

## **FINANCE AND EFFICIENCY PORTFOLIO DECISION RECORD**

14<sup>th</sup> March 2008

The meeting commenced at 10.00 a.m. in the Avondale Centre, Hartlepool

### **Present:**

Councillor Robbie Payne (Finance and Efficiency Portfolio Holder)

Officers: Tony Brown, Chief Solicitor  
John Morton, Assistant Chief Financial Officer (Financial Services)  
Keith Lucas, Asset and Property Manager  
David Dockree, Temporary Estates Manager (Maternity Cover)  
Jo Wilson, Democratic Services Officer

### **74. 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 are now considered to be irrecoverable.

#### **Issue(s) for consideration by Portfolio Holder**

The Council's financial procedure rules provided that any debt due to the Council of £1,000 or more may only be written-out with the express permission of the Portfolio Holder. While every effort was made to collect debts due to the Council, certain debts had become irrecoverable and this report sought the Portfolio Holder's agreement to the writing out of Business Rate debts to the value of £9,332.81. Appendices to the report set out the individual Business Rate debts over £1,000 and the reasons why each debt remained unrecovered in relation to limited companies and sole traders/partnerships. Appendix B to the report in relation to sole traders/partnerships were exempt under Schedule 12A of the Local Government Act 1972, paragraph 3, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Decision**

That the write-out of the attached Business Rates accounts be approved for the reasons detailed.

## **75. 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 are now considered to be irrecoverable.

### **Issue(s) for consideration by Portfolio Holder**

The report highlighted the Council Tax accounts with outstanding debts of £1,000 or more and details of reasons for each debt remaining unrecovered. Whilst every effort had been made to collect the debts due to the Council it was deemed that these debts had become irrecoverable and the report sought the Portfolio Holder's agreement to write-out debts totalling £18,296.04. Confidential appendices to the report set out the individual Council Tax debts over £1,000 and the reasons why each debt remained unrecovered in relation to absconded debtors and were exempt under Schedule 12A of the Local Government Act 1972, paragraph 3, namely information relating to the financial or business affairs of any particular person (including the authority holding that information). Officers provided additional information to the Portfolio Holder regarding a particular debtor.

The Portfolio Holder congratulated the Revenues Team for all their efforts in collection and recovery of Council Tax.

### **Decision**

That the write-out of the attached Council Tax accounts be approved for the reasons detailed.

## **76. Energy and Water Management 2008-2009** *(Head of Procurement and Property Services)*

### **Type of decision**

Non-key.

### **Purpose of report**

To inform upon a number of issues relating to Energy and Water Management

### **Issue(s) for consideration by Portfolio Holder**

The Head of Procurement and Property Services reported on a number of Energy and Water Management Issues as follows:

#### **Cost and Consumption**

The costs of Electricity, Gas and water were generally continuing to rise above the level of inflation. The Chief Financial Officer had made appropriate contingency allowances within the Medium Term Financial Strategy 2008/09-2010/11. Consumption continued to fluctuate yearly as affected by seasonal variations, changes in use and make up of property portfolio. A twin pronged approach was taken to mitigate rising costs and meet environmental obligations by cost effective procurement through the North East Purchasing Organisation and endeavours to reduce consumption.

#### **Energy Performance of Buildings**

The EU directive on the Energy Performance of Buildings had originally been timetabled to be introduced in April 2008. However the Government had now determined to delay introduction until October 2008 to allow time for finalisation of certification details and facilitation of adequately developed capacity within the Accreditation process. Two members of Hartlepool Borough Council staff would be trained and accredited as Energy Assessors. The Portfolio Holder asked if these members of staff could be used to deliver the service to other local authorities. The Assets and Property Manager confirmed that there was a possibility of delivering services to other authorities, colleges and emergency services.

#### **Automatic Meter Reading (AMR) or Smart Meters**

AMR is the technology of automatically collecting data from water meter or energy metering devices and transferring that data to a central database for billing and/or analysis. In this way billing could be based on actual consumption rather than estimated consumption, giving customers better usage control. The North East Purchasing Organisation (NEPO) had been leading on an exercise to facilitate the introduction of Automatic Electric Meter Reading in relation to all suitable sites within the region. The take up of this offer was optional and up to individual authorities to determine the level of take up. An annual additional cost of £20,000 would be required although this should be offset by efficiency savings. No specific budget was provided for the annual charge but it was suggested that the cost be acknowledged as a Corporate contingency in 2008/9. It was also suggested that the cost of automatic metering could reasonably be added to each electricity bill in the future, as current bills already reflected a metering charge. Officers advised that should AMR be introduced this would most probably be undertaken on a phased basis. The Portfolio Holder queried this and was advised that 182 sites were eligible and there was concern that officers would not be able to handle all the incoming data immediately.

### **Decision**

That the position with regard to energy and water costs and consumption be noted

That the position with regard to the introduction of the Energy Performance of Buildings be noted

That the introduction of Automatic Electricity Metering be endorsed with funding provision as detailed

## **77. Incentive Scheme to encourage take up of Community Based Benefit Claim Service** *(Chief Financial Officer)*

### **Type of decision**

Non-key.

### **Purpose of report**

To seek approval to introduce a £5 payment to the Mayor's charity for each wireless benefit claim which is completed during the period 1<sup>st</sup> April 2008 and 30<sup>th</sup> June 2008.

