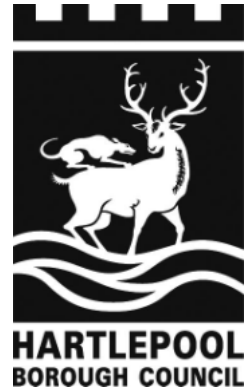


FINANCE AND PROCUREMENT PORTFOLIO

DECISION SCHEDULE



Tuesday 14 June 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 Additional Highway Maintenance Funding 2011/12 – *Assistant Director (Transportation and Engineering)*

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Insurance Renewals and Strategy – *Chief Finance Officer and Chief Customer and Workforce Services Officer*

3. ITEMS FOR INFORMATION

- 3.1 Chief Executive's Departmental Plan 2010/11 – 4th Quarter Monitoring Report – *Chief Finance Officer and Chief Solicitor*
3.2 Regeneration and Neighbourhoods Departmental Plan Monitoring Report – April 2010 to March 2011 – *Director of Regeneration and Neighbourhoods*

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. EXEMPT KEY DECISIONS

No items

7. OTHER EXEMPT ITEMS REQUIRING DECISION

- 7.1 West Hartlepool Rugby Football Club (para 3) – *Chief Finance Officer*
- 7.2 Blakelock Hostel (para 3) – *Assistant Director (Resources)*

FINANCE AND PROCUREMENT PORTFOLIO

Report to Portfolio Holder

14th June 2011



Report of: Assistant Director (Transportation and Engineering)

Subject: ADDITIONAL HIGHWAY MAINTENANCE FUNDING 2011/12

SUMMARY

1. PURPOSE OF REPORT

To advise on addition funding received from Central Government towards the repair of highways damaged during the extreme winter weather and to seek approval for a programme of works using this funding.

2. SUMMARY OF CONTENTS

Details of Government funding provision and proposed programme of works

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for highway maintenance issues

4. TYPE OF DECISION

Key Decision Tests (i) & (ii) applies. Forward Plan Reference Number RN56/11.

5. DECISION MAKING ROUTE

This is an executive decision by the Portfolio Holder.

6. DECISION(S) REQUIRED

That the additional programme of highway maintenance works for 2011/12 be approved.

Report of: Assistant Director (Transportation and Engineering)

Subject: ADDITIONAL HIGHWAY MAINTENANCE FUNDING 2011/12

1. PURPOSE OF REPORT

- 1.1 To advise on addition funding received from Central Government towards the repair of highways damaged during the extreme winter weather together and to seek approval for a programme of works using this funding.

2. BACKGROUND

- 2.1 On 23rd March 2011 the Chancellor of the Exchequer, in his Budget announcement, made provision for £200 million of funding for local authorities to assist in repair to the damage to their highways following the extreme winter weather experienced over the previous two winters.
- 2.2 The funding has been distributed formulaically based on the road length component of the Departments highway maintenance capital funding formula. This means that Hartlepool's share of the funding has been calculated at £240,413.
- 2.3 The funding has been distributed as revenue grant under section 31 of the Local Government Act 2003 and has conditions attached to it requiring that it be spent on repairs to the authority's highway network.
- 2.4 In the interests of transparency it is also required that each authority provide, by 30th September 2011, a brief public statement (Made available on the local authority's web site and copied to the Department for Transport) of how it has spent the money.
- 2.5 While an *ad hoc* patching approach to filling individual holes in the carriageway is possible it is proposed that the funding should be used in a way that will maximise the benefits to the road user over the longer term. In this respect it is proposed to utilise the money for resurfacing rather than patching works, providing longer term benefits to the town by enhancing the five-year programme.

3. PROPOSALS

- 3.1 As with the 5 year highway maintenance programme schemes have been selected on the basis of condition survey results and inspector

reports together with requests from Elected Members and members of the public through the Neighbourhood Forums.

- 3.2 The roads indicated in **Appendix 1** are those that are in the most need of repair, as identified by the methods detailed above
- 3.3 As far as has been practical the available funding has been distributed evenly on schemes in each of the three Neighbourhood areas.

