

# **FINANCE AND PROCUREMENT PORTFOLIO DECISION RECORD**

7 March 2011

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

## **Present:**

Councillor Robbie Payne (Finance and Procurement Portfolio Holder)

Officers: Chris Little, Chief Finance Officer  
Graham Frankland, Assistant Director (Resources)  
John Bulman, Contract Manager (Northgate Monitoring)  
Dale Clarke, Estates and Asset Manager  
Joan Stevens, Scrutiny Manager  
Philip Timmins, Principal Estates Surveyor  
Martin Spaldin, Senior Regeneration Officer  
Jo Wilson, Democratic Services Officer

Also present: Councillor Marjorie James

## **49. Call-in of Decision – Migration of Telephony Provision to Hartlepool Borough Council – *Scrutiny Coordinating Committee***

### **Type of Decision**

Non-key

### **Purpose of Report**

To report the outcome of the Scrutiny Coordinating Committee meeting on 5<sup>th</sup> November 2010 (adjourned and reconvened on 12<sup>th</sup> November 2010 and 28<sup>th</sup> January 2011) at which consideration was given to the 'Call-In' of the following decision taken by the Finance and Procurement Portfolio Holder on 12<sup>th</sup> August 2010, as per the Authority's Call-In procedure:

Minute No 13 – Migration of Telephony Provision to Hartlepool Borough Council

"The Portfolio Holder noted the contents of the report and agree to proceed with the migration of telephony services to Supplier A subject to satisfactory agreement being reached on the removal of costs from the ICT contract between Hartlepool Borough Council and Northgate

and confirmation of service performance checks. The Portfolio Holder requested a further report be given to him.”

### **Issues for Consideration**

The Chair of Scrutiny Co-ordinating Committee outlined the key concerns of the Committee in relation to the ‘call-in’ of the decision taken by the Finance and Procurement Portfolio Holder on 12<sup>th</sup> August 2010 in relation to the migration of telephony provision to Hartlepool Borough Council, namely that the decision had been taken in contravention of the principles of decision making in respect of best value, due consideration of options available to the decision taken and efficiency.

During a number of meetings the Scrutiny Coordinating Committee considered detailed information and analysis of the procurement position. Members had felt that the most appropriate way forward would be to renegotiate with the current supplier with a view to securing savings in line with those anticipated with moving supplier. However these negotiations had subsequently been unsuccessful, leading to the decision that a competitive procurement process be pursued, in line with Scrutiny Coordinating Committee recommendations. During the course of discussions members also noted the potential to explore members’ future IT requirements as part of the telephone procurement process and asked that a requirement that the new system was adaptable or compatible with possible future changes to IT equipment be included. They also recommended that a full review of Members’ IT equipment be carried out. The following proposals for consideration were duly submitted to the Portfolio Holder:

- I. That the formal procurement process be followed at all times to prevent an issue of this nature reoccurring again
- II. That the new telephony procurement exercise include a requirement for the new system to be adaptable/compatible with possible future changes to IT equipment
- III. That a full review of Members IT equipment be carried out and included in any future equipment procurement exercise.

The Portfolio Holder thanked the Scrutiny Coordinating Committee for their input into the process. He was happy to approve their recommendations and instructed officers to ensure that any future telephony or ICT contracts wherever relevant would include the potential for ICT provision

### **Decision**

That the formal procurement process be followed at all times to prevent an issue of this nature recurring again

That the current telephony procurement exercise include a requirement for the new system to be adaptable/compatible with possible future changes to IT equipment

That a full review of Members' IT equipment requirements be carried out and included in any future equipment procurement exercise

## **50. Release of Covenant Church of the Nazarene – *Assistant Director (Resources)***

### **Type of Decision**

Non-key

### **Purpose of Report**

To seek approval for the release of a restrictive covenant over land at the Church of the Nazarene, Lowthian Road.

### **Issues for Consideration**

In May 1991 the Council sold land at the Church of the Nazarene on Lowthian Road to the current owners, with a restrictive covenant limiting its use to a church building or children's playground. The land was not developed and has been disused for some years. Recently Three Rivers Housing Association had expressed an interest in redeveloping the site for affordable housing for sale and let on social rent terms. The current owners act as trustees for the Church of the Nazarene and the proceeds of the sale would go to the Church. However in order for the development to proceed it would be necessary for the restrictive covenant to be released prior to sale. Three Rivers hoped to deliver the development using potential under spend from the Homes and Communities Agency. If this under spend were not available Three Rivers would consider including the development in their future programme. Details of the financial and legal considerations were included in a confidential appendix.

The Portfolio Holder was happy to approve the release of the restrictive covenant saying that any development on the land would be very welcome.

### **Decision**

That the restrictive covenant be released on the terms outlined in the confidential appendix.

