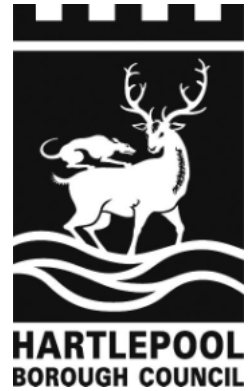


# **FINANCE AND PROCUREMENT PORTFOLIO**

## **DECISION SCHEDULE**



**Wednesday, 13 April 2011**

**At 10.00 am**

**in Committee Room C, Civic Centre, Hartlepool**

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

**1. KEY DECISIONS**

- 1.1 5 Year Highway Maintenance Programme 2011-2016 - *Assistant Director (Transportation and Engineering Services)*

**2. OTHER ITEMS REQUIRING DECISION**

- 2.1 Travel Efficiency Plan – Assistant Director (Transportation and Engineering)

**3. ITEMS FOR INFORMATION**

- 3.1 “Guardians” – Interim Arrangements To Occupy Vacated Properties – *Assistant Director (Resources)*  
3.2 Update On Implementation Of E-Quotation Solution- *Assistant Director (Resources)*

**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 To The Rear Of Conservative Club On The Headland (Para 3) –  
*Assistant Director (Resources)*
- 7.2 Place in the Park Café (Para 3) – *Assistant Director (Resources)*
- 7.3 Former Somersby Close Family Resource Centre (Para 3) - *Assistant Director (Resources) & Assistant Director (Regeneration & Planning)*
- 7.4 Land at Brinkburn and Burn Valley (para 3) – *Assistant Director (Resources)*
- 7.5 Briarfields – House (Para 3) – *Assistant Director (Resources)*

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder

13 April 2011



**Report of:** Assistant Director (Transportation and Engineering Services)

**Subject:** **5 YEAR HIGHWAY MAINTENANCE PROGRAMME 2011-2016**

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### SUMMARY

#### **1. PURPOSE OF REPORT**

To seek approval to the five-year planned highway maintenance programme for the period April 2011 to March 2016.

#### **2. SUMMARY OF CONTENTS**

The report will provide the background as to the testing methods utilised to identify the condition of a highway and identify which highways in the town will be included in the five-year programme based on the test results, highway inspections, risk management information and customer and Member feedback.

#### **3. RELEVANCE TO PORTFOLIO HOLDER**

It is the responsibility of the Portfolio Holder.

#### **4. TYPE OF DECISION**

Key Decision Test (ii) applies. Forward Plan Reference No. RN47/10.

#### **5. DECISION MAKING ROUTE**

Directly to Portfolio Holder.

#### **6. DECISION(S) REQUIRED**

That the five-year programme for planned maintenance be approved.

**Report of:** Assistant Director (Transportation and Engineering Services)

**Subject:** **5 YEAR HIGHWAY MAINTENANCE PROGRAMME 2011-2016**

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**1. PURPOSE OF REPORT**

- 1.1 To seek approval to the five-year planned highway maintenance programme for the period April 2011 to March 2016.

**2. BACKGROUND**

- 2.1 The condition of the highway network is established from information obtained from Course Visual Inspections (CVIs) and Detailed Visual Inspections (DVI), which are carried out by specialist contractors on behalf of the Authority. The information is then analysed, through the United Kingdom Pavement Management System (UKPMS), which allocates ratings to each section of highway ranging from 0 (good condition) to 100 (nil residual life). Condition reports are also put forward by the Neighbourhood Inspectors following routine inspections.
- 2.2 In the ten year period 1999 to 2009, highway maintenance funding suffered a 38% real-terms cut on funding from £3136/km to £1955/km (ref Neighbourhood Services Scrutiny Forum 2008). It is important therefore that maximum benefit is achieved from the available funding to maintain the highway network in as safe a condition as possible.
- 2.3 For year 2011/2012 the allocation for highway maintenance from the Local Transport Plan is £823,000 and from revenue is approximately £385,698, making a total allocation of £1,208,698. Of this £370,000 is committed to miscellaneous works. This leaves £838,698 for general highway maintenance schemes. In real terms, this equates to a slight increase to £2,144/km –but still a 32% reduction on the 1999 / 2000 spend levels. On this basis, and assuming similar allocations in future years, it will not be possible to reduce the maintenance backlog. Bearing in mind that during this time, the rest of the network will continue to deteriorate, it is likely that the condition of the network will deteriorate further.
- 2.4 The condition of the classified highway network is calculated from information obtained from a machine survey (SCANNER survey).