4. RISK IMPLICATIONS

- 4.1 The Government have clearly stated that the funding made available is to be spent on repairing damage to the authority's highway network resulting from winter weather and that a public statement be made by 30th September 2011 of how it has spent the money.
- 4.2 In light of the above it is recommended that, in order to simplify the programme, all of the available funding is spent on resurfacing roads in the town as identified using the method detailed in 3 above.
- 4.3 This, and the 5 year programme, are both supplemented by a continuing patching programme for other areas not included for resurfacing.

5 FINANCIAL CONSIDERATIONS

- 5.1 The total budget for the additional highway maintenance works is £240,413.

6. CONSULTATION

- 6.1 Although no direct consultation has taken place customer feedback, through the Council's Contact Centre, Neighbourhood Forums and Elected Members have all been taken into consideration when developing the programme of works

7. RECOMMENDATIONS

- 7.1 That the additional programme of highway maintenance works for 2011/12 be approved.

8. REASONS FOR RECOMMENDATIONS

- 8.1 To deliver a programme of highway maintenance works to maximise the benefits to the road user over the longer term.

CONTACT OFFICER

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Neighbourhood Services (Transportation and Engineering)
Hartlepool Borough Council

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APPENDIX 1

Street	Location	Type	Treatment	Last Year	Notes
Park Road (Phase 1)	York Road to Osbourne Road	HRA	Carriageway	Year 5	5 Year Programme
Hart Lane	Clover Drive to Ryehill Gardens	HRA	Carriageway	New	New Scheme
Hutton Avenue (Part 1)	St Paul's Road to No. 36	DBM	Carriageway	New	5 Year Programme
Hutton Avenue (Part 2)	No. 36 to End	DBM	Carriageway	New	5 Year Programme
Bright Street	Full Length	DBM	Carriageway	New	New Scheme Added
Plymouth Grove	Full Length	DBM	Carriageway	Year 4	5 Year Programme
Carlton Street	Full Length	DBM	Carriageway	NEW	New Scheme
Mapleton Road	School Entrance to Avondale Gardens	DBM	Carriageway	Year 3	5 Year Programme
Wharton Terrace	1st Speed Hump to Milbank Road	DBM	Carriageway	Year 3	5 Year Programme
Howden Road	Ridlington Way to Goldsmith Avenue	DBM	Carriageway	Year 3	5 Year Programme
Southbrooke Avenue	Westbrooke Avenue to Kingsley Avenue	DBM	Carriageway	Year 3	5 Year Programme
Young Street	Full Length	DBM	Carriageway	New	New Scheme
Zetland Road	Welldeck Road to Suggit Street	DBM	Carriageway	Year 3	5 Year Programme
Joppa Grove	Full Length	DBM	Carriageway	Year 3	5 Year Programme
Jura Grove	Full Length	DBM	Carriageway	Year 3	5 Year Programme
Kingsley Avenue	Full Length	DBM	Carriageway	New	New Scheme
South Drive	Wooler Road to North Drive	DBM	Carriageway	New	5 Year Programme

FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

14th June 2011



Report of: Chief Finance Officer and Chief Customer & Workforce Services Officer

Subject: INSURANCE RENEWALS & STRATEGY

SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To confirm the selection of the Council's Insurance providers and to determine the Council's insurance strategy.

2.0 SUMMARY OF CONTENTS

- 2.1 The report reviews the insurance tenders received for the provision of the Council's insurances, including the primary covers of Liability, Property and Motor.
- 2.2 The nature of this decision also requires that the strategy for insurance cover for the Council needs to be reviewed.

3.0 RELEVANCE TO PORTFOLIO HOLDER

The Portfolio Holder has responsibility for the development and implementation of the Council's Insurance Strategy.

4.0 TYPE OF DECISION

Non-Key Decision

5.0 DECISION MAKING ROUTE

Portfolio Holder only.

6.0 DECISION(S) REQUIRED

It is recommended that the Portfolio Holder notes the delegated decisions taken by the Chief Finance Officer within the framework of

the approved Insurance strategy to appoint the following Insurers on a 3 year contract with an option to extend for a further 4 year period as detailed below.

