

FINANCE AND PROCUREMENT PORTFOLIO DECISION SCHEDULE



Thursday 21 July 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

No items.

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Sustainable Procurement Strategy 2011- 14 – *Assistant Director (Resources)*
- 2.2 Proposed Transfer of Land at Belle Vue, Hartlepool – *Assistant Director (Resources)*
- 2.3 Illegal Grazing of Horses – *Assistant Director (Resources)*

3. ITEMS FOR INFORMATION

No items

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 Proposed Sale of Land at the Headland Gate – *Assistant Director (Resources)*

FINANCE AND PROCUREMENT PORTFOLIO

Report To Portfolio Holder

21st July 2011



Report of: Assistant Director (Resources)

Subject: SUSTAINABLE PROCUREMENT STRATEGY
2011-2014

SUMMARY

1. PURPOSE OF REPORT

To provide an update and seek endorsement of the Sustainable Procurement Strategy for 2011 - 2014.

2. SUMMARY OF CONTENTS

The report highlights the background and significance of the strategy and its key objectives.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is the procurement champion.

4. TYPE OF DECISION

Non-key decision.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

The Portfolio Holder endorses the Sustainable Procurement Strategy for 2011 - 2014.

Report of: Assistant Director (Resources)

Subject: SUSTAINABLE PROCUREMENT STRATEGY
2011-2014

1. PURPOSE OF REPORT

- 1.1 To provide an update and seek endorsement of the Sustainable Procurement Strategy for 2011 - 2014.

2. BACKGROUND

- 2.1 This proposed strategy is significant in combining the Council's previously separate procurement and sustainable procurement strategies to ensure that sustainable procurement is no longer a separate issue to general procurement but rather it is embedded to the extent that there ceases to be any distinction between the two.
- 2.2 Current Government legislation and regulations firmly identify the future role of Local Government to be that of commissioner of services, with service provision being obtained from the most economic, efficient and effective sources, whether they be within the public, private or voluntary sectors, and/or combinations or partnerships thereof. The thrust of the legislation is to improve outcomes for local people including the local economy.
- 2.3 The Council is seeking to deliver this strategy through its Corporate Procurement Team (CPT) set up as part of the Business Transformation Programme. The CPT will provide advice and support through the commissioning and procurement cycle as well as undertaking tendering exercises, utilising e-tender technology.
- 2.4 The "Category Management" approach identified in the previous strategy will continue to be followed with category managers working with procurement officers across the Council (and in the sub region and region) in determining service need and the best way to achieve it.

3. SUSTAINABLE PROCUREMENT STRATEGY

- 3.1 The Sustainable Procurement Strategy for 2011 - 2014 is attached to this report as **Appendix 1**.

3.2 The Strategy has the following objectives. These are to:

- Further develop the Council's category management focused approach to procurement, across the whole organisation
- Deliver a common, corporate process of strategic sourcing and business development.
- Drive out efficiencies and cost reduction both in and through the procurement process
- Increase the proportion of spend against contracted and approved suppliers
- Enhance governance and skills within procurement
- Support the required increase in income generation
- Provide commercial support and supplier engagement

3.3 The strategy includes an action plan for the CPT. This will provide a work programme for the team.

3.4 The key priorities are :-

PROCESS

- Complete implementation of 'Quick Quotes' system organisation wide (*Pilot implementations are currently underway across the organisation*).
- Develop sourcing templates and guidance to support 'Quick Quotes'
- Improve implementation of Category Management approach to procurement
- Implement requirements of new Equality and Diversity legislation
- Review corporate governance and contract procedure rules as required

GUIDANCE

- Review and update 'Officer's Guide to Procurement'
- Review and update Procurement web pages
- Improve effectiveness of Corporate Contract Register

TRAINING AND DEVELOPMENT

- Develop and deliver Member and staff training on Contract Procedure Rules and associated matters

- Provide procurement awareness and training sessions for voluntary sector and SME's.

PERFORMANCE

- Achieve annual savings target
- Ensure procurement regulations are adhered to
- Review local, sub regional, regional and national opportunities for collaboration

4. CONSIDERATIONS

- 4.1 The Portfolio Holder is the Council's Procurement Champion and it is therefore important that updates and developments are considered at appropriate times.
- 4.2 The Strategy will be shared with our suppliers and partners and will be available on the Council's Website.
- 4.3 There is a significant ongoing work being undertaken regionally by the North East Procurement Organisation which will impact on how collaborative sourcing is carried out. This needs to be considered in terms of the long term savings requirements of the Council and the need to have local solutions for Hartlepool to achieve local community and economic benefits.

5. RECOMMENDATIONS

That Portfolio Holder endorses the Sustainable Procurement Strategy for 2011 - 2014.

6. CONTACT OFFICER

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Sustainable Procurement Strategy 2011 – 2014

Regeneration and Neighbourhoods
Department



Foreword

Improving the way in which Councils across the country commission and buy goods and services is a key factor in modernising local government and achieving the necessary reductions in the Council's cost base, never more so than in the current economic climate.

Hartlepool Borough Council is working to utilise new procedures and systems to ensure we secure the best services in a cost effective and timely way and, where appropriate, generate additional income through the selling of Council services on a commercial basis.

The benefits of taking this approach are clear:

- The Council will improve the efficiency, effectiveness and sustainability of procurement activity by standardising procedures and implementing electronic procurement systems.
- The delivery of customer services will be supported by the best available services and goods, at the best prices.
- Businesses will find it easier to work with the Council, and will gain access to a broader market place.
- The Council will reduce the pressure on its cost base through the generation of additional income.