- 2.5 The condition of the unclassified highway network is calculated from information obtained from Course Visual Inspections (CVIs).
- 2.6 Footpath conditions are calculated from Detailed Visual Inspections (DVIIs).
- 2.7 The surveys are carried out by a specialist contractor on behalf of the Authority. The surveys have been commissioned in partnership with the other Tees Valley Authorities and are carried out annually. The information is then analysed, through the United Kingdom Pavement Management System (UKPMS), which allocates ratings to each section of highway ranging from 0 (good condition) to 100 (nil residual life).
- 2.8 Because of the large number of roads having the same condition rating through this method, results are augmented by rating assessments, carried out in house on the basis of Neighbourhood Inspector's reports. Consideration is also given to requests received from members of the public and elected members through the Neighbourhood Forums or directly to Officers.

### 3. CONSIDERATION OF ISSUES

- 3.1 The 5-year programme attached (attached as **Appendix 1**) is based on the assumption that future year allocations will be of similar levels to this year.
- 3.2 The roads and footways indicated are those that are in the most need of repair, as identified by the methods detailed above. The priority however, may change over the coming years. The highway network is constantly under threat from damage caused by increases in the volume of traffic, greater vehicle weights, the weather and the disturbance of the structure of the road through the digging of utility trenches. The key to managing/maintaining the highway network successfully is to monitor the condition and at the best time, apply the most cost effective treatment to maximise the life of the road. The Council achieve this through planned and reactive maintenance based on an assessment of need and making use of the latest available processes and techniques.
- 3.3 Reconstruction works are expensive compared to other maintenance measures and have been kept to a minimum. Reconstruction works that have been identified, where other processes are not appropriate, will be carried out in the interests of highway safety. Generally, however, other treatments such as re-surfacing and surface dressing, which are cheaper but have a shorter term impact than full reconstruction, will be utilised

- 3.4 All principal and classified roads are inspected using survey vehicles equipped with lasers, video image collection and inertial measurement apparatus to enable surveys of the road surface condition to be carried out whilst traveling at high speeds. These surveys are carried out using state of the art equipment
- 3.5 The impact that these proposals are likely to have in the near future on the Best Value Performance Indicators is shown in the following table:

	05/06	06/07	07/08	08/09	09/10	10/11
Condition of principal roads NI168	13%	2%	1%	2%	2%	N/A
Condition of non-principal roads NI169	23%	10%	4%	11%	11%	N/A
Condition of unclassified roads	17%	24%	13%	15%	10%	N/A

- 3.6 In the past, the unclassified network was inspected over a four-year period (25% each year). This made it difficult to assess the overall condition of the network. From 2006/07 100% of the unclassified network has been inspected in one direction. The direction of survey alternates each year, meaning that 2007/08 and 2009/10 are comparable surveys. 2008/09 is a survey of the opposite sides of the roads to the other years and will be comparable to 2010/11 when results are available.
- 3.7 This situation is clearly unsatisfactory in respect of halting the deterioration but, until such times as additional monies are made available for the improvement of the network, the Authority can only ensure that monies are allocated to those sections requiring the most urgent attention.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The 5 year programme has been established in general on the following basis:

Capital Allocation (LTP)	£713,000
Revenue	£385,698
Total	£1,098,698

4.2 Of the above £370,000 is allocated for general works as follows:

Neighbourhood Services North Forum	£25,000
Neighbourhood Services South Forum	£25,000
Neighbourhood Services Central Forum	£25,000
Grass Verge Maintenance SLA	£25,000
Tree Maintenance	£15,000
Public Rights of Way	£25,000
Highway Enforcement	£10,000
Drainage Works	£80,000
Carriageway Patching	<u>£140,000</u>
	£370,000

Net Scheduled Highway Maintenance Budget £728,698

## 5. RECOMMENDATIONS

5.1 That the five-year programme for planned maintenance be approved.

## 6. CONTACT OFFICER

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## Resurfacing 5 Year Programme