1 St Paul Traveller's are appointed to provide Combined Liability Insurance and associated Claims handling.

2 Zurich Municipal are appointed to provide Motor Insurance and claims handling.

3 Risk Management Partners (RMP) are appointed to provide Property, Engineering, Personal Accident & Travel, School Journey Travel, Fidelity and Contractors All Risks.

Report of: Chief Finance Officer / Chief Customer &
Workforce Services Officer

Subject: INSURANCE RENEWALS & STRATEGY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to confirm the selection of Insurer's to meet the Policy cover required by the Council and to determine the Council's insurance strategy.

2. BACKGROUND

- 2.1 The Council's historic strategy for insurance requirements was to appoint an insurance broker and to regularly tender for insurance cover from the insurance market. This strategy incorporated risk management arrangements and increased levels of excesses on policies. This was combined with the development of an internal Insurance Fund to self fund those claims valued below the excess threshold and has proved successful in ensuring that the Council has been able to provide insurance cover at economic levels.
- 2.2 The insurance market has fluctuated throughout the last ten years and significant changes have taken place. The major losses suffered by the insurance market, combined with low interest rates, poor stock market yields and an increasingly litigious society, resulted in many insurance companies experiencing financial difficulties in the last few years. This resulted in significant increases in insurance premiums and a risk adverse market. Whilst not completely turning around the market is less difficult for Local Government risks at present, but the level of prospective insurers remains low.
- 2.3 It is within these market conditions that the Council has recently undertaken a joint procurement exercise with Redcar & Cleveland Council for the renewal of all of its insurance policies, many of which were due to expire after a 5 year contract period. This covers the main insurance areas of Employers Liability, Public and Products Liability, Property and Motor together with the additional covers of Libel and Slander, Officials Indemnity, Professional Indemnity, Land Charges and Public Health, Computer, Engineering, Personal Accident and Travel together with a few minor policies.

- 2.4 The responses received from the procurement exercise demonstrated the contraction of the insurance market, with only 3 companies returning tenders and only 2 willing to cover for all policy areas within the submission. The content of these submissions was varied and Insurers risk strategies appear to have started to soften. .
- 2.5 The joint procurement exercise was approved by Portfolio holder at the meeting of 2nd December 2010. It was agreed that Redcar and Cleveland procurement section would lead using the e-portal for the entire process. The approach involved requests for separate premiums for each type of Insurance for each Council thereby giving transparency. The joint procurement approach has facilitated a sharing of Broker costs between the two Council's and a sharing of best practice. Clarification meetings took place with the 3 companies who responded prior to the submissions. The evaluation process was completed by each Council separately with the assistance of Marsh brokers who provided technical advice and an assessment of market conditions. The method of evaluation had been determined in advance so that the process was totally transparent. The successful and unsuccessful bidders were notified of the scores and outcomes on 27th May 2011, following which a ten day cooling off or challenge period exists before final confirmation is issued on 8th June 2011.

3. FINANCIAL IMPLICATIONS

- 3.1 The tenders received in all classes compare favourably to the existing cover. For the period from 2006 to 2011 the Council's insurances were placed on a 3-year contract with a two year extension. The 2010/11 cost of insurance across all policies is detailed within appendix 1 with an excess of £100,000 on Liability and Property. The aggregate stop loss that is the cap at which point the Council do not need to pay any further sums is set at £3M.
- 3.2 The Council's preferred option was to replicate the existing level of cover although other premium quotes based on a higher excess level of £200,000 were also requested.
- 3.3 The tenders received for the higher excess level were all quoted with a similar stop loss. The move from the present £100,000 policy excess to a level of £200,000 would expose the Council to a higher level of financial risk, within which significant losses could be incurred. The premium savings to be made were £9,200. Whilst claims in excess of £100,000 are rare, a number of occurrences of this value within one financial year would place a significant financial burden upon the Insurance Fund and the Council's overall financial position. On this basis it would therefore be prudent to retain the level of claims excess for Liability and Property at £100,000.
- 3.4 At 1st April 2011 the balance of the Insurance Fund was sufficient to cover the estimated costs of outstanding claims. However as claims

take a significant period of time to progress to settlement this position could change. A number of claims will be settled without payment, however, there are also claims for past periods which have occurred but not yet been reported to the Council. At this stage it is anticipated these issues can be managed by the Insurance Fund.