### **Issue(s) for consideration by Portfolio Holder**

The Council operates a wireless benefits service allowing a benefits officer to complete an electronic application for housing and council tax benefit in the claimant's home or at a landlord's office. This reduces the number of days it takes to process a benefit claim. The number of claimants using this service has been increasing but there is still resistance by claimants to having an official call at their home. Council initiatives to encourage the take up of Direct Debit, involving a charitable contribution by the Council in recognition of the administration cost savings, had successfully engaged with the public and it was hoped that the same principles could be applied in this case. Therefore it was proposed that a £5 incentive be introduced whereby £5 would be donated to the Mayor's charity for every wireless claim completed between 1<sup>st</sup> April 2008 and 30<sup>th</sup> June 2008. To support the scheme there would be a range of publicity, examples of which were provided for the Portfolio Holder's attention. The Portfolio Holder suggested that in addition Hartlepool United Football Club be approached to help promote the initiative.

### **Decision**

- i. That the introduction of a £5 incentive payment in the form of a payment to charity to each wireless benefit claim completed during the period 1<sup>st</sup> April 2008 and 30<sup>th</sup> June 2008.
- ii. That the payments be divided equally between the Mayor's charity and the Chairman's charity

## **78. Arrangements for the recovery of Housing Benefit Overpayments** *(Chief Financial Officer)*

### **Type of decision**

Non-key.

### **Purpose of report**

To seek approval to increase recovery rates in respect of housing benefit rent allowance overpayment from £3 to £6 weekly for customers receiving Income Support/Job Seekers Allowance from April 2008 and subsequently to £9 weekly from April 2009.

### **Issue(s) for consideration by Portfolio Holder**

Previously the Council had recovered housing benefit overpayments by applying the Department for Work and Pensions (DWP) guideline recovery rates. Using this method comparatively high levels in recovery performance were being achieved. However as part of a number of measures to minimise hardship weekly recovery rates for customers in receipt of Income Support/Job Seekers Allowance were reduced to £3 a week in 2006. The impact of this reduction was to slip Hartlepool's position in terms of overpayment recovery from the top quartile in 2005/6 to Quartile 3 in 2006/7. Recovery of debts was taking significantly longer which increased the risk of failure to collect all of the debt.

DWP guidelines currently allow for deduction from ongoing benefit entitlement at £12 per week for anyone whose overpayment is the result of fraud and £9.15 per week for all other causes. Neighbouring Councils are tending to apply a weekly recovery rate of £9 although reductions were available in some cases. It was proposed therefore that recovery rates for Hartlepool Borough Council overpayments increase to £6 per week from April 2008 for customers in receipt of Income Support/Job Seeker's Allowance and subsequently to £9 per week from April 2009. This would realign Hartlepool's recovery rates with those of neighbouring councils, provide greater consistency for claimants moving between authorities and help address the Council's decline in national comparison tables. Customers would be able to request a reduction dependent on their completion and evaluation of a financial statement detailing full income and expenditure commitments. All cases would be judged on their individual merits and a reasonable compromise reached.

### **Decision**

That the benefit overpayment recovery rate for Income Support/Job Seekers Allowances cases be increased to £6 from April 2008 and £9 from April 2009 subject to policy safeguards.

## **79. Proposed Lease of Premises, Hartfields, Middle Warren, Hartlepool** *(Head of Procurement and Property Services)*

### **Type of decision**

Non-key.

### **Purpose of report**

To obtain Portfolio Holder approval for the Council to take a lease of property at Hartfields, Middle Warren to accommodate the Adult and Community Services Day Centre.

### **Issue(s) for consideration by Portfolio Holder**

The Hartfields Development at Middle Warren is an extra care village for older people consisting of a variety of self contained accommodation with extensive communal facilities designed to enable people to engage in a full and active social life. The Council's Adult and Community Services Department currently occupy premises in Blakelock Gardens and wish to operate in the new centre in partnership with the Blakelock Co-operative. This new day centre would replace the existing Blakelock Gardens day centre with office accommodation to be shared with the PCT in order that intermediate care services using the new facility could be integrated.

All Council departments requiring additional premises are now obliged to provide a "Whole Life Costing Form" to show that all the costs involved have been considered. A copy of this form and details of the financial implications were attached to the report as confidential appendices.

The Portfolio Holder expressed his disappointment that there were no officers from the Adult and Community Services Department available to answer his questions. He queried why this particular establishment had been chosen and was advised that the current building was highly inefficient regarding overheads and it was felt to be a way to take the service out to the community.

### **Decision**

That approval be granted to the Council taking a lease of the premises subject to the terms proposed.

## **80. Retirement of the Chief Solicitor**

The Portfolio Holder referred to the imminent departure of the Chief Solicitor, thanking him for his contributions to the Council over the years and wishing him a long and happy retirement. The Chief Solicitor thanked the Portfolio Holder for his kind comments.

## **81. Local Government (Access to Information) (Variation) Order 2006**

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 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.

Minute 82 “Mobile classroom installation at Manor College.” (Para 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

## **82. Mobile Classroom Installation at Manor College** *(Head of Procurement and Property Services)*

### **Type of decision**

Non-key.

### **Purpose of report**

To request the Portfolio Holder's endorsement of the decision to waive Contract Procedure Rules as an exception in respect of the procurement of a mobile classroom for Manor College.

### **Issue(s) for consideration by Portfolio Holder**

As part of the closure of Brierton School the remaining comprehensive schools would need additional classroom space to accommodate the extra pupils taken during the Building Schools for the Future (BSF) rationalisation programme. During the consultation process Manor College of Technology identified an immediate need for a single mobile classroom, to be installed during the school Easter holidays. Under normal circumstances tenders would be invited in accordance with Contract Procedure Rules. However in this case the tight timescales would not be met if this process was followed.

Details were given of the chosen supplier of the mobile classroom and the cost implications.

### **Decision**

That the decision to waive Contract Procedure Rules be endorsed on this occasion.

**J A BROWN**  
**CHIEF SOLICITOR**

**PUBLICATION DATE: 20<sup>th</sup> March 2008**