Year 1 (2011-12)						
Street	Location	Treatment	Last Year	Area	Notes	Estimate Cost
Dalton Village Road (Part 1)	Existing Works to First Field after Junction (2 Parts)	Carriageway	Year 2	South	5 Year Programme	29,890.00
Seaton Lane (Part 1)	No. 180 to No. 150 (2 Parts)	Carriageway	NEW	South	5 Year Programme	62,928.00
Owton Manor Lane (Part 1)	Balmoral Road to No. 78 (2 Parts)	Carriageway	NEW	South	New Scheme Strategic Route	54,777.00
Owton Lodge Roundabout	Full Roundabout	Carriageway	NEW	South	New Scheme Strategic Route	70,000.00
Station Lane (Part 1)	The Front to Victoria Street (2 Parts)	Carriageway	NEW	South	New Scheme Strategic Route	31,806.00
Station Lane (Part 2)	Victoria Street to Library (2 Parts)	Carriageway	NEW	South	New Scheme Strategic Route	31,806.00
Oxford Road (Part 1)	Heathfield Drive to Caledonian Road (2 Parts)	Carriageway	Year 5	Centre	5 Year Programme	98,800.00
Milbank Road	Number 14 to Brougham Terrace	Carriageway	Year 1	Centre	Scheduled to be done last year but gas board were working	7,425.00
Dent Street	Young Street to Raby Road	Carriageway	Year 2	Centre	5 Year Programme	8,360.00
Cameron Road	Addison Road to Raby Road	Carriageway	Year 2	Centre	5 Year Programme	12,705.00
Alma Street	Mulgrave Road to Thornville Road	Carriageway	Year 2	Centre	5 Year Programme	9,680.00
Grove Close	The Grove to Stub End	Carriageway	Year 2	Centre	5 Year Programme	3,575.00
Egerton Road	No. 44 to No. 18	Carriageway	Year 2	Centre	5 Year Programme	24,244.00
Everett Street	Chester Road to Jesmond Road	Carriageway	Year 2	Centre	5 Year Programme	24,882.00
Hereford Street	Wensleydale Street to Kendal Road	Carriageway	Year 2	Centre	5 Year Programme	7,480.00
Eden Street	Park Road to Car Park	Carriageway	NEW	Centre	New Scheme Added by Forum	3,640.00
Moreland Street	Clark Street to Redworth Street	Carriageway	Year 2	Centre	5 Year Programme	17,640.00
Hutton Avenue (Part 1)	St Paul's Road to No. 36	Carriageway	New	Centre	Political	24,651.00
York/Victoria Road Junction	Junction Area	Carriageway	NEW	Centre	New Scheme Strategic Route	22,000.00



## APPENDIX 1

Penrith Street	Winston Close to Howard Street	Carriageway	Year 3	North	5 Year Programme	5,005.00
Challoner Road	Jesmond Gardens to Raby Road	Carriageway	Year 2	North	5 Year Programme	47,628.00
Beacon/Alliance/Trinity Street	Full Length	Carriageway	Year 2	North	5 Year Programme	13,860.00
Burke Place	Frederic Street to Stub End	Carriageway	Year 2	North	5 Year Programme	6,688.00
Summingdale Grove	Clavering Road to Stub End	Carriageway	Year 2	North	5 Year Programme	6,435.00
Catoote Road	Callander to Campbell	Footway	Year 1	South	5 Year Programme	8,800.00
Rossmere Way	Outside Youth Centre	Footway	Year 1	South	5 Year Programme	2,050.00
Sandringham Road	No. 4 to Murray Street	Footway	Year 1	Centre	5 Year Programme	4,840.00
Albert Street	Various	Footway	Year 1	Centre	5 Year Programme	4,620.00
Burbank Street	Clark Street to Thompson Street	Footway	Year 1	Centre	5 Year Programme	5,820.00
Green Street	Full Length	Footway	Year 1	Centre	5 Year Programme	5,500.00
Windermere Road	Ashgrove to Bakers	Footway	Year 1	Centre	5 Year Programme	1,750.00
Matowe Road	Various	Footway	Year 1	South	5 Year Programme	5,500.00

Year 2 (2012-13)						
Street	Location	Treatment	Last Year	Area	Notes	Estimate Cost
Dalton Village Road (Part 2)	First Field after Junction to A19 (2 Parts)	Carriageway	Year 2	South	5 Year Programme	
Seaton Lane (Part 2)	No. 150 to No. 120 (2 Parts)	Carriageway	NEW	South	New Scheme Strategic Route	
Oxford Road (Part 2)	Caledonian Road to Derby Street (2 Parts)	Carriageway	Year 6	Centre	5 Year Programme	
Park Road (Phase 1)	York Road to Osbourne Road	Carriageway	Year 5	Centre	5 Year Programme	
Owton Manor Lane (Part 2)	No. 78 to Catoote Road (2 Parts)	Carriageway	NEW	South	New Scheme Strategic Route	
Hutton Avenue (Part 2)	No. 36 to End	Carriageway	NEW	Centre	Political	
Bright Street	Full Length	Carriageway	New	Centre	New Scheme Added by Forum	
Plymouth Grove	Full Length	Carriageway	Year 4	North	5 Year Programme	

