager
Jo Wilson, Democratic Services Officer

31. Energy Billing Cost Recovery (Assistant Director (Resources))

Type of decision
Non-key

Purpose of report
To inform the Portfolio Holder of the potential to reclaim hidden charges in the Half Hourly electricity contract and to seek approval to appoint a Cost Management consultant to seek to identify and recover supplier savings.

Issue(s) for consideration by Portfolio Holder

The Council uses the North East Purchasing Organisation (NEPO) contract to procure its electricity supplies. The preferred utility supplier offers a set price pre kWh for the energy it supplies meaning the contract contains hidden chargeable elements including infrastructure charges. A Cost Management consultant would go back over previous bills and identify overpayments on the Council’s 12 Half Hourly sites which include the Civic Centre, the Borough Hall and all the secondary schools. Given the large amounts of electricity used at these sites these offered the greatest opportunity for cost recovery. There was no financial risk as the service operated on a fixed percentage of any costs recovered. Should no costs be recovered there would be no charge. The lowest possible percentage would be sought as part of a competitive procurement process.

The Portfolio Holder queried what the average percentage charge was for this service. The Property Manager advised that this tended to vary between 5% and 20%. Bids would be sought from across the region and while the percentage charge would be an important factor it would not be at the expense of the quality of the service.
Decision
That the appointment of a Cost Management Consultant to investigate the possibility of recovering any overcharging within the Electricity contract be authorised.

32. Crown House – Short Term Let (Assistant Director (Resources))

Type of decision
Non-key

Purpose of report
To seek approval for a short term let of the Crown House site for car parking purposes.

Issue(s) for consideration by Portfolio Holder
Funding for the proposed Hartlepool Innovation Connectors project on the Crown House site was due to be in place by June 2012. In the interim period it was proposed to let the site as a car park. An agreement had subsequently been reached with Cleveland College of Art and Design to lease the land for the college’s exclusive use Monday to Friday although the Council might be able to use it on weekends. Details of the agreement terms were given in the exempt part of the report.

The Portfolio Holder queried what would happen if the funding did not come on stream in 2012. The Estates and Asset Manager advised that the College had already indicated they would be happy to extend the licence for the car park after June 2012. Should funding come on stream as expected officers would assess the property market at that time to determine the most appropriate use of the land.

Decision
That a short term let of the site as a car park pending development of the property be approved.

The meeting concluded at 10.10 am.