

FINANCE AND CORPORATE SERVICES PORTFOLIO DECISION SCHEDULE



Wednesday 18 July 2012

at 3.00 p.m.

in Committee Room C, Civic Centre, Hartlepool

Councillor Paul Thompson, Cabinet Member responsible for Finance and Corporate Services will consider the following items.

1. KEY DECISIONS

No Items

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Review of Local Government Pension Scheme – Discretionary Policy – *Human Resources Business Partner*
- 2.2 Employee Sickness Absence Annual Report 2011/12 – *Human Resources Business Partner*
- 2.3 Rating Recoveries Exercise – *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 Delegated Powers for Minor Property Issues – *Assistant Director (Resources) and Chief Solicitor* (para 3)
- 7.2 Potential Lease of Land at Gladsworthy Close – *Assistant Director (Resources)* (para 3)
- 7.3 Former Brierton Caretaker's Bungalow and Former Craft Block – *Assistant Director (Resources) – Assistant Director (Resources)*

FINANCE & CORPORATE SERVICES PORTFOLIO REPORT



Report of: Human Resources Business Partner

Subject: REVIEW OF LOCAL GOVERNMENT PENSION
SCHEME – DISCRETIONARY POLICY

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

- 2.1 To review and agree the amendments to the Local Government Pension Scheme Discretionary Policy.

3. BACKGROUND

- 3.1 Hartlepool Borough Council has a legal obligation to publish a policy on how it operates its discretions under the Local Government Pension Scheme Regulations.

The policy was last updated in June 2008 and a review has now taken place. The policy amendments have been agreed through the Corporate Management Team Support Group (CMTSG) and with trade unions through Single Table.

The main changes to the policy are identified in the next section.

4. PROPOSED AMENDMENTS

- 4.1 The amended policy is attached at Appendix 1 for information. However the main changes include:
- Removal of reference to outdated transition arrangements from the introduction of the New Look Pension Scheme in 2008
 - Updated references to changes in the eligible retirement age from age 50 to 55 years
 - General changes to improve clarity of information

- There are no amendments that have any financial costs to the Council

5. RECOMMENDATION

- 5.1 That a decision is made to approve the proposed amendments so the policy changes can be implemented.

6. CONTACT OFFICER

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Appendix 1

LOCAL GOVERNMENT PENSION SCHEME**DISCRETIONARY POLICY****GENERAL POLICY STATEMENT**

The Council will ensure it implements its statutory responsibilities in relation to its discretions under the Local Government Pension Scheme Regulations. The decisions made to apply discretion will take into account the Council's public financial accountabilities and the benefits to its employees.

Scope and Purpose

This procedure applies to all employees and ex-employees of the Council and Councillors, but with the exception of teachers in schools.

The associated policy contains the statutory required information regarding how the Council intends to exercise its discretionary powers related to the Local Government Pension Scheme. This demonstrates greater transparency to decision making allowing a consistent approach to all employees.

Contents**Section A**

These are policy discretions from 1 April 2008 in relation to **post 31 March 2008 active members** (excluding councillor members) and **post 31 March 2008 leavers** (excluding councillor members) and post 31 March 2008 leavers for early payment of deferred benefits on ill health grounds

- The LGPS (Administration) Regulations 2008 (Prefix A)
 - The LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) (Prefix B)
 - The LGPS (Transitional Provisions) Regulations 2008 (Prefix T)
 - The LGPS Regulations 1997 (as amended) (Prefix L)
 - The LGPS (Transitional Provisions) Regulations 1997 (as amended) (Prefix OT)
- A1. Employee Contribution Rates (Regulation B3 and T9)
 - A2. Augmented Benefits on Leaving Local Government Employment (Regulation B12) (Old Regulation 52) (Excluding those Eligible for the Teachers' Pension Scheme)
 - A3. Granting Additional Pension (up to £5000) (Regulation B13)
 - A4. Flexible Retirement at or after age 50 (Regulation B18 (1) (Old Reg. 35(1A))
 - A5. Ill health Retirement for Leavers (Regulation B20)
 - A6. Granting early payment of benefits between the ages 55 and 60 - Regulation(B30(2) and B30(5)) (Old Regulation 31(2)&(5)&(7A)) (Excluding those Eligible for the Teachers' Pension Scheme)
 - A7. Leavers for early payment of deferred benefits on ill health grounds (B31)
 - A8. Transferring pension rights into the scheme (Regulation A83(8))
 - A9. Aggregation of Previous Local Government Service Beyond 12 month option period (A16(4)(b)(ii))