## APPENDIX 1

Carlton Street	Full Length	Carriageway	NEW	Centre	New Scheme Added by Forum	
Mapleton Road	School Entrance to Avondale Gardens	Carriageway	Year 3	North	5 Year Programme	
Wharton Terrace	1st Speed Hump to Milbank Road	Carriageway	Year 3	North	5 Year Programme	
Howden Road	Ridlington Way to Goldsmith Avenue	Carriageway	Year 3	North	5 Year Programme	
Southbrooke Avenue	Westbrooke Avenue to Kingsley Avenue	Carriageway	Year 3	Centre	5 Year Programme	
Hart Lane	Clover Drive to Ryehill Gardens	Carriageway	New	North	New Scheme Added by IC	
Young Street	Full Length	Carriageway	New	Centre	New Scheme Added by Forum	
Zetland Road	Welldeck Road to Suggit Street	Carriageway	Year 3	Centre	5 Year Programme	
Joppa Grove	Full Length	Carriageway	Year 3	South	5 Year Programme	
Jura Grove	Full Length	Carriageway	Year 3	South	5 Year Programme	
Easington Road	Petrol Station to Old Boys (North Bound)	Carriageway	New	North	New Scheme Strategic Route	
Park Road (Phase 2)	Osbourne Road to Eltringham Road	Carriageway	Year 5	Centre	5 Year Programme	
Park Road (Phase 3)	Eltringham Road to Edon Grove	Carriageway	Year 5	Centre	5 Year Programme	
Hart Village Road	Naisberry Farm to Elwick Crossing	Carriageway	Year 3	North	5 Year Programme	
Clarke Street	Burbank Street to Moreland Street	Carriageway	NEW	Centre	New Scheme Strategic Route	
Cundal Road	Welldeck Road to Duke Street	Carriageway	Year 3	Centre	5 Year Programme	
Wooler Road Roundabout	Full Roundabout	Carriageway	NEW	Centre	New Scheme Strategic Route	
Brafferton Street	Roseberry Road to Duke Street	Carriageway	Year 3	Centre	5 Year Programme	
Tall Ships Roundabout	Full Roundabout	Carriageway	NEW	North	New Scheme Strategic Route	
Browning Avenue	Catcote Road to Ruskin Grove	Carriageway	Year 5	Centre	5 Year Programme	
Bamburgh Road	Hart Road to Bamburgh Road	Carriageway	NEW	North	New Scheme Strategic Route	
Total						0.00

Year 3 (2013-14)						
Street	Location	Treatment	Last Year	Area	Notes	Estimate Cost
Bellasis Grove	Rear of No. 1 to Rear No. 5	Carriageway	Year 4	North	5 Year Programme	
Back of Throston Street	Rear of No. 130 Durham Street to Club	Carriageway	Year 4	North	5 Year Programme	
The Fens	No. 34 to No. 29	Carriageway	Year 4	North	5 Year Programme	

## APPENDIX 1

Hutone Place	Lazenby Road to Stub End	Carriageway	Year 4	North	5 Year Programme	
Magdalene Drive	Butts Lane to School Entrance	Carriageway	Year 4	North	5 Year Programme	
Worsett Lane	Claypit Farm to A179	Carriageway	Year 4	North	5 Year Programme	
Studey Road	Full Length	Carriageway	Year 4	North	5 Year Programme	
Kyle Avenue	Full Length	Carriageway	Year 4	Centre	5 Year Programme	
Hardwick Court	Full Length	Carriageway	Year 4	Centre	5 Year Programme	
Comrie Road	Caithness Road to Cairn Road	Carriageway	Year 4	South	5 Year Programme	
Stockton Street	Burn Road Roundabout to Burn Valley Roundabout	Carriageway	Year 5	Centre		
Butts Lane	Various Sections	Carriageway	NEW	North	New Scheme Added by CR	
Total						0.00

Year 4 (2014-15)						
Street	Location	Treatment	Last Year	Area	Notes	Estimate Cost
Alston Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Baden Street	Ekwick Road to Brinkburn Road	Carriageway	Year 5	Centre	5 Year Programme	
Bangor Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Burn Valley Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Burnston Close	Junction Area	Carriageway	Year 5	South	5 Year Programme	
Colenso Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Ellison Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Eltringham Road	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Caithness Road	Junction Area to Torquay Avenue	Carriageway	Year 5	South	5 Year Programme	
Claymore Road	No. 1 to No. 7	Carriageway	Year 5	South	5 Year Programme	
Darvel Road	Full Length	Carriageway	Year 5	South	5 Year Programme	
Mofat Road	Cul De Sac	Carriageway	Year 5	South		
Huntley Road	Full Length	Carriageway	Year 5	South		
Millpool Close	Haxby Close to Bridgepool Close	Carriageway	Year 5	North		
Millpool Close	Bridgepool Close to Union Street	Carriageway	Year 5	North		
Motherwell Road	No. 5 to No. 17	Carriageway	Year 5	South		
Spalding Road	Junction Areas	Carriageway	Year 5	South		
Waldon Street	Elwick Road to Car Park	Carriageway	Year 5	Centre		
Stranton	Shops Area	Carriageway	Year 5	Centre		
Total						0.00