This strategy seeks to rise to the challenge of a genuinely joined-up approach to Sustainable Procurement and income generation and we fully support the strategy on behalf of our staff, our citizens, and our local businesses.

Councillor Robbie Payne
Portfolio Holder for Finance and Procurement

1. INTRODUCTION

Hartlepool Borough Council (HBC) spends, through procurement of goods, services and works, approximately £65 million a year. It is the Council's responsibility to use this money in the best possible way to achieve its objectives. In addition, the Council directly delivers a wide range of services to the residents of Hartlepool Borough.

The purpose of this strategy is to set out how we are developing procurement within HBC to better achieve our strategic procurement objectives and to meet the pressing needs of the Council in terms of reducing its cost base and increasing its levels of income generation.

It is recognised that the Council's approach to procurement can have a positive effect by reducing operating costs and by ensuring the principles surrounding sustainability form part of our procurement decision making processes.

In addition to our sustainability agenda and value for money benefits, the procurement activity can also make a positive contribution in terms of equality and diversity, a successful local economy and a thriving voluntary sector.

This strategy is supported by an improvement plan (Annex A) to drive further improvement in sustainable procurement and income generation performance.

2. VISION FOR PROCUREMENT

The Council's vision for its Corporate Procurement Service is:

'To support the delivery of cost-effective high quality services which underpin the Council's corporate priorities, through a strategic and systematic approach to procurement and business development'

3. STRATEGIC OBJECTIVES

The objectives of this strategy and its associated improvement plan are to:

- Further develop the Council's category management focused approach to procurement, across the whole organisation
- Deliver a common, corporate process of strategic sourcing and business development.
- Drive out efficiencies and cost reduction both in and through the procurement process
- Increase the proportion of spend against contracted and approved suppliers
- Enhance governance and skills within procurement
- Support the required increase in income generation
- Provide commercial support and supplier engagement

4. PRINCIPLES

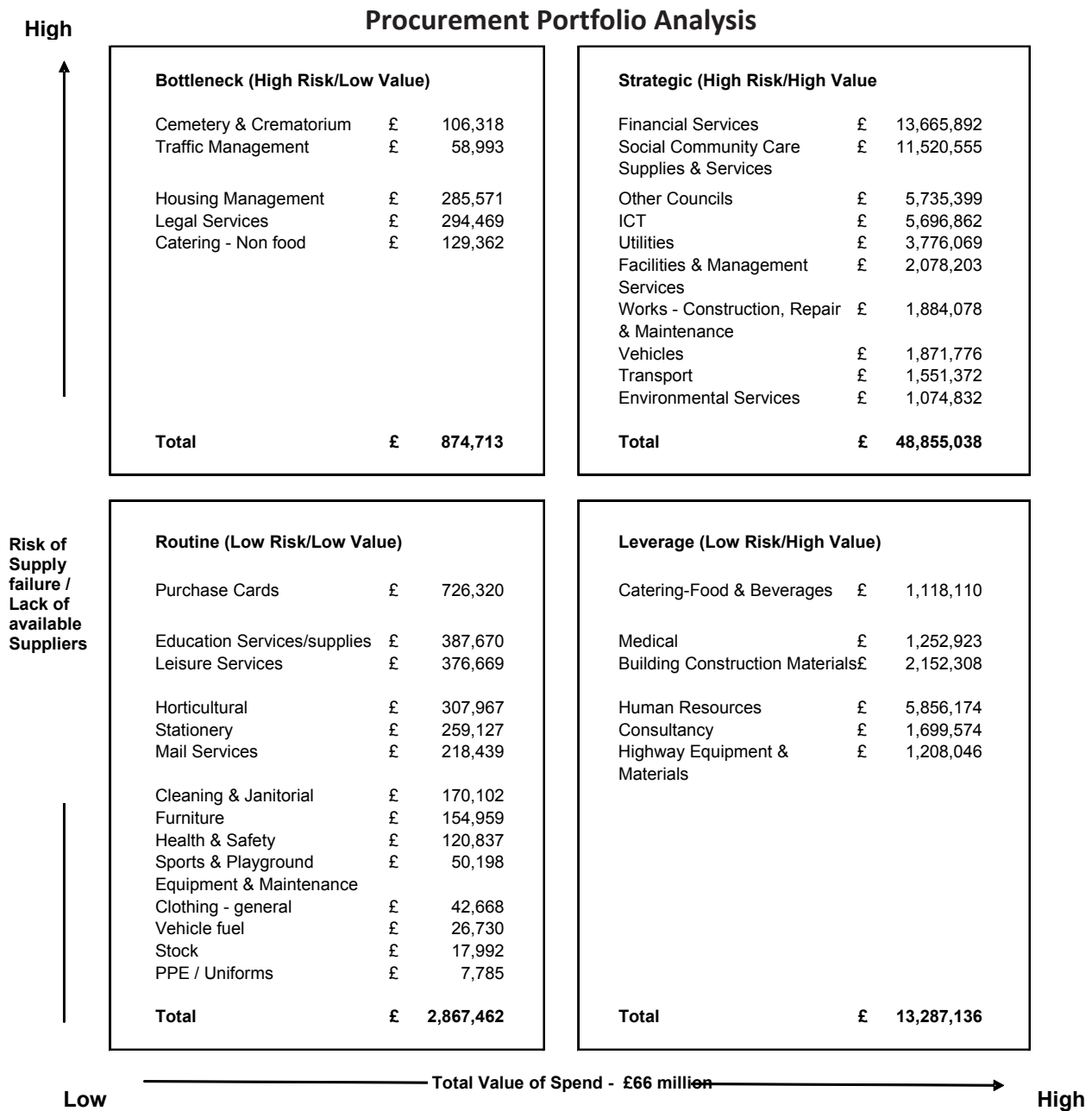
The principles which underpin our procurement activities are:

- Require that all procurement activity supports our corporate priorities
- Enact our commitment to strategic, effective, consistent and co-ordinated procurement, which recognises and reflects local circumstances.
- Promote and deliver sustainability, local economic development and equality and diversity objectives through procurement activities.
- Maximise procurement collaboration with other public bodies and partnering arrangements with suppliers where this supports the best interests of the Council and local economic development
- Enhance our commissioning and procurement relationship with the voluntary and community sector
- Measure procurement performance and promote continuous improvement.

- Ensure that procurement is undertaken by suitably skilled and experienced staff.
- Ensure that all procurement is operated in a legal and professional manner with the highest standards of governance probity, transparency, openness, accountability and fairness.
- Encourage a varied and competitive supply market.
- Ensure an efficient procurement process through maximising the use of electronic procurement ('e-procurement').
- Develop an efficient, effective and successful process in relation to commercial bid development, tender submission and contract management (through service delivery departments).

5. SCALE OF INFLUENCE

- 5.1 Hartlepool Borough Council spends around £66 million per annum on the external provision of goods, services and works. The current portfolio of procurement expenditure is shown below.
- 5.2 Portfolio analysis categorises procurement spend on a risk and value matrix, which assists in determining the most appropriate procurement strategy.



Definition of terms in Procurement Portfolio Analysis Table (above)

<p><i>Bottleneck – (top left)</i></p> <p><i>If there is a failure of supply this could lead to significant disruption and it may not be easy to replace the source of supply</i></p>	<p><i>Strategic – (top right)</i></p> <p><i>This is complex, high impact and high value and critical to service delivery</i></p>
<p><i>Routine – (bottom left)</i></p> <p><i>This is low value and high volume generic goods and services, which should be purchased under corporate frameworks with transaction processes automated as much as possible</i></p>	<p><i>Leverage – (bottom right)</i></p> <p><i>This is an area where organisations can try to maximise their purchasing power through aggregation of requirements</i></p>

- 5.3 The Council has a large number of contracts with external organisations in operation at any one time. Our contracts register and forthcoming tendering opportunities are publicly available on the Council’s procurement internet pages.

6. SUSTAINABLE PROCUREMENT

- 6.1 Sustainability is an integral part of our approach to procurement which is why this strategy has been written to incorporate our sustainable procurement policy and strategy

- 6.2 The overall aims for Sustainable Procurement cover five main themes, namely:

- Staff development
- Developing policy, strategy and communications
- Robust procurement processes
- Engaging suppliers
- Measurement and results

- 6.3 More specifically, these themes can be broken down into more detail:

Staff development objectives

- To provide basic training on sustainable procurement for all staff involved in procurement.
- To provide in depth training on sustainable procurement to key procurement staff.

Policy, strategy and communications objectives

- To adopt and communicate clear objectives and policy to staff and suppliers.
- To adopt a robust review process.

Procurement process objectives

- To understand the sustainability impacts of procurement.
- To include a sustainability risk assessment approach in procurement processes.
- To apply life cycle analysis to procurement activities.

Engaging Suppliers objectives

- To gain a clearer understanding of the sustainability performance of suppliers
- To work with suppliers to map supply chains for key areas of spend
- To engage suppliers and promote continued improvement and share best practice on sustainable procurement

Measurement & Results objectives

- To identify key sustainability impacts of procurement
- To benchmark progress with peer organisations
- To clearly evidence the benefits from sustainable procurement

6.4 The Council's Sustainable Procurement Policy Statement was endorsed by the Portfolio Holder on 18th May 2010 and is included as **Annexe B**.

7. DELIVERY OF SUSTAINABLE PROCUREMENT

- 7.1 In addition to the above policy, the Council has structured its sustainability targets around the Sustainable Procurement Task Force's Flexible framework.
- 7.2 As a result of following this structure, the ultimate aim of the Council is to achieve the highest level of each of the 5 elements of the 'Flexible Framework' and as a result realise the benefits inherent in adopting sustainable procurement practices.

How will the strategy be used, monitored, reviewed and amended?

7.3 The sustainable procurement and commercial support strategy will be:

- Used within the process of:
 - Identifying and delivering effective sustainable procurement solutions and efficiencies.
 - Efficiency reviews.
 - Other service review mechanisms.
 - Reviewing existing contractual arrangements when they expire.
 - Generating income through the provision of goods and services.

- Embedded in Departments' day-to-day procurement activities by:
 - Information gathering.
 - Identifying and sharing good practice.
 - Training and support.
- Reviewed, amended and monitored by the Corporate Management Team Support Group.
The Procurement Champion (the Cabinet Member with responsibility for Finance & Procurement) is the political champion for this matter.

Current progress against the Flexible Framework

- 7.4 The chart attached as Annexe C titled '2011-12 – Sustainable Procurement Status' provides an assessment of the Council's current level of progress in relation to the Flexible Framework.