Section B

Policies in Relation to the LGPS Regulations 1997 (as amended) in relation to **active councillor members** and **pre 1 April 2008 Scheme Leavers**

- B1. Granting early payment of benefits at age 55 and before age 60 (Regulation 31(2)(5)(7A)) (Excluding those Eligible for the Teachers' Pension Scheme)
- B2. Widower's Pensions (Transitional Regulation 9) (Excluding those Eligible for the Teachers' Pension Scheme)
- B3. Transferring pension rights into the scheme (Regulation 121 (8))

Section C

Policies in relation to discretions under the LGPS Regulations 1995 (as amended) in relation to **pre 1 April 1998 scheme leavers**

- C1. Early payment of deferred benefits on or after age 50 on compassionate grounds

Section D

Policies in Relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

- D1. Suspension of Added Years where the Spouse of an Employee who left the Council prior to 1 April 1998 and the Spouse Remarries or Cohabits after 1 April 1998 (Regulation 21 (7)).
- D2. Reinstatement of Added Years when the spouse of an employee who left the Council prior to 1 April 1998 has remarried or cohabited and such remarriage or cohabitation ceases (Regulation 21 (5)).
- D3. Reducing or Suspending Added Years during any Period of Re-employment in Local Government (Regulation 17(1))
- D4. Reducing Added Years following Cessation of a Period of Re-employment in Local Government (Regulation 19)
- D5. Determining which Children are entitled to Children's Added Years when Children's Pensions are not payable under the Local Government Pension Scheme and how to apportion the Added Years (Regulation 25(2))
- D6. Apportion of Surviving Spouse's annual compensatory years payment where the deceased person is survived by more than one spouse (Regulation 21(4))

Section E

Policies in relation to discretions under the Local Government (Discretionary Payments) Regulations 1996 (as amended)

Section F: Other

- F1. Appeals Made Against any Decisions made under Local Government Pension Scheme Regulations
- F2. Treatment of Late Applications
- F3. Reduction of Pension Benefits Following Fraudulent Activity or Grave Misconduct
- F4. Diversity Impact Assessment

Section A: These are policy discretions from 1 April 2008 in relation to **post 31 March 2008 active members** (excluding councillor members) and **post 31 March 2008 leavers** (excluding councillor members) and post 31 March 2008 leavers for early payment of deferred benefits on ill health grounds

A1. Employee Contribution Rates (Regulation B3 and T9)

The rate of contribution by employees is dependant on their pensionable earnings. Any permanent contractual change to employee's pensionable earnings will automatically be taken into account and will result, where appropriate, in a change of employee contribution banding.

A2. Augmented Benefits for Active Members of the Local Government Pension Scheme (Regulation B12) (Old Regulation 52) (Excluding those Eligible for the Teachers' Pension Scheme)

(i) **Policy statement**

Decisions regarding augmented benefits will be made on the merits of each case considered and Hartlepool Borough Council will only consider the augmentation of pensionable service for employees in exceptional circumstances which, in Hartlepool Borough Council's sole opinion, justify such an award being made and where the Council has the ability to meet the cost of granting such an award, within agreed parameters, for example:

- Awards as an incentive to encourage volunteers for redundancy (under the Discretionary Compensation Regulations 2006)
- Awards on the grounds of compassion
- Long service
- Reducing or negating the effects of early retirement (i.e. actuarially reduced pensions)
- For recruitment benefits

(ii) **Associated matters**

- a) Such alternative funding will be considered only where there is additional benefit to the employee with no significant detriment to the Council or there is additional benefit to the Council.
- b) Where augmentation is agreed the costs will be funded from departmental revenue budgets over a period not exceeding 5 years (as directed by Teesside Pension Fund) unless specific central funds are made available for this purpose.
- c) Each situation will be considered on its merits.
- d) Augmentation of service may be granted to employees under age 50 with all deferred benefits being released at age 55 where volunteers for redundancy were required from employees under age 50 and other packages do not produce sufficient volunteers

Applications for member of the scheme pre-1 April 2008 will be considered from age 50 up to 31 March 2010.
- e) Augmentation of service will only be made whilst the employee is an active member of the scheme
- f) Augmentation of service may be granted regardless of
 - i) the reason for leaving i.e. the reason does not have to be redundancy or efficiency or

- ii) whether the employee is entitled to immediate payment of benefits or
- iii) the age of the employee
- iv) length of service

A3. Granting Additional Pension (up to £5000) (Regulation B13)

Hartlepool Borough Council retains discretion to grant additional pension by up to £5000. Decisions will be made on the merits of each case and would only be agreed in exceptional circumstances where such a decision is deemed to be in best interests of the Council.