## APPENDIX 1

Year 5 (2015-16)						
Street	Location	Treatment	Last Year	Area	Notes	Estimate Cost
Rydal Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
South Drive	Wooler Road to No. 8	Carriageway	Year 5	Centre	5 Year Programme	
Southburn Terrace	Stockton Street to No. 19	Carriageway	Year 5	Centre	5 Year Programme	
Wansbeck Gardens	Park Road to No. 13	Carriageway	Year 5	Centre	5 Year Programme	
Wordsworth Avenue	No. 3 to No. 49	Carriageway	Year 5	Centre	5 Year Programme	
Allca Grove	Full Length	Carriageway	Year 5	South	5 Year Programme	
Alva Grove	Full Length	Carriageway	Year 5	South	5 Year Programme	
Ayr Grove	Full Length	Carriageway	Year 5	South	5 Year Programme	
Grosvenor Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Hylton Road	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Lucan Street	Full Length	Carriageway	Year 5	Centre		
Lynfield Road	Junction Area with Dent Street	Carriageway	Year 5	Centre		
Martin Grove	Full Length	Carriageway	Year 5	Centre		
North Drive	Wooler Road to No. 4	Carriageway	Year 5	Centre		
Oxford Street	No. 7 to No. 15	Carriageway	Year 5	Centre		
Fife Grove	Full Length	Carriageway	Year 5	South		
Gillpark Grove	Full Length	Carriageway	Year 5	South		
Glaidsdale Grove	Full Length	Carriageway	Year 5	South		
Highland Road	Junction to No. 19	Carriageway	Year 5	South		
Wisbech Carpark	Parking Areas	Carriageway	Year 5	Centre		
Kimberley Street	Full Length	Carriageway	Year 5	Centre	5 Year Programme	
Leyburn Street	Full Length	Carriageway	Year 5	Centre		
Total						0.00

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report To Portfolio Holder

13 April 2011



**Report of:** Assistant Director (Transportation & Engineering)

**Subject:** TRAVEL EFFICIENCY PLAN

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### SUMMARY

#### **1. PURPOSE OF REPORT**

To seek approval to progress the Salary Sacrifice Car Lease Scheme as part of the Council's Travel Efficiency Plan.

#### **2. SUMMARY OF CONTENTS**

The report will provide an update on the pilot study carried out in 2010 by way of selected single officer involvement and consider how the scheme can be rolled out across the Council.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

The development of the Salary Sacrifice Car Lease Scheme is the responsibility of the Portfolio Holder.

#### **4. TYPE OF DECISION**

Non Key.

#### **5. DECISION MAKING ROUTE**

Finance and Procurement Portfolio, 13 April, 2011.

#### **6. DECISION(S) REQUIRED**

That the progression of a Salary Sacrifice Car Lease Scheme be approved and implemented as a Council wide initiative.

**Report of:** Assistant Director (Transportation & Engineering)

**Subject:** TRAVEL EFFICIENCY PLAN

---

**1. PURPOSE OF REPORT**

- 1.1 To seek approval to progress the Salary Sacrifice Car Lease Scheme as part of the Council's Travel Efficiency Plan.

**2. BACKGROUND**

- 2.1 Further to Cabinet's agreement on 6th September, 2010 to progress a pilot scheme, investigations have taken place and the pilot scheme completed. The pilot scheme has been tested via payroll systems and has been scrutinised by the Council's Finance team as well as the Council's Tax advisors. The pilot scheme was undertaken by way of selected single officer involvement who was prepared to participate through a voluntary agreement, therefore allowing appropriate scrutiny of tax and pension contribution arrangements and all other associated risks of the scheme. The pilot scheme has now been approved by HM Revenue and Customs and is appropriate for full Council roll out.

**3. NEXT STEPS**

- 3.1 Now that the pilot has been introduced successfully, discussions will take place with the Salary Sacrifice Scheme provider (Tuskerdirect) to arrange for a 'soft launch' consisting of website access for employees to engage in vehicle selection and financial considerations relating to monthly contributions, tax, pension and national insurance etc. This will be complemented by a series of roadshows at which a detailed explanation of the scheme will be delivered to all staff interested in participating in the scheme.

**4. RISK ASSESSMENTS**

- 4.1 The main risks of the scheme are to the employee which will be explained through scheme proposal literature prior to any take up. Gap insurance is incorporated within the scheme to protect employees against early termination of the scheme whilst participating. The pilot scheme has ensured that all potential risks in relation to tax, contributions and other associated factors were scrutinised and

analysed by the Chief Finance Officer for both the Council and any participating employees.

- 4.2 The anticipated timetable for a Council-wide launch would be May 2011.