- 3.5 The submissions received are summarised within Appendix 1 of the report.
- 3.6 A direct comparison of quotations was possible as the scoring matrix awarded scores for both pricing and specification compliance together with proactive Risk Management strategies. All three bidders gave package discounts if all classes were placed with them, as opposed to only one or two classes of business. Based upon the above criteria the Group Personal Accident, School Travel, Engineering, Fidelity and Contractors All risks policies were retained by the existing Insurer, with the policy costs reducing by £6,629. The Fine Arts policy received only one response from the existing Insurer and they were appointed at the same cost as the previous year
- 3.7 Attached as confidential at Appendix 1 is a financial comparison of the quotations received for the remaining policies together with the costs, net of the package discounts. Attached as confidential at Appendix 2 is a Summary of the Tender scoring for each Bidder against all classes

Confidential Appendix 1 & 2. These items 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 or business affairs of any particular person (including the authority holding that information

- 3.8 Having completed the evaluation process the outcome is a mix and match solution with each of the large categories being awarded to one bidder. The successful bidder for the Combined Liability contract was St Paul Travellers. The successful bidder for the Property contract was the existing Insurer RMP, and the successful bidder for the Motor contract was Zurich Municipal (ZM). This will provide the best financial solution for the Council whilst retaining the benefits of continuity of cover for certain policies.
- 3.9 The continued working arrangement with RMP will allow the existing strategy to be further developed and ensure that sound risk management practices across the entire Council are maintained. Additionally RMP has shown strong customer loyalty by honouring the terms of the existing insurance contract throughout a period when other insurers have broken their contracts.
- 4.0 In addition to the appointment of insurers, it was also necessary to appoint loss adjusters. These are the third-party responsible for

defending the claims and managing all aspects of the claims cycle. This is a critical aspect of the claims process as around 250 public liability claims are expected per annum. The need in conjunction with the Insurance section to deal with these swiftly and effectively, together with ensuring that the most equitable and competitive settlement is reached is essential in minimising claims costs. For example a £500 reduction on each claim received could result in a potential saving of circa £125,000 per annum.

- 4.1 The appointment of new insurers for liability necessitated the appointment of new loss adjusters. Two quotations were very similar but for continuity reasons the decision was taken to appoint St Paul's own in house loss adjusters.
- 4.2 A new working relationship will need to be established together with an agreement whereby small value claims do not have to be referred to the loss adjusters for settlement, and can be dealt with by the Council's Insurance Officer / Risk Manager saving £160 per claim.

5 CONCLUSION

- 5.1 The tendering exercise has resulted in an overall saving on the previous years premium of around £195,000
- 5.2 At the time the 2011/12 budget was prepared it was not anticipated that the insurance tendering exercise would provide a savings as insurance premiums were on an upward trend. It had been hoped that the Council's success in reducing claims would result in insurance premiums being frozen. The tendering exercise for the Council's insurance requirements provides an ongoing gross saving for all areas of £195,000, which reflects the insurance markets assessment of the Council's insurable risks, claims history and effective risk management arrangements.
- 5.3 The benefit to the General Fund, after reflecting reductions in premiums for non General Fund areas, such as schools, grant funded budgets and the costs of the tendering exercise is £148,000. Provided there are no adverse changes in the level of insurance claims and risk management arrangement this saving is expected to be sustainable and can be built into the budget strategy for 2012/13 and used to reduce the forecast budget gap. There will also be a proportionate part year saving in 2011/12 as the new arrangements are effective from 1 July 2011. This benefit will be taken into account as part of the strategy for managing the overall 2011/12 budget and details will be reported to Cabinet as part of the in year financial management report.