A4. Flexible Retirement at or after age 55 (Regulation B18 (1) (3) (Old Reg. 35)

Applications will be approved only where there are operational and financial grounds for doing so. The Council retains discretion to pay all or some of the benefits depending on the individual circumstances and the cost to the Council. The Council will only agree to waive all or part of the actuarial reduction to benefits at its discretion and if there is a clear operational and / or financial advantage to the council. The employing service must also have the ability to fund costs.

A5. Ill health Retirement for Leavers (Regulation B20)

The Council will retain discretion to make the final decision regarding which ill health tier a leaver falls into. This will be after due consideration of essential medical assessments by an independent qualified Occupational Health Practitioner.

A6. Granting early payment of benefits between the ages 55 and 60 - Regulation(B30(2) and B30(5)) (Old Regulation 31(2)&(5)&(7A)) (Excluding those Eligible for the Teachers' Pension Scheme)

The policies applied in B2 will apply for post-1 April 2008 leavers.

A7. Leavers for early payment of deferred benefits on ill health grounds (B31)

The Council will retain discretion to make the final decision. This will be after due consideration of essential medical assessments by an independent qualified Occupational Health Practitioner.

A8. Transferring pension rights into the scheme (Regulation A83(8))

Hartlepool Borough Council will consider applications from employees to transfer pension rights which are not received within 12 months of joining the Local Government Pension Scheme taking into account the individual circumstances.

A9. Aggregation of Previous Local Government Service Beyond 12 month option period (A16(4)(b)(ii))

Hartlepool Borough Council will consider applications from employees to transfer pension rights which are not received within 12 months of joining the Local Government Pension Scheme taking into account the individual circumstances.

Section B: Policies in Relation to the LGPS Regulations 1997 (as amended) in relation to **active councillor members** and **pre 1April 2008 Scheme Leavers**

B1. Granting early payment of benefits at age 55 and before age 60 (Regulation 31(2)(5)(7A)) (Excluding those Eligible for the Teachers' Pension Scheme)

(i) Policy statement

Hartlepool Borough Council will consider applications made under regulation 31 on an individual basis. Decisions will be made on the merits of each case, considered, in the following context:

(a) Applications for payment of deferred benefits

Hartlepool Borough Council will consider all applications for release of payment of deferred pension benefits. The decision will be made where in Hartlepool Borough Council's sole opinion, the special extenuating factors surrounding the application along with the appropriate supporting evidence provided, justify approval. Consideration will also include Hartlepool Borough Council's ability to meet the cost of granting such a request.

(b) Decision to waive actuarial reduction

Hartlepool Borough Council will consider whether to release the pension benefits without a reduction for costs associated with the release (waive the actuarial reduction) where in Hartlepool Borough Council's sole opinion, the special extenuating factors (including compassionate grounds) surrounding the application, along with the appropriate supporting evidence provided, justify approval. Consideration will also include Hartlepool Borough Council's ability to meet the cost of granting such a request.

(ii) Associated matters

- a) In accordance with Audit Commission guidance a framework for identifying the full costs, including enhancements and the strain on the pension fund will be made available to Members when determining this type of application.
- b) Applications will be measured against efficiency criteria identical to those used for early retirements in the interest of the efficiency of the service.
- c) Where the calculated pay-back period is less than 3.05 years the Chief Personnel Officer, with the agreement of the Chief Finance Officer and following consultation with the Chief Executive or relevant Director may determine an early retirement, subject to d) and e) below.
- d) Where the calculated pay-back period is less than 3.05 years and the calculations include 'Other gross annual savings' (i.e. other than Pay gross annual savings), the methodology and calculations should be referred to the Chief Finance Officer for final approval.
- e) The calculated pay-back period must not exceed the period to normal retirement age
- f) In exceptional circumstances the payback criteria, as determined by members, may be relaxed where the decision is made solely on compassionate grounds.
- g) The early payment of pension costs will be funded from departmental revenue budgets over a period not exceeding the period up to the earliest normal retirement date of the applicant.

- h) The actual leaving date will be agreed between the applicant and his/her manager and the termination of employment will therefore be by mutual agreement. Where appropriate, applicants will be required to waive their right to notice or cash in lieu of notice.
- i) All debts owing to the Council will be deducted (by Payroll) from any payments made directly by the Council.

In accordance with current practice the cumulative effect of efficiency retirement decisions will be reported regularly to Members.