## **5. FINANCIAL CONSIDERATIONS OF THE SCHEME**

- 5.1 Finance officers have considered the financial impact of the scheme on both employees and the Council, and have noted the outcome of the pilot scheme and adjusted relevant process as required, to ensure the proposed scheme is suitable.
- 5.2 In relation to individual employees, the proposed scheme is not a tax free benefit, as is the case with other forms of salary sacrifice schemes. The advantages arise from the interaction of the saving in personal tax compared to the extra tax cost of a company car. Because individuals sacrifice their gross salary, they pay less income tax, national insurance and pension contributions. The individual then pays tax on the car according to the fuel emissions of the vehicle model. The advantages only arise where a fuel efficient vehicle is obtained. The Hartlepool scheme will only include fuel efficient vehicles with an CO<sub>2</sub> emissions rating below 120gms/km.
- 5.3 It is unlikely that the Government will reverse the current direction of tax policy given International commitments to reduce CO<sub>2</sub> emission. If any changes were introduced by the Government the additional tax liability would fall on individual employees and not the Council. Changes to company car tax normally have a lead in time so staff could terminate their agreements if necessary. The scheme would then no longer be attractive to staff in the future
- 5.4 In relation to the financial impact on the Council the authority benefits from reduced national insurance and pension contributions, as these are not payable on the value of the salary sacrificed.
- 5.5 The Pension Fund Treasurer has indicated that in the short-term this amount is not material, although this position may change if there is a significant take-up of the scheme. Experience from other authorities suggests take up of the car salary sacrifice scheme is phased over a number of years. In order to protect the medium term position it would be prudent to earmark these savings to make a one-off lump sum payment to the Pension fund at the time of the next valuation in 2013. If this contribution is not needed these resources could be released to support the budget from 2014/15 onwards.

- 5.6 A greatly reduced tariff for each business mile travelled would accrue further savings to the Council.
- 5.7 In summary it is anticipated the Salary Sacrifice Scheme can be implemented within existing budgetary provision.
- 5.8 The tender for the Framework Agreement was conducted following the full requirements of the Public Contracts Regulations 2006 (as amended) and the OJEU contract notice clearly identified access to the framework agreement to other local authorities.
- 5.9 Details of the proposed scheme are set out in **Appendix A**. The environmental benefits of the proposed scheme are set out in **Appendix B**.

## 6. RECOMMENDATION

- 6.1 That the progression of a Salary Sacrifice Car Lease Scheme be approved and implemented as a Council wide initiative.

## 7. CONTACT OFFICER

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## **APPENDIX A**

### **The Proposed Scheme**

The Salary Sacrifice Scheme enables eligible staff to undertake a personal/private lease of a new car.

Vehicles would be supplied by North Yorkshire County Council's associated salary sacrifice framework supplier, Tuskerdirect Limited. Each vehicle is supplied with full maintenance and motor insurance cover. The employee contributes to the lease hire of the vehicle via a monthly gross salary deduction and makes savings in tax, National Insurance and pension contributions.

Calculations within the scheme ensure that those employees taking up the scheme are safeguarded to only contributing within financial capabilities. The scheme also incorporates facilities for gap and early termination, insurance, road taxation, roadside recovery, accident management, maintenance and an annual driver licence checking facility with an added option for employees to dispose of current vehicles.

The framework agreement is for a period of three years with an option to extend for a further year if the Council choose to extend.

### **Safeguards to the Council**

Corporate Manslaughter legislation (2008) deems it necessary for businesses and therefore the Council to ensure that any vehicle, be it privately or corporately owned, is serviced and maintained to ensure the vehicle is mechanically safe and appropriate for business use. Organisations that have successfully transferred some of their grey fleet users to Salary Sacrifice Scheme cars have benefitted from improved safety levels because the cars are newer than grey fleet equivalents are regularly maintained and have higher Euro New Car Assessment Programme (NCAP) safety ratings.

The introduction of a Lease Salary Sacrifice Scheme ensures full maintenance and repairs including tyre replacement, therefore safeguarding the Council in relation to vehicle default and poor maintenance by the individual.

## **APPENDIX B**

### **Environmental Benefits of the Proposed Scheme**

Following the Government's guidelines for reduction in greenhouse gases and the Council's commitment to maximise efficiencies in relation to its operations and function, this scheme promotes the reduction of CO<sub>2</sub> emissions by encouraging employees to dispose of existing grey fleet vehicles (those with higher CO<sub>2</sub> emissions) and replace them with new low emission, (sub 120g CO<sub>2</sub> Km) vehicles. With these vehicle's being new and low carbon producers, the effects on the environment are greatly reduced compared to the average car, which produces 210g CO<sub>2</sub> Km. (source: [www.defra.gov.uk/environment/business/envrp/pdf/conversion-factors.pdf](http://www.defra.gov.uk/environment/business/envrp/pdf/conversion-factors.pdf) - Annex 6).