6 RECOMMENDATION

6.1 It is recommended that the Portfolio Holder notes the delegated decisions taken by the Chief Finance Officer within the framework of the approved Insurance strategy to appoint the following Insurers on a 3 year contract with an option to extend for a further 4 year period as detailed below.

1 St Paul Traveller's are appointed to provide Combined Liability Insurance and associated Claims handling.

2 Zurich Municipal are appointed to provide Motor Insurance and claims handling.

3 Risk Management Partners (RMP) are appointed to provide Property, Engineering, Personal Accident & Travel, School Journey Travel, Fidelity and Contractors All Risks.

FINANCE AND PROCUREMENT PORTFOLIO

Report to Portfolio Holder

14 June 2011



Report of: Chief Finance Officer and Chief Solicitor

Subject: CHIEF EXECUTIVES DEPARTMENTAL PLAN
2010/11 – 4th QUARTER MONITORING
REPORT

SUMMARY

1. PURPOSE OF REPORT

To inform the Portfolio Holder of the achievements made against the Chief Executive's Departmental Plan for 2010/11 for the period ending 31 March 2011.

2. SUMMARY OF CONTENTS

The progress made against the actions contained in the Chief Executives Departmental Plan 2010/11 that are the responsibility of the Finance Division and the Legal Services Division.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Member has responsibility for those service areas covered by this report.

4. TYPE OF DECISION

Non-key

5. DECISION MAKING ROUTE

Portfolio Holder meeting 14 June 2011.

6. DECISION(S) REQUIRED

Achievement on actions and indicators be noted.

Report of: Chief Finance Officer and Chief Solicitor

Subject: CHIEF EXECUTIVE'S DEPARTMENTAL PLAN
2010/11 – 4th QUARTER MONITORING
REPORT

PURPOSE OF REPORT

1. To inform the Portfolio Holder of the progress made against the key actions identified in the Chief Executive's Departmental Plan 2010/11 for the period up to 31 March 2011.

BACKGROUND






2. The 2010/11 Chief Executive's Departmental Plan was agreed by Cabinet at the meeting on 10 May 2010.
3. The Chief Executive's Departmental Plan 2010/11 sets out the key tasks and issues within an Action Plan to show what is to be achieved by the department in the coming year. It provides a framework for managing the competing priorities, communicating the purpose and challenges facing the department and monitoring progress against overall Council aims.
4. The Council's Performance Management System (Covalent) is used to collect and analyse performance against the actions and targets detailed in the Corporate Plan, the three Departmental Plans, the Local Area Agreement Delivery and Improvement Plan as well as Service and Operational Plans. The system is also used to monitor Risk Management across the council within the Performance Management Framework. The information in the system was used to prepare this report.
5. This report includes information relating to the Finance Division and the Legal Services Division only. Information relating to the Corporate Strategy Division and the Customer and Workforce Services Division has been reported separately to the Performance Portfolio Meeting on 15 June 2011.

FOURTH QUARTER PERFORMANCE

6. This section looks in detail at how the Finance Division and the Legal Services Division have performed in relation to the key actions and performance indicators that were included in the Chief Executives Departmental Plan 2010/11. On a quarterly basis officers from across

the department are asked, via Covalent, to provide an update on progress against every action contained in the Departmental Plan and, where appropriate, every Performance Indicator (PI).

7. Officers are asked to provide a short commentary explaining progress made to date, and asked to identify the expected outcome of each action/PI set out in the Departmental Plan. The following traffic lights are used within Covalent: -

	Target achieved
	On track to achieve target
	Progress acceptable
	Intervention Required
	Target not achieved

8. At this stage we would expect the majority of actions and PIs to be assessed as “Target achieved” or “Target not achieved”. Where action deadlines were set later than April, for example municipal year deadlines, there may still be some actions that are yet to be completed. Similarly some PIs may not have outturn information for the full year, so officers have continued to make a judgement on whether the full year target will be achieved.