Targeted improvement

- 7.5 Clearly over the longer term it is the Council's objective to progress as far to the right of the grid as possible. This strategy has been compiled to cover the next 3 years and targets have been identified for each of these:
- 2011-12 target – Completion of all Foundation stage requirements.
 - 2012-13 target – Completion of all Embedding stage requirements.
 - 2013-14 target – Completion of 6 of the 12 Practice stage requirements with the remainder ongoing.
- 7.6 It is worth highlighting that the work involved in the 2011-12 phase of the strategy focuses on the development of internal processes and capabilities however this focus does change in later years and the nature of the activities will see increased interaction between the Council and external groups e.g. SME's, Local Suppliers and the Third Sector.

8. e-PROCUREMENT POLICY

- 8.1 The Council recognises the importance of electronic procurement (e-procurement) in delivering lower transaction costs for both the Council and our suppliers, reducing off-contract spend and minimising paperwork, thereby providing efficiencies and environmental benefits.
- 8.2 The Council's approach to the sourcing element of e-procurement is based around three approaches, the use of each being determined by the value of the contract to be executed.

8.3 Figure 1 below highlights current processes:-

8.4 Staff have the option of using non-electronic means for securing quotations on requirements with a value of less than £2000, although electronic systems may be used if so desired.

Contract Value	Process required	
	Goods, Materials & Services	Works
£0 £2,000	Informal process - reasonable enquiries required	Informal process - reasonable enquiries required
£60,000	At least 3 formal, written quotations	At least 3 formal, written quotations
£100,000	At least 4 tenders	At least 4 tenders
£156,442	At least 4 tenders	At least 4 tenders
£3,927,260	EU procedures	EU procedures

Figure 1 - Procurement Processes

8.5 For any expenditure in excess of £2000 and up to tender level, departmental staff are required to use the Council's 'Quick quote' system for quotation level procurement activity. For any activity in relation to tender level contract values the management of the tender process is handed to the Corporate Procurement Team who will utilise the Council's e-tender system.

8.6 Complementary solutions to assist with increasing our use of e-procurement tools (such as e-auctions or other procurement portal processes) will also be considered if a proven business case has been developed.

8.7 Barring a few notable exceptions, the Council's Integra finance system is used for all ordering.

- 8.8 'Quick quote' functionality is currently being rolled out to all departmental buyers and, once this is completed, this will be the standard quotation gathering process.
- 8.9 Whilst all suppliers will be encouraged to work with us electronically, it is recognised that some suppliers, particularly small and medium-sized enterprises (SMEs) and 'Voluntary Sector' suppliers, may not have the capabilities at this time to adopt e-procurement and we will ensure that such suppliers are not disadvantaged in the procurement process.
- 8.10 Purchasing cards in all their forms (embedded, physical and pre-loaded) will be used, where appropriate, to reduce transaction costs particularly for high volume, low value and ad-hoc purchases.
- 8.11 All tenders will be recorded in our corporate contracts register and all tenders will be advertised in accordance with the rules laid down in Figure 2 below.

It should be noted that the advertising requirements in Figure 2 only come into effect at tender level. Expenditure below that level is not subject to mandatory advertising.

Contract Value	Places Advertised	
	Goods, Materials & Services	Works
£60,000		
£100,000	28 days notice in: One or more local newspapers circulating in the district, and/or On the procurement pages of the Council's website, And/or On the Council's chosen procurement portal AND On the Government Opportunities Portal – Supply2.gov.uk or any subsequent version of the same AND WHERE DEEMED APPROPRIATE, a trade journal	28 days notice in: One or more local newspapers circulating in the district, and/or On the procurement pages of the Council's website, And/or On the Council's chosen procurement portal AND On the Government Opportunities Portal – Supply2.gov.uk or any subsequent version of the same AND WHERE DEEMED APPROPRIATE, a trade journal
£156,442		
£3,927,260	As above plus Advertisement in the OJEU (where appropriate)	As above plus Advertisement in the OJEU (where appropriate)

Figure 2 – Advertising requirements

9. PROCUREMENT AND INCOME GENERATION IMPROVEMENT

Procurement Improvement

9.1 This procurement strategy will deliver:

- An increasingly strategic and systematic approach to procurement
- Increased corporate management of performance and improvement priorities
- Procurement efficiencies and cost reduction
- Enhanced compliance with relevant policies and procedures
- Increases in the proportion of spend that is recorded against contracted and approved suppliers

9.2 This improvement will be underpinned by:

- A centre-led approach to strategic sourcing and category management
- focussing procurement activity through procurement professionals
- further extending collaboration with other public bodies locally, regionally and nationally.
- ensuring our procurement processes and risk management processes will be proportionate to the expenditure being undertaken and will recognise other corporate priorities and policies.

Income Generation Improvement

9.3 Hartlepool Borough Council spends around £66 million per annum.

9.4 The generation of cashable savings will help the Council reduce its costs but an alternative and complementary approach is to seek out opportunities to create new income streams through the delivery of services.

9.5 To support this, the Corporate Procurement Function (CPF) is now delivering a valuable business development role by identifying income generation opportunities and supporting Council departments in their pursuit of these.

9.6 The CPF will support areas of the Council who are looking to generate an income through the delivery of goods and services to other public and private organisations and companies. The CPF currently identifies and reviews opportunities which arise in the marketplace and advises the Council's trading areas of the existence of these opportunities.

9.7 The service will go beyond this 'flagging' of opportunities, by providing support, assistance and sometimes leadership in the completion of Council

bids, be they quotations or tenders, submitted in respect of the identified opportunities.