## **51. Central Estate Community Forest – Assistant Director (Resources)**

### **Type of Decision**

Non-key

### **Purpose of Report**

To seek the Portfolio Holder's approval to plant a community forest on public open space land on the Central Estate.

### **Issues for Consideration**

Officers from the Council and Groundwork North East had been working with representatives from the Central Estate Neighbourhood Action Plan Forum and Central Estate Management Organisation to arrange the planting of a community forest on public open space land on the Central Estate using funding from the Forestry Commission. The proposed scheme would extend to 1 hectare and be designated as public open space. The overall cost of planting would be £3,758, all of which would be covered by the grant and would include maintenance for the first year. After this there would be a liability for maintenance however it was hoped that the local community would continue to be involved in maintenance thereby keeping costs to a minimum. By involving the local community in this way it was also hoped that vandalism would be discouraged.

The Portfolio Holder queried who would be liable for maintenance after the first year. The Principal Estates Surveyor confirmed that it would be the Council however it was their intention to involve the local community.

### **Decision**

That the proposal to plant a community forest on public open space land on the Central Estate be approved.

## **52. The Sale of Market Hotel – Assistant Director (Resources)**

### **Type of Decision**

Non-key

### **Purpose of Report**

To seek approval for the sale of the property.

## **Issues for Consideration**

The Market Hotel was purchased by the Council in October 2009 using Homes and Communities Agency grant funding with a view to demolition. However its listed building status meant that English Heritage had been reluctant to approve demolition unless there had been a thorough attempt to identify a buyer prepared to refurbish the building and bring it back to viable use. The property was subsequently placed on the market, advertised nationally and locally and as a result 1 offer had been received. Details of this offer, which reflected the market value of the property, were given in a confidential appendix to the report. Officers were recommending a buyback clause be included to mitigate the risk of the buyer not proceeding with a suitable scheme of refurbishment and re-use. Although a scheme of conversion had not yet been concluded it was likely to include a combination of retail and residential use. The proposed buyers are experienced in refurbishing run-down properties and were thought likely to be able to complete a suitable renovation within 12 to 18 months of purchase. In order to achieve the required outcomes it was proposed that the Council would enter into an option agreement with the proposed purchaser for 6 months to enable the development of proposals and that the appropriate planning consent be in place prior to sale.

The Portfolio Holder commented that the amount which had been offered, was less than had been originally paid for the property. He felt it was unreasonable of English Heritage to require the Council to accept this offer as the reduction in value reflected restrictions arising from the Listed Status.. Portfolio Holder asked that officers write to English Heritage expressing his views on this matter and that their reply be brought back to a future Portfolio meeting. The Assistant Director advised that in the interim he would also contact the proposed buyer for further information on their intention and another organisation which had expressed a possible interest in the property.

## **Decision**

That the granting of an option for the sale of the building be deferred pending correspondence with English Heritage, further information from the proposed purchaser and consideration of an alternative solution.

## **53. Chief Executive's Departmental Plan 2010/11 – 3<sup>rd</sup> Quarter Monitoring Report – *Chief Finance Officer and Chief Solicitor***

### **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 2010/11 for the 9 month period ending 31<sup>st</sup> December 2010.

### **Issues for Consideration**

The report detailed the progress against the actions contained in the Chief Executive's Departmental Plan 2010/11 that are the responsibility of the Finance and Legal Services Divisions for the 9 month period ending 31<sup>st</sup> December 2010. All actions were deemed to have been achieved, on target or making acceptable progress. There were no key Performance Indicators which were the responsibility of the divisions which could be monitored quarterly.

Details were also given of notable actions carried out by the divisions including the review of CIPFA and CLG guidance on Treasury Management and the successful introduction of a petition scheme.

### **Decision**

That the achievement on actions and indicators be noted.

## **54. Regeneration and Neighbourhoods Departmental Plan Monitoring Report – April to December 2010**

— *Director of Regeneration and Neighbourhoods*

### **Type of Decision**

Non-key

### **Purpose of Report**

To inform the Portfolio Holder of the progress made against the Regeneration and Neighbourhoods Departmental Plan 2010/11 over the period April to December 2010.

### **Issues for Consideration**

The report detailed the progress against the key actions and performance indicators contained in the Regeneration and Neighbourhoods Departmental Plan 2010/11 over the period April to December 2010. Of 28 actions 26 had been completed or were on track. Only 2 targets required intervention, details of proposed revised dates and the reasons for this were given within the report. Similarly 3 of 4 performance indicators were completed or on track with only 1 indicator, relating to waste management, requiring intervention. Details

were given within the report.

### **Decision**

- I. That the progress of key actions and performance indicators be noted along the latest position with regard to risks
- II. That the proposed Action date change be approved.

## **55. Migration of Telephony Provision to Hartlepool Borough Council – Assistant Director (Resources)**

### **Type of Decision**

Non-key

### **Purpose of Report**

To inform the Portfolio Holder of the proposed response to the outcomes of the call-in notice in relation to the above service, provide additional information regarding the procurement process and seek approval to the appointment of a service provider.