OVERVIEW OF PERFORMANCE

9. Within the Chief Executives Department there were a total of 75 actions and 35 Key Performance Indicators (KPIs) identified in the 2010/11 Departmental Plan. These include 52 actions and 33 KPIs that are the responsibility of the Corporate Strategy and Customer and Workforce Services Divisions and are not included in this report.

Of the remaining 23 actions and 2 KPIs, 15 actions and 1 indicator are the responsibility of the Finance Division, and the remaining 8 actions and 1 indicator are the responsibility of the Legal Services Division.

However neither of these KPIs can be monitored on a quarterly basis so this report only includes the actions that are the responsibility of the Finance and Legal Services Divisions. Table 1, below, summarise officers views on progress made to 31 March 2011: -

Table 1 – Progress made on Actions included in 2010/11 CED Departmental Plan

		Finance	Legal Services	Total
	Target achieved	12	8	20
	On track to achieve target	2	0	2
	Progress acceptable	1	0	1
	Intervention Required	0	0	0
	Target not achieved	0	0	0
	Total	15	8	23

10. A total of 22 actions (96%) have been reported as having been completed or being on track to be achieved by their due date. The remaining action (4%) has been assessed as making acceptable progress.
11. As previous explained there are no Key Performance Indicators that can be monitored quarterly which are the responsibility of the Finance Division or the Legal Services Division.

Finance Division

12. The plan contained 15 actions that were the responsibility of the Finance Division. 14 of these (93.3%) have been assessed as already being completed or being on track to achieve target. The remaining action (6.7%) has been assessed as having made acceptable progress.
13. In the period up to and including 31 March 2011 the Finance Division: -
 - Reviewed CIPFA and CLG guidance on Treasury Management
 - Reviewed and reported on CIPFA guidance on the role of the CFO
 - Finalised the Medium Term Financial Strategy, agreed by Council in February
 - A Protocol for Partnership Working was produced and adopted by Standards Committee in October.

Legal Services Division

14. The Departmental Plan contained 8 actions that were the responsibility of the Legal Services Division. For the period ending 31 March 2011 all actions have been completed.
15. In the period up to and including 31 March 2011 the Legal Services Division: -
 - Implemented the Audit recommendation contained in “Setting High Ethical Standards” report.
 - Retained its Lexcel accreditation confirming that it meets all appropriate standards
 - Successfully introduced the Petition Scheme and the first petition, on the topic of improving security measures at Stranton Cemetery, was considered by Council in October.

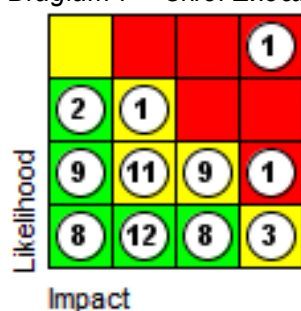
Risk Monitoring

16. It is the policy of Hartlepool Council to take an active and pragmatic approach to the management of risks that could prevent the achievement of corporate and departmental objectives. On a quarterly basis each division assesses the risk identified within the Chief

Executive's Risk Register. The Council's approach acknowledges that the purpose is not to remove all risks (this is neither possible nor, in many cases, desirable), rather it is to ensure that potential 'losses' are prevented or minimised and that 'rewards' are maximised.

17. This summary is reported to the Portfolio Holder within the quarterly monitoring report to provide an overview of risks being addressed by the Chief Executives Department, as a whole. The Council's risk registers are currently being reviewed and it is not possible at this time to split the analysis by Division.
18. The diagram below shows the distribution of risks in the whole Chief Executives Departmental Risk Register according to their risk rating. Detail of the rating system is in Appendix A. There are a total of 65 risks. Only 2 of the risks are highlighted as a 'RED' risk, a further 24 risks are on an 'AMBER' status with the remaining 39 being at a low level 'GREEN' status.