A salary sacrifice scheme would give HBC a level of control over the CO<sub>2</sub> implications of its business travel, and would aid employees in reducing their own personal carbon footprints, and in doing so, contribute to the achievement of challenging national carbon reduction targets.

The United Kingdom (UK) is at the forefront of action to tackle climate change, and has a target to reduce carbon emissions by 34% by 2020 and 80% by 2050, from a 1990 baseline.

Hartlepool Borough Council is committed to tackling climate change, and has recently produced a Carbon Reduction Strategy & Implementation Plan to address this. The Council has set itself a target to reduce Carbon Dioxide (CO<sub>2</sub>) emissions by 35% over five years from a 2008/09 baseline. A Carbon Management Board and a Carbon Management Team have been established to deliver actions to achieve this target, and are constantly investigating potential carbon reduction projects for implementation over the five year period.

Transport emissions make up around 12% of the Council's total carbon footprint, and over 26% of the average UK resident's personal carbon footprint. It is, therefore, essential that CO<sub>2</sub> emissions from transport are reduced significantly if local and national carbon reduction targets are to be achieved.

HBC has a number of commitments regarding carbon reduction, including: National Indicator 185 (NI185), which measures the carbon footprint of the Council's services; the 10:10 campaign, which requires HBC to reduce its carbon footprint by 10% during 2010; and the Covenant of Mayors initiative, which requires HBC to influence a large scale carbon reduction across the town.

During 2008/09 the total distance travelled by staff on business was 1,906,500 km. The average car emits 210grams of Carbon Dioxide (CO<sub>2</sub>) per km giving a total business use CO<sub>2</sub> emission in excess of 400 tonnes. (source: <http://www.defra.gov.uk/environment/business/envrp/pdf/conversion-factors.pdf> - Annex 6).

## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder  
13 April 2011



**Report of:** Assistant Director (Resources)

**Subject:** “GUARDIANS” – INTERIM ARRANGEMENTS  
TO OCCUPY VACATED PROPERTIES

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### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To inform Portfolio Holder of action taken in relation to interim arrangements to occupy vacated properties.

#### **2. SUMMARY OF CONTENTS**

Background to the vacation of Council properties and information on action taken.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder has responsibility for the Council's land and property assets.

#### **4. TYPE OF DECISION**

Report for information only

#### **5. DECISION MAKING ROUTE**

Report for information only – Finance and Procurement Portfolio Holder 13 April 2011

#### **6. DECISION (S) REQUIRED**

Portfolio Holder is asked to note the actions taken.

**Report of:** Assistant Director (Resources)

**Subject:** “GUARDIANS” – INTERIM ARRANGEMENTS  
TO OCCUPY VACATED PROPERTIES

---

## **1. PURPOSE OF REPORT**

- 1.1 To inform Portfolio Holder of action taken in relation to interim arrangements to occupy vacated properties.

## **2. BACKGROUND**

- 2.1 Due to ongoing property disposals and vacation of properties by service departments the Council has a number of vacant properties.. Whilst every effort is made to ensure that properties are not left vacant for extended periods, sometimes this is unavoidable.
- 2.2 The Council has a security contract to provide mobile or static guards but in this case static guards would be expensive and in the case of mobile patrols not as effective to mitigate against internal and external damage to our properties.
- 2.3 Other avenues have therefore been explored with a view to obtaining more cost effective security. Portfolio Holder will recall that this was discussed in relation to the Somersby Close property at the meeting of 3<sup>rd</sup> February 2011.
- 2.4 Following discussions with appropriate providers and the submission of quotes by them it is considered that Ad Hoc Property Management provide the best value service , A contract has been signed with them to provide “guardians” to live in a number of currently vacant properties. This contract is terminable by 4 weeks written notice. Portfolio Holder may be aware that a similar arrangement was used very successfully at Tunstall Court in 2003, albeit with a different provider.
- 2.5 This method of securing properties works by keeping the buildings occupied by temporary residents whose presence deters thieves and vandals from targeting the property. It also means that any repair needs and other issues are reported quickly and can be dealt with before serious avoidable damage occurs.

- 2.6 The guardians are all vetted by the management company and are all in employment or of a pensionable age. They occupy by virtue of a licence and no tenancy is created with either the management company or the guardians.
- 2.7 Whilst a property is being occupied by guardians, the Council remains responsible for the cost of utilities, rates and essential repairs but this is substantially less than the cost of conventional security arrangements. Ad Hoc reserve the right to charge a management fee but are not charging one in this case. Where necessary, Ad Hoc provide showers and other essential facilities means.
- 2.8 The properties that Ad Hoc will manage at present are Jesmond Road School Caretaker's House and Somersby Close, however, it is proposed that additional properties may be added where appropriate.

