

# FINANCE PORTFOLIO DECISION SCHEDULE



Friday 23<sup>rd</sup> February, 2007

at 10am

in Committee Room “C”

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

1. **KEY DECISIONS**  
No items

2. **OTHER ITEMS REQUIRING DECISION**
  - 2.1 Treasury Management Advice Contract Arrangements– *Chief Financial Officer*

3. **ITEMS FOR INFORMATION/DISCUSSION**
  - 3.1 Chief Executive's Departmental Plan 2006/07 – 3<sup>rd</sup> Quarter Monitoring Report  
– *Chief Financial Officer and Chief Solicitor*

4. **REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**  
No items

## **FINANCE PORTFOLIO**

Report to Portfolio Holder

23<sup>rd</sup> February, 2007



**Report of:** Chief Financial Officer

**Subject:** TREASURY MANAGEMENT ADVICE  
CONTRACT ARRANGEMENTS

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### **SUMMARY**

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

- 1.1 To seek approval for the arrangements to be adopted for appointing a Treasury Management Advisor from 1<sup>st</sup> April 2007.

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

- 2.1 The report advises Members that the existing Treasury Management contract expires on 31<sup>st</sup> March 2007 and details the proposed arrangements to be adopted for appointing a Treasury Management Advisor from 1<sup>st</sup> April 2007.

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

- 3.1 Portfolio holder has responsibility for Treasury Management activities.

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

- 4.1 Non-key decision.

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

- 5.1 To Portfolio Holder only.

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

- 6.1 To approve the waiving of Contract Procedure Rules in relation to the letting of the Treasury Management Advice contract

**Report of:** Chief Financial Officer

**Subject:** TREASURY MANAGEMENT ADVICE  
CONTRACT ARRANGEMENTS

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**1. PURPOSE OF REPORT**

- 1.1 To seek approval for the arrangements to be adopted for appointing a Treasury Management Advisor from 1<sup>st</sup> April 2007

**2. BACKGROUND**

- 2.1 The current Treasury Management Advice contract expires on 31<sup>st</sup> March, 2007. Whilst this is a relatively low value contract it is a strategically important contract and the advice provided has helped to achieve significant savings in the Council's interest costs.
- 2.2 The success of the contract depends on the technical capabilities of the appointed advisor and the expertise of the "Account Manager" assigned to the Council. The relationship with the Account Manager is critical to the success of the arrangement as they need to develop a detailed understanding of the Council's medium and longer term Treasury Management objectives.
- 2.3 Under the existing arrangements we previously benefited from a long term relationship with our Account Manager. Unfortunately, this person retired at the start of 2006 and a new account manager was allocated to Hartlepool. In view of this change we extended the existing contract for a 12 month period, commencing 1<sup>st</sup> April 2006, to ensure we were satisfied that these arrangements were maintaining the existing quality of service.
- 2.3 Over the past year the new advisor has continued to provide the level of technical support we require. This has assisted the Council to achieve significant ongoing interest savings and a one-off benefit of £800,000 in the current year.
- 2.4 However, it is now be appropriate to consider the longer term arrangements for the provision of this key service.

### **3. PROPOSED ARRANGEMENTS**

- 3.1 Owing to the specialist nature of the service there are only a limited number of suppliers providing these services to local authorities.
- 3.2 Therefore, it is not possible to comply with the normal contract procedures as there are insufficient companies providing these services. In view of this position it is proposed that the Councils approved Contract Procedure Rules be waived as the “these rules do not apply to contracts with professional persons or contractors for the execution of works or the provision of services in which the professional knowledge and skill of these persons or contractors is of the primary importance or where the contract is for the provision of caring services to children or vulnerable persons”.
- 3.3 Assuming you approve this proposal I intend to invite the two leading suppliers to outline how they will deliver a Treasury Management service to the Council. A detailed evaluation model is currently being prepared and this will award the contract on the basis of service quality and price.
- 3.4 It is proposed to award the contract for an initial twelve month period, with the option for the Council to extend the contract period for a further 24 months. The initial period of 12 months will enable us to assess the service provided by the successful supplier, pending a decision to enter into a longer term contract.

### **4. RECOMMENDATIONS**

- 4.1 It is recommended that the Portfolio Holder approves the proposals detailed in paragraph 3.3 and 3.4.

## **FINANCE PORTFOLIO**

Report to Portfolio Holder

23<sup>rd</sup> February 2007



**Report of:** Chief Financial Officer and Chief Solicitor

**Subject:** CHIEF EXECUTIVE'S DEPARTMENTAL PLAN  
2006/07 – 3RD QUARTER MONITORING  
REPORT

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### **SUMMARY**

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

To inform the Portfolio Holder of the progress made against the Chief Executive's Departmental Plan 2006/07 in the nine months to 31 December 2006.

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

The progress against the actions contained in the Chief Executive's Departmental Plan 2006/07 and the third quarter outturns of key performance indicators.

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

The Portfolio Member has responsibility for performance management issues in relation to finance and legal services.

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

Non-key.

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

Portfolio Holder meeting 23<sup>rd</sup> February 2007.