Diagram 1 – Chief Executive Departmental Risk Register Heat Map



19. It is possible to identify the lead Division with responsibility for the two 'RED' risks, and both the Finance Division and Legal Services Division are responsible for one of the risks. Further details for each risk are shown below: -

Table2: Chief Executive Departmental Risk Register – Red Risks

Current Matrix	Code	Title	Managed by	Latest Note
	CED R044	Loss of Grant Funding	Finance Division	Addressed in budget strategy with 5% reduction per annum built into plans.
	CED R060	Delivery of an effective Corporate Service	Legal Services	Reviewed and no change required.

RECOMMENDATIONS

20. Portfolio Holder is asked to note progress on key actions and KPIs and current rating of risks.

CONTACT OFFICER

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APPENDIX A

**HARTLEPOOL BC
RISK ASSESSMENT MATRIX AND VALUE GUIDES**

		IMPACT			
LIKELIHOOD		1	2	3	4
		Low	Medium	High	Extreme
Almost certain	4	AMBER 4	RED 8	RED 12	RED 16
Likely	3	GREEN 3	AMBER 6	RED 9	RED 12
Possible	2	GREEN 2	AMBER 4	AMBER 6	RED 8
Unlikely	1	GREEN 1	GREEN 2	GREEN 3	AMBER 4

Use the following suggested value guides to help rate the level of the **controlled risk**.

IMPACT

Extreme Total service disruption / very significant financial impact / Government intervention / sustained adverse national media coverage / multiple fatalities.

High Significant service disruption/ significant financial impact / significant adverse Government, Audit Commission etc report / adverse national media coverage / fatalities or serious disabling injuries.

Medium Service disruption / noticeable financial impact / service user complaints or adverse local media coverage / major injuries

Low Minor service disruption / low level financial loss / isolated complaints / minor injuries

LIKELIHOOD

Expectation of occurrence *within the next 12 months* -

- **Almost certain**
- **Likely**
- **Possible**
- **Unlikely**

FINANCE AND PROCUREMENT PORTFOLIO

Report to Portfolio Holder

14th June, 2011



Report of: Director of Regeneration and Neighbourhood

Subject: REGENERATION AND NEIGHBOURHOODS
DEPARTMENTAL PLAN MONITORING
REPORT – APRIL 2010 TO MARCH 2011

SUMMARY

1. 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 2010 to March 2011.

2. SUMMARY OF CONTENTS

The progress against the key actions and performance indicators, along with latest position with regard to risks contained in the Regeneration and Neighbourhoods Departmental Plan 2010/11.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for performance management issues in relation to some aspects of the Regeneration and Neighbourhoods Departmental Plan, covering those areas which fall within the scope of this portfolio.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Portfolio Holder meeting 14th June, 2011.

6. DECISION REQUIRED

The Portfolio Holder is requested to:

- Note the year end position of key actions and performance indicators along with the latest position with regard to risks.

Report of: Director of Regeneration and Neighbourhoods

Subject: REGENERATION AND NEIGHBOURHOODS
DEPARTMENTAL PLAN MONITORING
REPORT - APRIL 2010 TO MARCH 2011

1. PURPOSE OF REPORT

- 1.1 To inform the Portfolio Holder of the progress made against the Regeneration and Neighbourhoods Departmental Plan 2010/11 over the period April 2010 to March 2011.






2. BACKGROUND

- 2.1 The Portfolio Holder has responsibility for performance management issues in relation to some aspects of the Regeneration and Neighbourhoods Departmental Plan, covering those areas which fall within the scope of this portfolio.
- 2.2 The Departmental Plan sets out the key tasks and issues along with an Action Plan to show what is to be achieved by the department in the coming year.
- 2.3 The Council's Covalent performance management system is used for collecting and analysing performance data in relation to both the Corporate Plan and Departmental Plans. The system is also used to monitor Risk Management across the council as part of the Performance Management Framework.
- 2.4 Where appropriate more detailed service plans are also produced detailing how each individual section contributes to the key tasks and priorities contained within the Regeneration and Neighbourhoods Departmental Plan and ultimately those of the Corporate Plan. These plans are managed within the department.

