

FINANCE AND PERFORMANCE MANAGEMENT PORTFOLIO DECISION RECORD

13th March, 2006

Present:

Councillor Peter Jackson (Finance and Performance Management Portfolio Holder)

Officers: Andrew Atkin, Assistant Chief Executive
Lisa Anderson, Research Officer
Liz Crookston, Principal Strategy and Research Officer
Emma Dixon, Senior Estates Surveyor
Graham Frankland, Head of Procurement and Property Services
Suzy Higgins, Business Improvement Manager
Joanne Machers, Chief Personnel Services Officer
John Morton, Assistant Chief Financial Officer
Mike Ward, Chief Financial Officer
Pat Watson, Democratic Services Officer

41. Treasury Management Strategy 2006/2007 (*Chief Financial Officer*)

Type of decision

Non-Key

Purpose of report

To provide a review of Treasury Management for 2005/06 and to outline a Treasury Management Strategy for 2006/07.

Issue(s) considered by the Portfolio Holder

The report detailed the Treasury Management position as at 28th February 2006 and the proposed Treasury Management Strategy for 2006/07.

Detailed information was provided under the following headings:

- Background
- 2005/06 Review
- Current Portfolio Position
- Prospect for Interest Rates
- Summary of Basic Rate Forecasts
- Summary of long Term Rate Forecasts (50 year PWLB)
- 2006/07 Borrowing Strategy

- Debt Rescheduling
- 2006/07 Investment Strategy
- Prudential Indicators for 2005/06 – 2007/08

Prudential Indicators were detailed in Appendix A and summarised in the report. A full list of financial institutions with which the Authority invests, classified as either specified or non-specified were included in Appendix B which was exempt information relating to the financial or business affairs of a particular person (other than the Council) (para 7).

The Chief Financial Officer concluded by advising that the Council had undertaken strategic borrowing which would meet its requirements for the next three financial years. This had enabled it to lock into historically low interest rates and ensure stability for the revenue budget. It was therefore unlikely that any further borrowing would be needed in the current year.

The report indicated that the Council also has a range of cash investments, which are primarily linked to the Authority's reserves. These amounts are held in liquid accounts and fixed deposits for periods up to two years which would ensure that cash would be available as it is required, while maximising interest received until that time.

Decision

The Portfolio Holder

- (a) noted the contents of the report, and
- (b) approved the Treasury Management Strategy

42. Irrecoverable Debts – Business Rates (*Chief Financial Officer*)

Type of decision

Non-Key

Purpose of report

To seek the Portfolio Holder's approval to write-out a number of Business Rates debts which were considered to be irrecoverable.

Issue(s) considered by the Portfolio Holder

The report highlighted Business Rates accounts with outstanding debts of £1000 or more and detailed the reasons for each debt remaining Un-recovered. Appendix A, which was exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of a particular person (other than the Council) (para 7), listed Business Rates Sole Traders / Partnerships. Appendix B listed business Rates Limited Companies..

Decision

- (a) The Portfolio Holder agreed to write-out debts to the value of £243,465.17 in respect of irrecoverable Business Rates.
- (b) The Portfolio Holder expressed disappointment at having to write out these debts but conceded that with the companies in administration or wound up there was very little chance of recovering any money, the costs to pursue these debts far outweigh what can be expected to be collected. The Portfolio Holder acknowledged the efforts of the Finance department already used to achieve collection.

43. Irrecoverable Debts – Council Tax *(Chief Financial Officer)*

Type of decision

Non-key

Purpose of report

To seek the Portfolio Holder's approval to write-out a number of Council Tax debts which were considered to be irrecoverable.

Issue(s) considered by the Portfolio Holder

The report highlighted Council Tax accounts with outstanding debts of £1000 or more and detailed the reasons for each debt remaining un-recovered. Appendices A to D, which were exempt under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of a particular person (other than the Council) (para 7), listed Council Tax Absconded Debtors, Council Tax Bankruptcies, Council Tax Miscellaneous and Council Tax Deceased respectively.

Decision

- (a) The Portfolio Holder agreed to write-out debts to the value of £37,570.01 in respect of irrecoverable Council Tax.
- (b) The Portfolio Holder expressed disappointment at having to write out these debts but conceded that there was very little chance of recovering any money as the people being pursued had moved or disappeared, the costs to pursue these debts far outweigh what can be expected to be collected. The Portfolio Holder acknowledged the efforts of the Finance department already used to achieve collection.

44. Neighbourhood Services Departmental Plan (Finance & Performance Management) Update December 2005 *(Director of Neighbourhood Services)*

Type of decision

Non-key

Purpose of report

To seek agreement to the update on performance of the Neighbourhood Services Departmental Plan for 2005/06 covering the period from 1st April 2005 to 31st December 2005.

Issue(s) considered by the Portfolio Holder

The report contained brief descriptions of services and the progress achieved to the end of December in relation to the targets. A copy of the Plan Indicator Report was attached as Appendix A and the Quarterly Update Report at Appendix B.

Decision

The Portfolio Holder approved the Departmental Plan update.