Disposals

- 9.8 In addition, the CPF is also maximising Council income by supporting Departments in their equipment disposal activities. This is being executed efficiently, making use of current e-auction facilities to advertise disposals UK wide, generating the maximum possible interest and the maximum return e.g. sports equipment sale.
- 9.9 Embracing the principles of procurement being involved in the full-life cycle of a product or service, the CPF is increasing its role in the handling of disposals of the Council's redundant equipment.
- 9.10 During the lifetime of this strategy document the CPF intends to have set up a facility where redundant equipment can be disposed of through electronic auctions, where deemed appropriate.

10.PERFORMANCE MANAGEMENT

- 10.1 The Council is a member of the CIPFA Corporate Services benchmarking group, which will assist in understanding the level of our procurement performance and in identifying areas of good or poor performance relative to other public bodies. This enables the Council to set informed targets for performance improvement.
- 10.2 Key actions and performance indicators are also measured as part of the Council's corporate performance management framework.

Annex A

Improvement Plan

Action	Target Date
PROCESS	
Complete implementation of 'Quick Quotes' system organisation wide <i>Pilot implementations are currently underway across the organisation.</i>	March 2012
Develop sourcing templates and guidance to support 'Quick Quotes'	September 2011
Improve implementation of Category Management approach to procurement	Ongoing
Implement requirements of new Equality and Diversity legislation	In accordance with legislative timetable
GUIDANCE	
Review and update 'Officer's Guide to Procurement'	September 2011
Review and update Procurement web pages	September 2011
Improve effectiveness of Corporate Contract Register	Ongoing
TRAINING AND DEVELOPMENT	
Develop and deliver staff training on Contract Procedure Rules and associated matters	During 2011/12
Provide procurement awareness and training sessions for voluntary sector and SME's.	Ongoing
PERFORMANCE	
Achieve annual savings target	Ongoing

Hartlepool Borough Council

Sustainable Procurement Policy Statement

Statement of Intent

Hartlepool Borough Council recognises its responsibility to carry out its procurement activities sustainably: providing value for money and in an environmentally and socially responsible manner. Sustainable procurement safeguards the long-term interests of the communities in Hartlepool and this policy supports the delivery of Hartlepool's Community Strategy. We recognise our role in encouraging our suppliers and contractors to minimise any negative impacts of their activities and to promote economic and community regeneration associated with the products and services they provide.

In addition to the above, the Council will strive to:

People, Education and Awareness

- Educate, train and encourage internal purchasers to review their consumption of goods/services
- Educate and train internal purchasers on how to assess the sustainability of suppliers and supplies of goods and services
- Communicate the sustainable procurement policy to all staff, suppliers and stakeholders

Policy, Strategy & Communications

- Consider the costs and benefits of environmentally and socio-economically preferable goods/services
- Consider environmental and socio-economic risks to the organisation and endeavour to continually improve performance related to sustainability in the supply chain
- Work in partnership with other organisations to optimise sustainability through procurement activities
- Specifically recognise the child poverty issue and maximise our contribution to tackling it

Procurement Process

- Promote best practice in sustainable procurement
- Ensure that where appropriate suppliers sustainability credentials are, as far as legally practicable, considered in supplier selection and contract award decisions
- Ensure the opportunity for suppliers to propose sustainable solutions is provided in all specifications
- Specify, wherever possible and practicable, the use of goods which are environmentally friendly
- Where locally produced products are not practical or possible we will seek to minimise the distance goods are transported prior to their use

Engaging Suppliers

- Educate our suppliers regarding the Council's Sustainable Procurement Policy and accompanying Strategy
- Encourage suppliers to offer sustainable solutions and to use local subcontractors where possible
- Address barriers to entry in order that Small and Medium Sized Enterprises and local suppliers are encouraged to bid for the Council's business, including the Third Sector
- Work with existing and future key suppliers to maximise the potential for sustainability throughout the supply chain

Measurement and Results

- Measure and report upon our progress and performance in relation to our sustainable procurement activities



