

# PLEASE NOTE VENUE

## FINANCE PORTFOLIO DECISION SCHEDULE



**Thursday 12 April 2007**

**at 10.00am**

**in Committee Room “B”  
Civic Centre, Hartlepool**

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

**1. KEY DECISIONS**

None.

**2. OTHER ITEMS REQUIRING DECISION**

2.1 Treasury Management Advice Contract (*Chief Financial Officer*)

2.2 Appointment of Modern Apprentice – Legal Services Division (*Chief Solicitor*)

**3. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

None.

## **FINANCE PORTFOLIO**

Report to Portfolio Holder

12<sup>th</sup> April, 2007



**Report of:** Chief Financial Officer

**Subject:** TREASURY MANAGEMENT ADVICE CONTRACT

---

### SUMMARY

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

- 1.1 To report the results of the Treasury Management advice contract tender.

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

- 2.1 The report informs Members that the preferred tenderer for the provision of Treasury Management advice has been appointed in accordance with the arrangements approved on 22<sup>nd</sup> February, 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 None.

**Meeting of:** Finance Portfolio

**Report of:** Chief Financial Officer

**Subject:** TREASURY MANAGEMENT ADVICE CONTRACT  
ARRANGEMENTS

---

**1. PURPOSE OF REPORT**

- 1.1 To inform the Portfolio Holder of the results of the tender evaluation for appointing a Treasury Management Advisor from 1<sup>st</sup> April, 2007

**2. BACKGROUND**

- 2.1 The current Treasury Management Advice contract expired on 31<sup>st</sup> March, 2007. This is a relatively low value contract but is a strategically important contract because of the significant savings that can be achieved in the Council's interest costs.
- 2.2 Owing to the specialist nature of the service there were only two main suppliers providing these services to local authorities. Approval was therefore given at your meeting on the 22<sup>nd</sup> February, 2007, for the normal contract procedures to be waived
- 2.3 The contract is for an initial twelve month period, with the option for the Council to extend the contract period for a further twenty four months. The initial period of twelve months will enable us to assess the service provided by the successful supplier, pending a decision to enter into a longer term contract.

**3. RESULT OF TENDER EVALUATION**

- 3.1 A detailed evaluation model to assess tenders on the basis of service quality and price. Details of the evaluation model and the points available for each criteria are shown at Appendix A.
- 3.2 The results of the tender evaluation were very close, with tender 'A', scoring a total of 95 points and tender 'B' 89 points.
- 3.3 Tender 'A' contract was marginally higher priced, but gained additional points from non price factors, such as client relationship, where the client manager has fewer clients and can therefore provide a more

dedicated approach. Therefore, the contract has been awarded to tender 'A'.

#### **4. RECOMMENDATIONS**

- 4.1 It is recommended that the Portfolio Holder notes the content of the report.

## Appendix A

**Treasury Management Contract Evaluation Criteria**

<b>Available Score</b>	
<b>5</b>	<p><b>Background</b> Please provide details of your current client base in terms of size of debt and investment portfolios and the number of clients.</p> <p>How many staff are in your organisation?</p> <p>What is the turnover (£) of your organisation?</p> <p>Please provide details of other client Councils in the North East.</p> <p>Provide a brief overview of the qualifications and experience of your team.</p>
<b>15</b>	<p><b>Client Relationship</b> Will you appoint a named client manager for the duration of the initial contract and extension period? Please provide details.</p> <p>What is the average number of clients served by each client manager?</p> <p>How many client visits would you undertake each year?</p> <p>What training/seminars are provided as part of the contract?</p>
<b>10</b>	<p><b>Support/Advice</b> What support is provided in terms of:</p> <ul style="list-style-type: none"> <li>- capital finance regulations and accounting</li> <li>- economic and interest rate outlook</li> <li>- debt management</li> <li>- investment advice</li> <li>- credit rating/counterparty risk</li> </ul>
<b>10</b>	<p><b>Economic Advice</b> What arrangements does your organization have for providing economic analysis and interest rate forecasts.</p>
<b>10</b>	<p><b>Approach</b> How can you help the Council further improve treasury management performance?</p> <p>What are the unique characteristics of your approach compared to your competitors?</p>
<b>10</b>	<p><b>Experience</b> Please provide names, experience and expertise of the full time staff that will work on the contract.</p>
<b>30</b>	<p><b>Annual Fee</b> What is your proposed annual fee for a fixed one year contract with options to extend for a further two years? Please note that this should include the service also provided to Cleveland Fire Authority.</p>
<b>10</b>	<p><b>Presentation</b> Each transfer has provided a detailed presentation to the CFO, ACFO (Corporate Finance) and Principal Accountant in support of their written tender submission.</p>
<b>100</b>	

## **FINANCE PORTFOLIO**

Report to Portfolio Holder

12<sup>th</sup> April, 2007



**Report of:** Chief Solicitor

**Subject:** APPOINTMENT OF MODERN APPRENTICE –  
LEGAL SERVICES DIVISION

---

### **SUMMARY**

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

To inform and seek the approval of the Portfolio Holder as to the appointment of a Modern Apprentice within the Council's Legal Services Division.