B2. Widower's Pensions (Transitional Regulation 9) (Excluding those Eligible for the Teachers' Pension Scheme)

Hartlepool Borough Council deems all married female employees, with service between 1 April 1972 and 6th April 1988, who have not previously elected to purchase widowers' benefits, to have elected to purchase that service and to treat such an election as being paid up in full.

B3. Transferring pension rights into the scheme (Regulation 121 (8))

Hartlepool Borough Council will determine applications from employees to transfer pension rights which are not received within 12 months of joining the Local Government Pension Scheme.

Section C: Policies in relation to discretions under the LGPS Regulations 1995 (as amended) in relation to **pre 1 April 1998 scheme leavers**

C1. Early payment of deferred benefits on or after age 50 on compassionate grounds

Applications under these circumstances will be approved only at the discretion of the Council following the policy applied under Section B2.

Section D: Policies in Relation to the LGPS (Early Termination of Employment (Discretionary Compensation) (England and Wales) Regulations 2000

D1. Suspension of Added Years where the Spouse of an Employee who left the Council prior to 1 April 1998 and the Spouse Remarries or Cohabits after 1 April 1998 (Regulation 21 (7)).

Policy statement

That Hartlepool Borough Council dis-applies the normal suspension rules under regulation 21 (7).

D2. Reinstatement of Added Years when the spouse of an employee who left the Council prior to 1 April 1998 has remarried or cohabited and such remarriage or cohabitation ceases (Regulation 21 (5)).

Policy Statement

This discretion does not apply because this Council has agreed to dis-apply normal suspension rules under regulation 21 (7).

D3. Reducing or Suspending Added Years during any Period of Re-employment in Local Government (Regulation 17(1))

Policy statement

During any period of re-employment in Local Government, any annual compensation (derived from the award of added years) will be reduced by the minimum amount needed to ensure that the aggregate of:

- The annual compensation
- The annual pension from the LGPS
- The annual rate of pay from the new employment, and
- Does not exceed the annual rate of pay from the employment in respect of which the added years were granted, as increased by the Retail Prices Index.

Where reduction cannot achieve this, the annual compensation will be suspended.

D4. Reducing Added Years following Cessation of a Period of Re-employment in Local Government (Regulation 19)

Policy statement

Following the cessation of a period of re-employment in Local Government, any annual compensation (derived from the award of added years) will be reduced by the minimum amount necessary to ensure that if: -

- The period of added years granted in respect of the former employment;

Plus

- The period of membership the person has accrued in the LGPS (or would have accrued had he/she joined the scheme when first eligible to do so) during the period of re-employment in local government (counted at its part-time length, if the person was part-time).

Exceeds

- The period of membership the person would have accrued during the period from the cessation of the former employment until age 65 on the assumption that he/she had continued in the former employment to age 65 (again counted at its part-time length if the person was part-time at the date of cessation of the former employment).

Then

- The annual pension and lump sum from the first job combined with the annual pension and lump sum from the second job (based on the assumption that the employee joined the LGPS when first eligible to do so), plus the annual compensation and lump sum compensation, should not in aggregate exceed the pension and lump sum the person would have achieved if he/she had remained in the first job through to age 65.

Where there is an excess, the annual compensation will be reduced by the excess pension, and the resulting reduced basic annual compensation will be suspended until the excess lump sum is recovered.

Pensionable pay will be calculated by using the pensionable pay used to determine the pension benefits in the first job as increased with inflation.

- D5. Determining which Children are entitled to Children's Added Years when Children's Pensions are not Payable under the Local Government Pension Scheme and how to apportion the Added Years (Regulation 25(2))

Policy statement

Unless there are extenuating circumstances, Hartlepool Borough Council will: -

- (i) Pay the children's pension to the surviving spouse or legal guardian; and
- (ii) Divide the total children's pension payable by the number of eligible children. When a child is no longer entitled to a pension the sum payable to the remaining children will be increased proportionately.

Each case will be determined on its merits where extenuating circumstances apply.

- D6. Apportion of Surviving Spouse's annual compensatory years payment where the deceased person is survived by more than one spouse (Regulation 21(4))

The Council will look at each case on its merits when determining how to apportion any surviving spouses annual compensation (derived from the award of added years) where the deceased person is survived by more than one spouse.

Each case will be determined on its merits where extenuating circumstances apply.

Section E: Policies in relation to discretions under the Local Government (Discretionary Payments) Regulations 1996 (as amended)

The current policy is that the Council do not pay injury allowances.