ANNEXE C



Target not yet achieved



Target currently being addressed but not yet complete



Target met

Element / Level	Foundation	Embed	Practice	Enhance	Lead
People	Sustainable procurement champion identified.	All procurement staff have received basic training in sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles.	Sustainable procurement included in competencies and selection criteria.	Achievements are publicised and used to attract procurement professionals.
	Key procurement staff have received basic training in sustainable procurement principles.	Key staff have received advanced training on sustainable procurement principles.	Performance objectives and appraisal include sustainable procurement factors.	Sustainable procurement is included as part of employee induction programme.	Internal and external awards are received for achievements.
	Sustainable procurement is included as part of a key employee induction programme.		Simple incentive programme in place.		Focus is on benefits achieved.
					Good practice shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives.	Review and enhance sustainable procurement policy, in particular consider supplier engagement.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS.
	Simple sustainable procurement policy in place endorsed by Procurement Champion.	Ensure it is part of a wider Sustainable Development strategy.	Strategy endorsed by Procurement Champion.	Try to link strategy to EMS and include in overall corporate strategy.	The Sustainable Procurement strategy recognised by political leaders, is communicated widely.
	Communicate to staff and key suppliers.	Communicate to staff, suppliers and key stakeholders.			A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified.	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation.	All contracts are assessed for general sustainability risks and management actions identified.	Detailed sustainability risks assessed for high impact contracts.	Life-cycle analysis has been undertaken for key commodity areas.
	Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price.	Sustainability is considered at an early stage in the procurement process of most contracts.	Risks managed throughout all stages of the procurement process.	Project/contract sustainability governance is in place.	Sustainability Key Performance Indicators agreed with key suppliers.
	Procurers adopt Quick Wins.	Whole-life-cost analysis adopted.	Targets to improve sustainability are agreed with key suppliers.	A life-cycle approach to cost/impact assessment is applied.	Progress is rewarded or penalised based on performance.
					Barriers to sustainable procurement have been removed.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified.	Detailed supplier spend analysis undertaken.	Targeted supplier engagement programme in place, promoting continual sustainability improvement.	Key suppliers targeted for intensive development.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy.
	Key suppliers targeted for engagement and views on procurement policy sought.	General programme of supplier engagement initiated, with senior manager involvement.	Two way communication between procurer and supplier exists with incentives.	Sustainability audits and supply chain improvement programmes in place.	CEx engages with suppliers.
			Supply chains for key spend areas have been mapped.	Achievements are formally recorded. Procurement Champion involved in the supplier engagement programme.	Best practice shared with other/peer organisations.
					Suppliers recognize they must continually improve their sustainability profile to keep the clients business.
Measurements & Results		Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken.		Measures are integrated into a balanced score card approach reflecting both input and output.	Measures used to drive organisational sustainable development strategy direction.

FINANCE AND PERFORMANCE PORTFOLIO

Report to Portfolio Holder

21st July 2011



Report of: Assistant Director (Resources)

Subject: PROPOSED TRANSFER OF LAND AT BELLE VUE, HARTLEPOOL

SUMMARY

1. PURPOSE OF REPORT

To seek Portfolio Holder's approval in respect of the proposed transfer of 26 houses at Belle Vue to facilitate delivery of the phase 2 Housing Regeneration programme.

2. SUMMARY OF CONTENTS

The report highlights current progress of the housing regeneration scheme at Belle Vue and provides details of the ongoing redevelopment of the site.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is responsible for the Council's land and property assets.

4. TYPE OF DECISION

Non-Key

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

That Portfolio Holder approves the transfer of the Council's land holding at Belle Vue (highlighted in **Appendix 1**) to Housing Hartlepool at nil value to facilitate delivery of the Housing Market Renewal scheme.

Report of: Assistant Director (Resources)

Subject: PROPOSED TRANSFER OF LAND AT BELLE VUE, HARTLEPOOL

1. PURPOSE OF REPORT

- 1.1 To seek Portfolio Holder's approval in respect of the proposed transfer of 26 properties at Belle Vue to facilitate delivery of the phase 2 Housing Regeneration programme.

2. BACKGROUND

- 2.1 The process of acquisition, clearance and redevelopment of the Belle Vue scheme (see **Appendix 1**) has been progressing in partnership with Housing Hartlepool as part of the Council's Housing Market Renewal Programme.
- 2.2 The site has been assembled in partnership with Housing Hartlepool using Housing Hartlepool's own funds and the Council's funding via Single Housing Investment Pot and Housing Market Renewal funding. Approximately 90% of the full site has been assembled to date and the majority of this site is in the ownership of Housing Hartlepool.
- 2.3 The Council has supported the community aspiration for change in this area that has been ongoing for nine years with Cabinet approval and support throughout the process. This scheme is a priority within the Housing Market Renewal programme and the National Affordable Housing Programme with the Homes and Communities Agency (HCA).
- 2.4 Housing Hartlepool submitted a scheme through the HCA's Kick-start funding process supported by the Council for a grant of £3,000,000 to gap fund the development. The kickstart scheme was withdrawn for this site but replaced with funding from the HCA through the National Affordable Housing Programme. Due to funding viability shortfalls, it is necessary for the Council to demonstrate its support for the development through the contribution of land at nil value.
- 2.5 A full developer selection process has taken place which included Council and resident representatives on the selection panel. Chosen developer partner Frank Haslam Milan has been taking forward a mixed tenure development of 2, 3 and 4 bedroom family homes and

bungalows that will meet Code for Sustainable Homes level 4 and is currently developing the first phase. This development aims to meet the Council's objectives of delivering affordable homes to high levels of sustainability for local people.

- 2.6 The Portfolio Holder approved the transfer of land and houses at nil value at the meeting on 18th May 2010 to facilitate phase 1 of the scheme.
- 2.7 Housing Hartlepool have therefore approached the Council to ascertain whether the Council would be willing to transfer its freehold interest at Belle Vue Phase 2 to Housing Hartlepool in line with the partnership approach envisaged throughout scheme development. The land that would be required for scheme delivery is shown on the attached plan at **Appendix 1**. This would allow the continuation of the new build development to timescale.

3. PROPOSALS

- 3.1 Within phase 2 of the Belle Vue scheme there are 36 properties of which 26 are in the Council's ownership. The proposal is to transfer ownership of the 26 properties and also other land such as highways, footpaths and grass verges (shown on **Appendix 1**) to Housing Hartlepool at nil value to facilitate scheme delivery.