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

The Council over a number of years has sought to develop a Modern Apprentice programme and in so doing seeks to develop the skills, knowledge and experience of each individual apprentice in all aspects of business administration in a public sector environment. Owing to a need to provide administrative support to the Council's Legal Services Division, it is felt opportune, to recommend the engagement of a Modern Apprentice, within the Division.

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

The Portfolio Member has responsibility for the service areas and functions of the Council's Legal Services.

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

Non key.

**5. DECISION MAKING ROUTE**

Portfolio Holder meeting on 12<sup>th</sup> April 2007.

**6. DECISION(S) REQUIRED**

Approval for the engagement of a Modern Apprentice on a three year fixed term contract within the Council's Legal Services Division, financed through available reserves.

**Report of:** Chief Solicitor

**Subject:** APPOINTMENT OF MODERN APPRENTICE –  
LEGAL SERVICES DIVISION

---

**1. PURPOSE OF REPORT**

To seek the approval of the Portfolio Holder as to the engagement of a Modern Apprentice within the Council's Legal Services Division on a three year fixed term contract. Additionally, the Portfolio Holder's approval is sought for the remuneration of a Modern Apprentice being made available from the reserves of the Legal Services Division.

**2. BACKGROUND**

The Borough Council for some time has developed and expanded an apprenticeship programme for those aged 16-18 years with an interest in gaining work based experience, whilst working towards an NVQ Level 2/3 qualification in Business Administration. The job description for such a placement, also entails that an apprentice would provide administrative support within their work placement area on a day to day basis. This would also include liaising with customers, external providers of other services and outside bodies, as and when required.

**3. PROPOSALS**

It has been recognised that the Division would benefit from administrative support available through the engagement of a Modern Apprentice, to ensure the effective administration of the Division. There has been an increase in the workload of the Division across all sectors of work (by way of example, Freedom of Information/Data Protection, Regeneration/Development, Employment, Licensing etc.) Indeed, additional functionality has been absorbed within the Council's Legal Services Division without significant changes in the overall structure of the Division. This in turn has generated a need for additional administrative support and it is deemed appropriate that the Division explores the possibility of the engagement of a modern apprentice, in this regard.

Ordinarily, all modern apprentices are appointed on a three year fixed term contract. Additionally, a modern apprentice, would be seeking to achieve qualification at NVQ Level 2 and 3 in Business



Administration. Dialogue has taken place with the Learning Skills Council and Hartlepool College of Further Education in the delivery of this qualification with an option of a Legal Secretariat qualification, as part of the overall Business Administration course programme.

#### 4. BUDGETARY PROVISION

Discussions have taken place with the Council's Finance officers and it is envisaged that such a placement can be financed through the available reserves of the Division's budget. Although the remuneration for a modern apprentice is increased each year in line with the National Pay Award the following salary scales are currently applicable in relation to a Modern Apprentice:

**Year 1** – 50% of Point 4 (National Joint Council from 1<sup>st</sup> April 2006 - £5,596.50)

Note – with effect from 1<sup>st</sup> October, 2006 if an apprentice reaches 19 years in the first year, the salary will increase to £8,584.85

**Year 2** – 65% of Point 5 (National Joint Council from 1<sup>st</sup> April 2006 - £7,445.10)

Note - with effect from 1<sup>st</sup> October, 2006 if an apprentice reaches 18 years in the second year, the salary will increase to £8,584.85

**Year 3** – 70% of Point 6 (National Joint Council from 1<sup>st</sup> April 2006 - £8,133.30)

Note - with effect from 1<sup>st</sup> October, 2006 if an apprentice reaches 22 in the third year, the salary will increase to £10,321.11

Whilst it has been determined that such an appointment can be financed through reserves within the Division's budget, the formal approval of the Portfolio Holder is sought for the payment of salary for this particular position to be financed from reserves.

#### 5. APPOINTMENTS PROCESS

Formal approval as to the appointments of a number of Modern Apprentices throughout the Council by way of advertisement has been sought through the Monitoring of Vacancies Panel at its meeting on the 29<sup>th</sup> March, 2007. It is presently envisaged that an advertisement will be placed in a local newspaper with the facility for "on line" applications via the Council's Website at [www.sector1.net](http://www.sector1.net). The closing date for receipt of applications is envisaged to be Wednesday 9<sup>th</sup> May 2007, with interviews being conducted shortly thereafter.

**6. RECOMMENDATIONS**

1. That the Portfolio Holder approves the appointment on a three year fixed term contract of a Modern Apprentice within the Legal Services Division.
2. That approval be granted for the post of Modern Apprentice to be remunerated through the use of available reserves within the Division's budget.