### **3. FINANCIAL / RISK CONSIDERATIONS**

- 3.1 As noted above, this solution to providing security is considered to be considerably more cost effective than conventional guarding or mobile patrols with the added benefit of having residential occupation in the locality.

### **4. RECOMMENDATIONS**

- 4.1 Portfolio Holder is asked to note the actions taken.

### **5. CONTACT OFFICER**

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## **FINANCE AND PROCUREMENT PORTFOLIO**

Report to Portfolio Holder

13 April 2011



**Report of:** Assistant Director (Resources)

**Subject:** UPDATE ON IMPLEMENTATION OF  
E-QUOTATION SOLUTION

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### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To update the Portfolio Holder on the implementation of an e-quotation solution for use across the Council by all Departmental Buyers.

#### **2. SUMMARY OF CONTENTS**

The report provides a background to the e-quotation system and an explanation of recent developments and implementation.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

Portfolio Holder is the Council's Procurement Champion.

#### **4. TYPE OF DECISION**

Non Key.

#### **5. DECISION MAKING ROUTE**

Portfolio Holder only

#### **6. DECISION(S) REQUIRED**

That the Portfolio Holder notes for information the issues and ongoing progress described in the report.

**Report of:** Assistant Director (Resources)

**Subject:** UPDATE ON IMPLEMENTATION OF E-  
QUOTATION SOLUTION

---

**1. PURPOSE OF REPORT**

- 1.1 To update the Portfolio Holder on the implementation of an e-quotation solution for use across the Council by all Departmental Buyers.

**2. BACKGROUND**

- 2.1 The Council is keen to introduce robust procurement systems and processes to enable the Council to maximise value for money, to ensure that all practices are legitimate and to protect officers from any possible challenges from suppliers and to stimulate the local economy.

**3. E-QUOTATION SYSTEM**

**Background to the system**

- 3.1 As part of its push to improve procurement processes and systems, the Strategic Procurement Manager and Finance and Procurement Portfolio Holder visited Sunderland City Council to view their e-quotation which we were advised had proven successful from both a procurement and local supplier perspective.
- 3.2 The system essentially provided web-based mechanism for buyers to use when requesting quotations. The system was structured in such a way that buyers had to complete specific tasks in a specific order thereby providing consistency of process across the organisation.
- 3.3 Additionally, the system enabled buyers to 'lock-down' quotations until a specific opening date and time. This facility served to protect officers from any accusations that pricing was being divulged to competing suppliers in advance of all quotations being received.
- 3.4 As well as the above, the system was designed to distinguish between 'local' and 'non-local' which enables the council to optimise its level of engagement with the local supply base as opposed to 'others', thereby maximising the potential for Council money to be spent in the locality.

**E-quotation system selection**

- 3.5 Sunderland City Council's demonstration of the system was impressive and following this, action was taken to progress the procurement of the system. This process unfortunately took a significant period of time due to a lack of responsiveness from the vendor and ultimately proved fruitless as initial cost estimates were increased considerably by the vendor, rendering the solution uneconomic.
- 3.6 This situation was very concerning as a number of complementary initiatives had already been commenced, all designed to 'dovetail' with the introduction of the e-quotation system, e.g. the raising of the Council's tender thresholds on the basis that sub-tender activity would be managed through the e-quotation system.
- 3.7 Investigations were made into alternative systems including devising some form of convoluted process which used the Council's current e-tender system which is facilitated through the NEPO Portal. Closer inspection of the e-tender system revealed that some new functionality had been developed which, to a significant degree, mirrors the functionality of the Sunderland City Council system, including the ability to distinguish between 'local' and 'non-local' suppliers. An added bonus to this is that it is part of a system we already pay for and no additional charges will be made.
- 3.8 As a result of this there are no procurement issues in respect of using the system and no exemptions to the Contract Procedure Rules required.

**E-quotation system implementation**

- 3.9 We are currently trialling the e-quotation system with the Asset Management team in the Regeneration and Neighbourhoods Department and early indications are that the system will be sufficiently accessible to allow it to be rolled out across the Council's general buying population.
- 3.10 Following successful completion of this trial and the compilation of suitable training information a roll-out programme will be developed and implemented.
- 3.11 We anticipate commencement of the roll-out taking place in April 2011 and this will include working with suppliers.

**4. RECOMMENDATIONS**

- 4.1 That the Portfolio Holder notes for information the issues and ongoing progress described in the report.



**5. BACKGROUND PAPERS**

There are no background papers.

**6. CONTACT OFFICER**

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