4. RISK AND FINANCIAL IMPLICATIONS

- 4.1 Property acquisition has been undertaken using HMR/SHIP funding. Due to the nature of the site and the overall programme to deliver Housing Regeneration on this site it isn't possible to attribute a land value to areas proposed for transfer for a number of reasons:
 - 1) Acquisition costs of the scheme to date have been significant.
 - 2) HCA National Affordable Housing programme will be undermined if a land value was attributed to the Council's land holdings on this site as this would undermine the business case. The debt repayment years are already unviable however the partner RSL is committed to the Belle Vue scheme that they will proceed regardless of this. Any land value received for this scheme would have to be reported back through the HMR programme for recycling.
- 4.2 The Authority has powers under the Local Government Act 1972 General Disposals Consent (England 2003) to dispose of land at less than Market Value provided it is likely to contribute to the promotion or improvement of the economic well being of the whole or any part of its area or any persons resident or present in its area.

- 4.3 Although the scheme would not be viable if the Council sought payment for the land and property, the Estates and Asset Manager considers that the open market value of the Council's property interests to be transferred amount to some £127,000.

5. ASSET MANAGEMENT CONSIDERATIONS

- 5.1 There are not considered to be any adverse management considerations involved in this proposal. The management of the vacant units will continue to be managed by Housing Hartlepool until demolition. The use of the Council's assets to facilitate regeneration and investment improving the provision of social housing in the town accords with the key objectives of the Asset Management Plan.

6. RECOMMENDATIONS

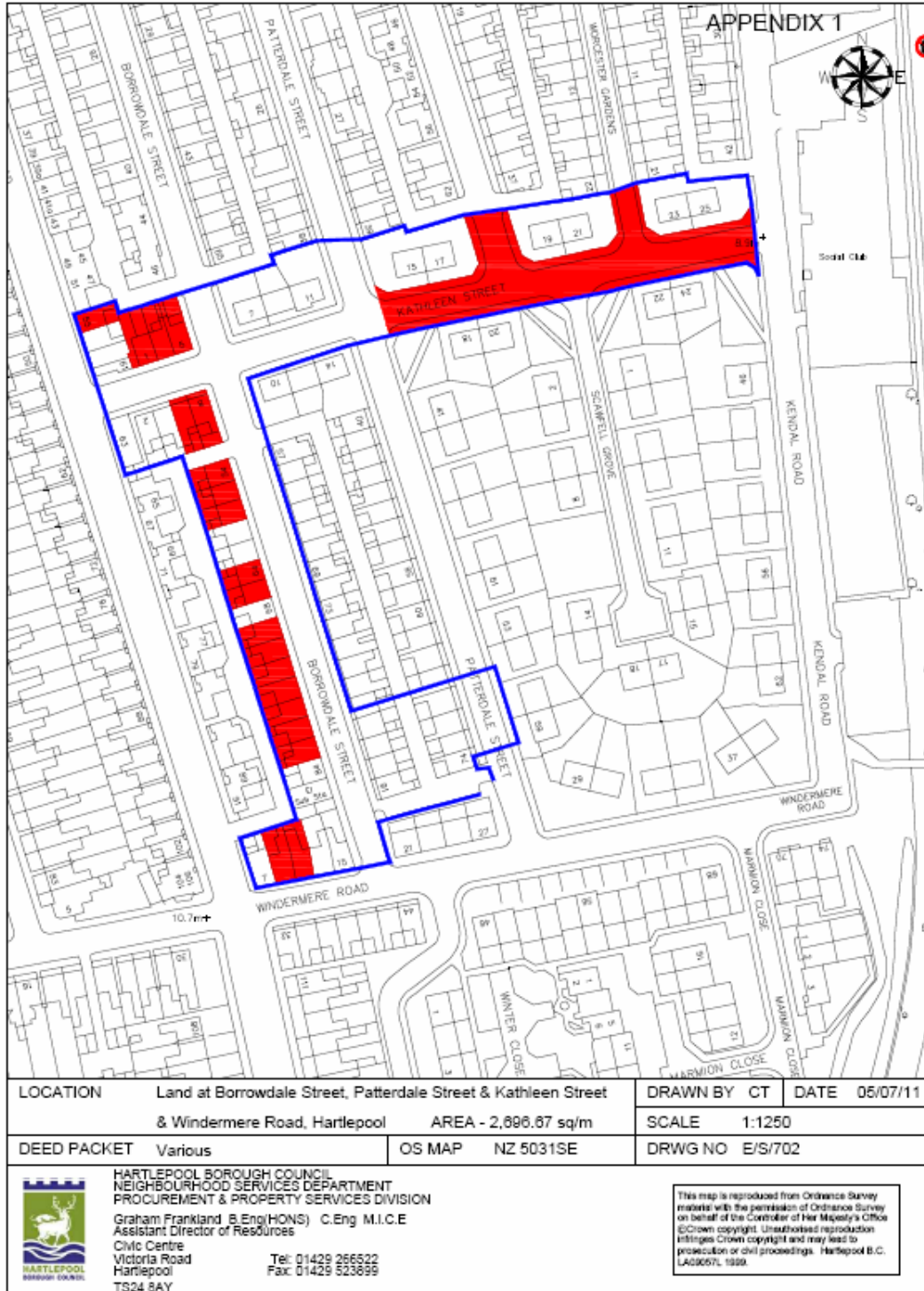
- 6.1 That Portfolio Holder approves the transfer of the Council's land holding at Belle Vue (highlighted in **Appendix 1**) to Housing Hartlepool at nil value to facilitate delivery of the Housing Market Renewal scheme.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The proposal will facilitate the delivery of the second phase of the housing market renewal programme in Belle Vue.