### **Issues for Consideration**

The Assistant Director advised that following the recommendations made by Scrutiny Coordinating Committee the Contract Manager had carried out additional performance checks and requested alternative references in regards to both the current supplier and the proposed alternative supplier. Discussions had also taken place with other Tees Valley Authorities as to their perception of services offered by these organisations. Northgate had confirmed that all risks had been mitigated and systems would continue to operate fully in the event of a change in provider. There were no contractual issues or barriers in switching and would be no degradation in service.

Following these considerations negotiations had taken place with the current supplier, however this had not resulted in the envisaged savings and therefore a competitive procurement process had taken place considering price and quality. The results of the subsequent assessment were included in a confidential appendix to the report. Of the final 2 bids neither had carried any significant risk however one had delivered maximum savings with the minimum contract term and it was suggested that this provider, 'A', be selected as the preferred telephony service provider to Hartlepool Borough Council. The Assistant Director confirmed that this provider was also able to provide a system which was adaptable/compatible with Members' future ICT requirements.

## **Decision**

- I. That the findings of Scrutiny Coordinating Committee's call-in investigation be noted
- II. That the response on the procurement process for Telephone Services be endorsed
- III. That the assessment process and the appointment of Provider A be approved.

## **56. Local Government (Access to Information) (Variation) Order 2006**

Under Section 100 (A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) order 2006

Minute 57 – Place in the Park – Ward Jackson Park - Lease – this item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information)(Variation)Order 2006) namely (para 3), information relating to the financial and business affairs of any particular person (including the authority holding that information).

Minute 58 – Proposed disposal of 65 Jutland Road, Hartlepool – this item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information)(Variation)Order 2006) namely (para 3), information relating to the financial and business affairs of any particular person (including the authority holding that information).

Minute 59 – Throston Grange Site and Land at Clavering – this item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information)(Variation)Order 2006) namely (para 3), information relating to the financial and business affairs of any particular person (including the authority holding that information).

Minute 60 – Briarfields – this item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information)(Variation)Order 2006) namely (para 3), information relating to the financial and business affairs of any particular person (including the authority holding that information).



## **57. Place in the Park – Ward Jackson Park - Lease –** *Assistant Director (Resources)*

### **Type of Decision**

Non-key

### **Purpose of Report**

To seek approval for new lease terms for the letting of the Place in Park café.

### **Issues for Consideration**

In September 2008 the Place in the Park café was let to the current tenant. Terms were agreed by Parks and Countryside staff. In order to regularise the occupancy and ensure market value the original terms had been renegotiated. Details were given within the confidential report and are outlined in the closed minutes. The Portfolio Holder asked that the proposed lease terms be approved for 1 year only and then reviewed.

### **Decision**

That the lease terms provisionally agreed for the letting of the Place in the Park café be approved for one year only and that following this the lease be reviewed.

## **58. Proposed Disposal of 65 Jutland Road, Hartlepool** *– Assistant Director (Resources)*

### **Type of Decision**

Non-key

### **Purpose of Report**

To seek approval from the Portfolio Holder to proceed with the disposal of 65 Jutland Road, the former Community Police Office

### **Issues for Consideration**

65 Jutland Road was previously used as a Community Police Office by Cleveland Police, however the police had vacated the property on 4<sup>th</sup> March 2011. The Estates section had engaged in discussions with the planning department and identified Use Class A5 as the most appropriate use for the property. A direct marketing campaign had taken place and an offer received from an interested party. Details of

the offer and other issues were given in the confidential report and closed minutes.

**Decision**

That the disposal of 65 Jutland Road be approved

**59. Throston Grange Site and Land at Clavering –**  
*Assistant Director (Resources)*

**Type of Decision**

Non-key

**Purpose of Report**

To seek the Portfolio Holder's approval in respect of the acceptance of a revised bid for the purchase of a property from the Council

**Issues for Consideration**

In February 2010 the Portfolio Holder gave approval for a property to be offered for sale together with an option to develop land nearby. A bid had been received and accepted, including agreement to undertake this development. However issues had subsequently arisen resulting in a need to ask the Portfolio Holder to consider a revised bid. Details of this revised bid were given in the confidential report and are detailed in the closed minutes.

**Decision**

That acceptance of a revised bid be approved as detailed within the confidential report.

**60 Briarfields –** *Assistant Director (Resources)*

**Type of Decision**

Non-key

**Purpose of Report**

To seek approval for revision of the mortgage arrangements between the Council and the owners of Briarfields House.

**Issues for Consideration**

Detailed within the closed minutes

**Decision**

That this item be deferred pending further discussions and receipt of information.

The meeting concluded at 2:35 pm

**P J DEVLIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 11<sup>th</sup> March 2011**