#### **6. DECISION REQUIRED**

Achievement on actions and indicators be noted

**Report of:** Chief Financial Officer and Chief Solicitor

**Subject:** CHIEF EXECUTIVE'S DEPARTMENTAL PLAN  
2006/07 – 3RD QUARTER MONITORING  
REPORT

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## **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 2006/07 and the progress of key performance indicators for the period up to 31 December 2006.

## **2. BACKGROUND**

3. The Performance Management Portfolio Holder agreed the Chief Executive's Departmental Plan in May 2006.
4. The Chief Executives Department is split into four divisions, with Finance and Legal Services reporting to the Finance Portfolio Holder. Issues relating to the Corporate Strategy and Human Resources Divisions are reported separately to the Performance Management Portfolio Holder.
5. The Chief Executive's Departmental Plan 2006/07 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. The plan also describes how the department contributes to the Organisational Development Improvement Priorities as laid out in the 2006/07 Corporate Plan. It provides a framework for managing the competing priorities, communicating the purpose and challenges facing the department and monitoring progress against overall Council aims.
6. The Council recently introduced an electronic Performance Management Database for collecting and analysing corporate performance. In 2006/07 the database will collect performance information detailed in the Corporate Plan and the five Departmental Plans.
7. Each Division has also produced a Divisional Plan, detailing the key tasks and issues facing each division in the coming year. Each plan contains an action plan, detailing how each individual division intends to contribute to the Organisational Development Priorities contained in the Corporate Plan, as well as the key tasks and priorities contained in

the Chief Executives Departmental Plan. Divisional Chief Officers will have the lead responsibility for managing performance of issues and tasks identifies in their divisional plans. Where appropriate, issues can be escalated for consideration by CEMT.

### THIRD QUARTER PERFORMANCE

1. This section looks in detail at how the Finance Division and Legal Services Division have performed in relation to the key actions and performance indicators that were included in the Chief Executives Departmental Plan 2006/07.
2. On a quarterly basis officers from across the department are asked, via the Performance Management database, to provide an update on progress against every action contained in the Departmental Plan and, where appropriate, every Performance Indicator.
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 the action will be, or has been, completed by the target date set out in the Departmental Plan. The traffic light system has been slightly adjusted in 2006/07, following a review of the system used previously. The traffic light system is now: -

Red	- Action/PI not expected to meet target
Amber	- Action/PI expected to be meet target
Green	- Action/PI target achieved

4. Within the Finance and Legal Services Divisions there were a total of 74 actions and 3 performance indicators identified in the 2006/07 Departmental Plan. Table 1, below, summarises the progress made, to the 31 December 2006, towards achieving these actions and PIs.

Table1 – Finance/Legal Services progress summary

	Finance		Legal Services	
	Actions	PIs	Actions	PIs
Green	44	1	1	n/a
Amber	19	2	8	n/a
Red	2	n/a	0	n/a
Total	65	n/a	9	n/a

5. A total of 45 actions, or 61%, have already been completed, and a further 27 (36%) are on target to be completed by the target date. However, 2 actions have been highlighted as not being on target.

More information on these actions can be found in the relevant section below.

6. There were 3 Performance Indicators included in the 2006/07 Departmental Plan. All 3 have either already met the target or are on target.

### **Finance Division**

7. The Plan contained 64 actions that were the responsibility of the Finance Division. As at 31 December, 44 actions (68%) had been completed, and 19 (29%) were on target to be completed by the target date stated in the plan. However, 2 actions had either not been completed by the due date, or are no longer on target to be completed on time. Table 2 below details these actions, together with a comment explaining why the deadline will not be met and any appropriate remedial action.

Table2: Finance Actions not completed on target/not on target

Ref	Action	Milestone	Comment
CED235	Complete Forward looking Efficiency Statement 2006/07	Jun 06	Implementation work ongoing. Achievement of ICT likely to be delayed, position will continue to be monitored closely.
CED257	Complete food procurement exercise via purchase cards	Sep 06	Still developing but encountering delays with supplier adoption. 3 suppliers now fully card enabled and NECPE Group has written on behalf of all authorities to encourage partially committed / non-committed suppliers to accelerate / reconsider their position.

8. In the nine months to 31 December, the Finance Division completed a number of actions, including: -
  - ? Council have agreed with Housing Hartlepool future cash collection arrangements, including continuing cash receipting in 2006/07 and new payment cards to be introduced.
  - ? Integrated Asset Management Plan/Capital Strategy was approved by Cabinet in July.

### **Legal Services Division**

9. The Plan contained 9 actions that were the responsibility of the Legal Services Division. As at 31 December 1 had been completed, and the other 8 were on target to be completed by the target date stated in the plan. Therefore there are no actions that are currently highlighted as no longer being on target to be completed on time.



10. Within the first three quarters of 2006/07 the Legal Services Division completed a number of actions, including: -

- ? Lexcel accreditation has once again been obtained, following inspection in November.
- ? Ethical framework training has been provided through the Council's Monitoring Officer

**Recommendations**

11. It is recommended that achievement of key actions and third quarter outturns of performance indicators are noted.