8. CONTACT OFFICER

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FINANCE & PROCUREMENT PORTFOLIO

Report To Portfolio Holder

21ST July 2011



Report of: Assistant Director of Resources

Subject: ILLEGAL GRAZING OF HORSES

SUMMARY

1. PURPOSE OF REPORT

To inform the Portfolio Holder of the current issues associated with illegal horse grazing on Council owned land, and options to resolve current and future trespass.

2. SUMMARY OF CONTENTS

The report outlines the background and options available to deal with illegal horse grazing.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder is responsible for the Council's land and property assets.

4. TYPE OF DECISION

Non key.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

Portfolio Holder acknowledges and approves the actions taken to date and approves the appointment of a specialist external horse impounding contractor, to work in conjunction with the Councils Environmental Enforcement team to implement the enforcement process that is set out in paragraph 2.8.

Report of: Assistant Director of Resources

Subject: ILLEGAL GRAZING OF HORSES

1. PURPOSE OF REPORT

- 1.1 To inform the Portfolio Holder of proposals to control illegal horse grazing on Council owned land.

2. BACKGROUND

- 2.1 The issue of illegal horse grazing has been long standing in Hartlepool. Generally, the presence of illegal horse grazing can be unsightly, especially adjacent to main access routes and creates a negative image for the town as well as raising concerns for animal welfare and other Health and Safety issues.
- 2.2 Horses are usually tethered, but in more serious cases, graziers have in the past fenced off areas of Council owned land.
- 2.3 During 2011, there have been an increasing number of complaints received from members of the public concerning the presence and welfare of horses on various areas of Council owned land but most particularly Brenda Road, West View Road, Golden Flatts and Coronation Drive.
- 2.4 Currently, both the Council's Estates Teams and Environment Enforcement Teams become involved in monitoring sites, identifying owners and erecting legal notices on site requiring the removal of animals.
- 2.5 To date an impounding service has not been available, and therefore, enforcement powers have been limited.
- 2.6 In order to develop a comprehensive process of notification and enforcement, the Estate and Asset Manager has consulted with neighbouring Authorities particularly Durham, who have an established process in place whereby the enforcement is outsourced to a specialist private horse impounding company.
- 2.7 Following a significant number of complaints in relation to horses tethered on land at Coronation Drive, contractors were instructed to remove and impound three horses. Whilst on site undertaking this

work, the owners attended site and removed the animals without the need to impound. No further trespass has occurred since this date.

- 2.8 In order to publicise the Council's position in relation to illegal horse grazing, a press statement was prepared and published in the Hartlepool Mail on the 4th June 2011 advising of the Council's position and its intention to use enforcement action to remove animals. This subsequently led to additional interest from Radio Tees, and additional publicity has re-enforced the strategy.
- 2.9 As a result of the publicity and direction of additional notices, the majority of horses have now been removed voluntarily by their owners.
- 2.10 Consultation has also taken place with the representatives of the owners responsible for the trespass together with the British Horse Society. It has been established that there is a significant over supply of horses in the country, and as a consequence, the cost of acquisition has reduced significantly and, horses are being purchased by individuals due to the price, but, generally, they have no facilities for grazing and stabling. This is increasing the illegal use of Council land.
- 2.11 As a result of the Consultation, it has been agreed that grazing in prominent publicly accessible areas of the town is not acceptable from a Health & Safety perspective, therefore, seven days notices have been served on all these sites and all horses have been removed voluntarily. However, in less prominent areas such as Golden Flatts and land within the Slag Banks on Brenda Road where a significant number of horses are located, a longer period expiring on the 18th July has been agreed for removal.

3. PROPOSALS

- 3.1 It is proposed that subsequent to overcoming current issues, the proposed mechanism for dealing with any future trespass should it arise is as follows:
 - a) The Council's Estates and Environment Enforcement teams will regularly inspect the Council's sites to identify trespass. In addition, should any public reports be received of trespass on Council land, then further inspections will be carried out.
 - b) The Enforcement teams will then erect seven day "eviction proposing" notices on sites as soon as a horse is found to be illegally grazing.

- c) If the animals are not removed within the 7 days, then, the Council's contractors will be employed to remove the same.
- d) The horses are retained at an undisclosed location, for which the grazier will be required to pay a fee to reclaim the animals or they will be sold at auction. Any proceeds resulting from horses being reclaimed or sold at auction, will be returned to the Council.
- e) Regular publicity will be undertaken to remind owners that illegal grazing will not be tolerated, and enforcement action will be taken.

4. FINANCIAL CONSIDERATIONS

- 4.1 Information is provided in **Confidential Appendix A 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, Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

5. RISK/LEGAL CONSIDERATIONS

- 5.1 After discussions with the insurance section, the Council is exposed to potential claims if the Council is aware of Illegal Acts by a third party on its land and does not take action to prevent such activities. As such, it is recommended that action is taken to mitigate any risk of the potential claim and, this stance has been confirmed by the Councils liability underwriter.
- 5.2 The Council does not have a specific budget to deal with the consequences of illegal grazing and it is difficult to estimate the financial impact at this stage. It would be the intention to deal with the impact as part of the 2011 / 12 budget outturn strategy which may include the use of appropriate departmental reserves. This may also prove a financial pressure for 2012 / 13 that will need to be considered in the forthcoming budget process.

6. RECOMMENDATIONS

- 6.1 Portfolio Holder acknowledges and approves the actions taken to date and approves the appointment of a specialist external horse impounding contractor, to work in conjunction with the Councils Environmental Enforcement team to implement the enforcement process that is set out in paragraph 2.8.

7. CONTACT OFFICER

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