45. Communicating with your Council - Progress (*Chief Personnel Services Officer*)

Type of decision

Non-key

Purpose of report

To update the Portfolio Holder on the Diversity Impact Assessment undertaken on the suite of policies previously presented to the meeting on 31st October 2005 under the heading of "Communicating with your Council"

Issue(s) considered by the Portfolio Holder

The report contained background information and indicated that the strategies were agreed last year so that progress could be made on the strategies and the associated action plans. In parallel to implementing them there had also been ongoing development requirement and it had been agreed that the Portfolio Holder would reconsider the strategies after:

- the findings of the Best Value Review of Strengthening Communities was reported, and
- a Diversity Impact Assessment was undertaken.

The Portfolio Holder was advised that the findings of the Best Value Review of Strengthening Communities was not yet available. A Diversity Impact Assessment had been undertaken and was attached as an appendix to the report. It had not been necessary to amend any of the strategies in light of the

Assessment, however, the action plan for each strategy would be reviewed quarterly and reported to the Portfolio Holder on an annual basis. Should any adverse effects appear, the appropriate strategy would be reviewed and the findings acted upon.

The longer term policies, shorter term action plans and performance measures for each strategy would be reported to the Portfolio Holder as part of the year end reporting of the Chief Executive's Service Plan.

Decision

The Portfolio Holder noted the report and proposed actions.

46. 2nd and 3rd Tier Chief Officers' Salary Review (*Director of Neighbourhood Services*)

Type of decision

Non-key

Purpose of report

To update the Portfolio Holder with progress on the review of 2nd and 3rd Tier Chief Officer salaries and report the need for an extension to the timetable previously agreed.

Issue(s) considered by the Portfolio Holder

The report provided details of the progress with the review and the outcome of the meeting of the scrutiny Co-ordinating Committee held on 24th February 2006.

Decision

The Portfolio Holder noted the revised timetable for completing the review and confirmed the extension of the deadline for Scrutiny Co-ordinating Committee to complete its examination to 7th April 2006.

47. 36 Rydal Street, Hartlepool (*Head of Procurement and Property Services*)

Type of decision

Non-key

Purpose of report

To request Portfolio Holder approval to commence marketing of 36 Rydal Street, Hartlepool, inviting expressions of interest from members of the public.

Issue(s) considered by the Portfolio Holder

The report explained the background to the acquisition of the property by the Council and described the financial implications and the proposed marketing process.

Decision

The Portfolio Holder granted authority for marketing of 36 Rydal Street with a view to disposal of the Council's freehold interest with preference given to purchasers who are owner-occupiers with a timescale of 18 months stated for returning the property back to use.

48. Footpath Number 4, Blackberry Lane, Seaton (*Head of Procurement and Property Services*)

Type of decision

Non-key

Purpose of report

To request Portfolio Holder authorisation for the Asset and Estates Manager to enter into a statutory declaration claiming a private access right over land at Blackberry Lane.

Issue(s) considered by the Portfolio Holder

The report contained information regarding the use of the footpath and detailed the procedure required for formalise the use of the land. The report indicated that there would be nominal costs relating to registering the right of way and these would be paid by the Adult and Community Services Department. A plan of the area was attached as an appendix to the report.

Decision

Authority was granted for the Asset and Estates Manager to complete a statutory declaration in respect of Footpath Number 4, Blackberry Lane, Seaton Carew, subject to the Culture, Housing and Transport Portfolio Holder approving the nominal funding required.

49. Business Process Re-engineering (*Head of Procurement and Property Services*)

Type of decision

Non-key

Purpose of report

To provide a progress report of improvement activities in connection with Business Process Re-engineering (BPR).

Issue(s) considered by the Portfolio Holder

The report highlighted the significance and purpose of BPR activities to date. The role of the recently appointed Business Improvement Manager Suzy Higgins and lean methodology, of which she is a proponent, were described. The report also outlined the priorities and progress to date.

A copy of the Updated Project Plan was attached as an appendix to the report.

Decision

The Portfolio Holder noted the progress to date of BPR activities and endorsed the Council's involvement in the initiative.

50. Northumbrian Water – Changes in Surface Water Charges *(Head of Procurement and Property Services)*

Type of decision

Non-key

Purpose of report

To provide important information upon changes in Surface Water Drainage Charges being made by Northumbrian Water.

Issue(s) considered by the Portfolio Holder

The report provided background information under the following headings:

- What is happening to the surface water drainage charge?
- Why is the change necessary?
- What is the surface water drainage charge?
- Which customers will this charge apply to?
- How is the chargeable area of each site calculated?
- Timescales
- Phasing
- Existing metered business customers as of 1st April 2005.
- New build business premises connected on or after 1st April 2005.
- What is happening now?

The likely financial implications were also outlined in the report. The Portfolio Holder was advised that the breakdown across department was being calculated as further information was forthcoming from Northumbrian Water.

Early indications were that the main budget pressures would occur in Education and Environmental areas. Information was being clarified and passed on to Service Managers for budgeting purposes.

Decision

The Portfolio Holder noted the report.