3. FOURTH QUARTER PERFORMANCE






- 3.1 This section looks in detail at how the Department has performed in relation to the key actions and performance indicators that were included in the Regeneration and Neighbourhoods Departmental Plan 2010/11.
- 3.2 On a quarterly basis officers from across the department are requested, to provide an update on progress against every action and performance indicator contained in the performance plans.
- 3.3 Officers are asked to provide a short commentary explaining progress made to date, and asked to traffic light each action based on whether or

not they will be, or have been, completed within target as set out in the plans. The traffic light system is: -

-  Completed
-  On track
-  Progress acceptable
-  Intervention required
-  Target not achieved

- 3.4 Within the Departmental Plan there are a total of 28 actions and 7 performance indicators for which the Portfolio Holder has responsibility. Table 1, below, summarises the progress made, to the 31st March 2011, towards achieving these.

Table1 – Regeneration and Neighbourhoods Departmental Plan 2010/11 progress summary

	Departmental Plan (Finance and Procurement Portfolio)	
	Actions	PI's
	23	2
	1	-
	3	3
	-	-
	1	2
Annual	0	-
Total	28	7

- 3.5 It can be seen from the above table that 23 of the actions for which the Portfolio has responsibility have been highlighted as having achieved target, one is progressing on track to achieve its target and a further are progressing within acceptable limits.
- 3.6 The three actions which are highlighted as being acceptable, although not been completed within the original target time of March 2011, are continuing to be progressed with the expectation they will be completed by July. The actions are:

Action Ref.	Action Description	Comments
RND OD004	Review Commissioning and Procurement Strategy	Work has been focused on key projects in relation to budget savings strategy and the review of the strategy needs to be re-programmed for July 2011.

Action Ref.	Action Description	Comments
RND OD005	Continue to develop the Council's approach to sustainable procurement including the adoption of a sustainable procurement strategy	Sustainable procurement strategy will be linked to the review of the Commissioning and Procurement Strategy with timescales (RND OD004) re-programmed to July 2011
RND OD006	Review and gain approval of Capital Strategy / Asset Management Plan	Review of plan delayed due to Business Transformation Asset Management work streams changing priorities that need to inform the plan. Capital strategy being reviewed in light of financial position. It is anticipated that the review of the Capital Strategy / Asset Management Plan will be undertaken by July.

- 3.7 The remaining action highlighted as not achieving target relates to the review of the 5 year Procurement Plan. It is no longer intended to produce this plan in its original form as Procurement Plans are now to be produced as part of individual Service reviews within departments. The Procurement team will be working with departmental procurers to have a forward plan for all procurements to ensure clarity and conformity.
- 3.8 It can also be seen that 2 of the Performance Indicators have been highlighted as being 'Completed' within target and 3 indicators highlighted as progressing within acceptable limits.
- 3.9 The remaining two indicators, are highlighted as 'Target Not Achieved', one of which has been previously reported, with the other detailed in the table below.

Indicator	Outturn	Target	Comments
NI168 - Principal roads where maintenance should be considered	3%	4%	Outturn slightly worse than target principally due to severe weather over past two winters causing significant damage to highway network

- 3.10 It is the policy of Hartlepool Council to take an active and pragmatic approach to the management of risks that could prevent the achievement of corporate and departmental objectives. On a quarterly basis responsible officers assess the risks identified within the Department's Risk Register.
- 3.11 The diagram below shows the current distribution of risks according to their risk rating as at the 31st March 2011, with a full review of the risk register currently being undertaken across the authority
- 3.12 The Portfolio Holder has responsibility for 5 of the risks identified with the departmental plan with none identified as high (Red) risk.

The two risks identified as amber are:

- Insufficient recovery of the Property market to enable the viable redevelopment/disposal of land and buildings.)
- Increased regional procurement activity affecting local economy / employment

The remaining three risks, identified as being green are:

- Failure to achieve government recycling targets
- Failing to deliver Waste Management SDO efficiency targets
- Failure to achieve Waste Management National Indicators

	1		
	1		
1		2	

Impact

4. RECOMMENDATIONS

4.1 The Portfolio Holder is requested to:

- Note the year end position of key actions and performance indicators along with the latest position with regard to risks.

5. CONTACT OFFICER

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