51. Local E Gov. National Projects – Hartlepool’s Lead on E Service Standards for Property (*Head of Procurement and Property Services*)

Type of decision

Non-key

Purpose of report

To update the Portfolio Holder on Hartlepool Borough Council’s involvement in one of the ODPM’s National Projects on e-government and advised of an opportunity to be involved in further projects.

Issue(s) considered by the Portfolio Holder

The report explained how the Council took the lead role in the production of e-service standards for property and had been requested to continue the work by involvement in two further projects which were described in the report. The Head of Procurement and Property Services reported that further involvement with the ODPM and Office of Government Commerce OGC on the projects would not only further raise the Council’s profile at a national level in the delivery of electronic services but also further assist in the development of the Council’s own electronic property information systems and the Council’s ICT strategy in general.

A copy of the NESDS e-Property Service Delivery Standards (draft version) was attached as an appendix to the report.

Decision

The Portfolio Holder noted the report and endorsed the project and continued involvement.

52. Analysis of Best Value Performance Indicators 2004/05 (*Assistant Chief Executive*)

Type of decision

For information

Purpose of report

To inform the Portfolio Holder about the Council's performance against the set of 2004/05 Best Value Performance Indicators and compare Hartlepool's performance with that of all other English authorities, similar Unitary authorities and the other four Tees Valley authorities.

Issue(s) considered by the Portfolio Holder

The report gave an overview of performance using the Best Value Performance Indicators and looked at performance comparisons with other councils in 2004/05, Hartlepool's improvement between 2003/04 and 2004/05 and the accuracy of the largest setting process.

A scorecard and tables were used to summarise findings. A total of 29 BVPIs, 26.4% of the total, were in the bottom quartile. A list of all bottom quartile indicators was attached to the report as Appendix 1.

Out of the five Tees Valley authorities, Hartlepool was ranked third or better in almost three quarters of all comparable indicators (72.5%). Performance was ranked 5th in the Tees Valley area in 14 indicators. These were shown in Appendix 2 to the report.

A number of indicators that were in the bottom quartile in 2004/05 had declined between 2003/04 and 2004/05, and these were shown in Appendix 3.

The report confirmed that there are measures in place throughout the Council to regularly monitor performance throughout the year and ensure appropriate action where necessary to achieve improvements. The creation and implementation of the Corporate Performance Management database, in 2005/06 had ensured that at officer level, all departments have access to systems that include monitoring and performance indicators.

The Council had introduced quarterly reporting to Portfolio Holders and this process was constantly being reviewed to improve the level of information available to Councillors to ensure that any failing indicators can be identified as soon as possible, and the necessary remedial action taken to arrest any decline in performance.

The Portfolio Holder was advised that a new unified approach to service planning across the Council was being introduced in 2006/07, which would further improve performance monitoring and reporting to Councillors and Officers. Also, targets for 2006/07 were being reviewed as part of the service planning process, and would be published in the Council's 2006/07 Corporate Plan. As part of the process the Corporate Strategy division would be reviewing all targets and providing an internal challenge where targets are considered to be unrealistic or unchallenging.

Decision

The Portfolio Holder noted the report and approved the proposed future action.

53. Viewpoint – Citizen's Panel Results (Assistant *Chief Executive*)

Type of decision

For information

Purpose of report

To inform the Portfolio Holder of the results of the 17th phase of Viewpoint, Hartlepool Borough Council's Citizen's Panel distributed in October 2005.

Issue(s) considered by the Portfolio Holder

The report and appendices provided information on the results achieved in the latest Viewpoint questionnaire that included libraries, local community services on school sites, Hartbeat and smoking in public places. The report also included feedback on how results from previous surveys had been used.

Decision

The Portfolio Holder noted the results. He felt they were extremely useful and should be passed on to Members of the Scrutiny Forums.

54. Corporate Complaints – October to December 2005 (Assistant *Chief Executive*)

Type of decision

For information

Purpose of report

To report to the Portfolio Holder on corporate complaints performance for the third quarter of 2005/06.

Issue(s) considered by the Portfolio Holder

The report covered performance information on numbers of complaints, timescales for investigation and outcomes of investigations for format complaints dealt with in the third quarter of 2005/06.

Decision

The Portfolio Holder noted the report and advised that he was happy with the way complaints were being dealt with.

55. Local Government (Access to Information) Act 1985

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) Act 1985

Minute 56 – Banking and Treasury Management Advice Contract Extensions (para 9 – The report contained exempt information under Schedule 12A Local Government Act 1972, namely terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods.

56. Banking and Treasury Management Advice Contract Extensions (*Chief Financial Officer*)

Type of decision

Non-key

Purpose of report

To seek approval for an extension to the current Banking and Treasury Management Advice contracts to 31st March 2008.

Issue(s) considered by the Portfolio Holder

The report outlined the current circumstances facing the Authority and proposed extending the Banking and Treasury Management contracts for a two year period.

Decision

The Portfolio Holder noted and approved:

- (a) the extension of the current Banking Contract to 31st March 2008, and
- (b) the extension of the current Treasury Management Advice Contract to 31st March 2008.

J A BROWN

CHIEF SOLICITOR

PUBLICATION DATE: 17th March 2006