Section F: Other

- F1. Appeals Made Against any Decisions made under Local Government Pension Scheme Regulations

Employees have the right to appeal against any decisions made under the Local Government Pension Scheme Regulations using the Internal Dispute Resolution Procedure (IRDP) (Teesside Pension Fund Employers Guide attached at HRPP/029-G1)

Appeals will be determined by the Organisational Development Manager. Where the Organisational Development Manager has previous involvement in the case or in his/her absence the Chief Personnel Officer or delegate representative will deputise.

- F2. Treatment of Late Applications

Hartlepool Borough Council will accept applications at any time to pay additional contributions for periods of absence and for conversion of scheme additional contributions into additional membership.

- F3. Reduction of Pension Benefits Following Fraudulent Activity or Grave Misconduct

Members will make decisions based on the merits of each case providing the financial loss sustained is substantial, has occurred as a result of fraudulent activity or grave misconduct and is not recoverable by any other means.

F4. Diversity Impact Assessment

The results of the Diversity Impact Assessment undertaken in respect of this policy and procedure can be requested from the Human Resources Division.

Documentation

HRPP/029-G1

Internal Dispute Resolution Procedure - Teesside Pension Fund
Employers Guide

FINANCE & CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder
18th July 2012



Report of: Human Resources Business Partner

Subject: EMPLOYEE SICKNESS ABSENCE
ANNUAL REPORT 2011/12

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

- 2.1 To update the portfolio holder on the Council's performance in 2011/12 in relation to employee sickness absence, future targets and to receive endorsement of actions proposed to achieve the targets.

3. BACKGROUND

- 3.1 The extent to which employees are absent from work due to illness has a direct impact on the quality, level and cost of the provision of services. As such the Council have included this as a Local Performance Indicator (HRPI 5A) – The number of working days/shifts lost due to sickness absence in its group of Corporate Health Performance Indicators.

4. SICKNESS ABSENCE PERFORMANCE INFORMATION 2011/12

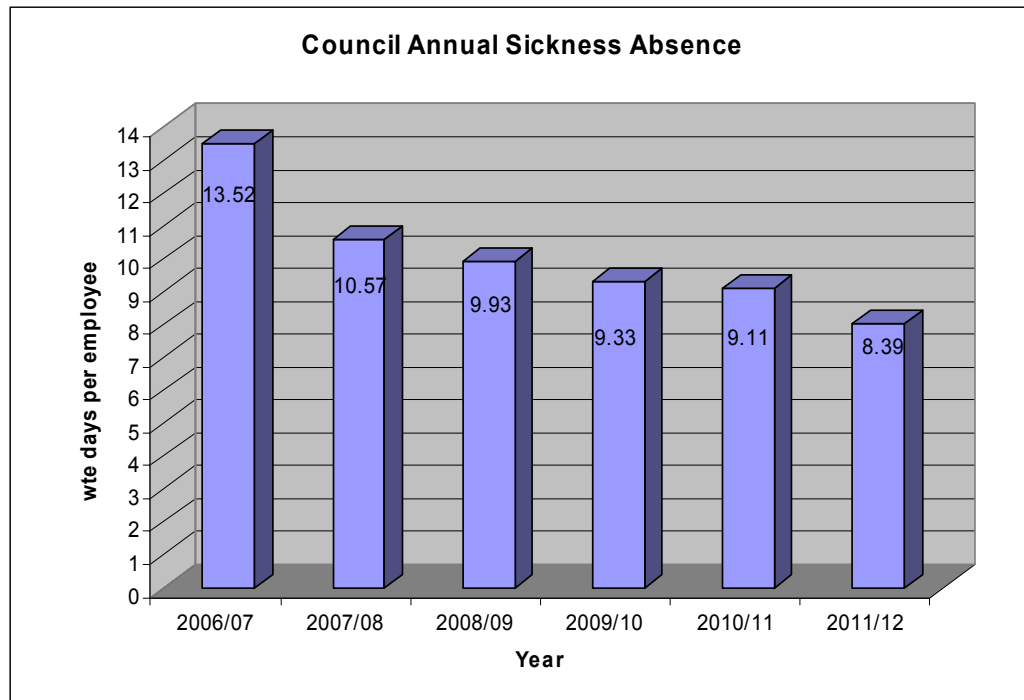
4.1 Sickness Absence Performance 2011/12

The target figure for 2011/12 for the Council was 8.80 wte days absence per wte employee (whole time equivalent). The end of year figure shows an improved figure of 8.39 days per wte per employee per annum as illustrated in Figure 1 below.

This shows a continued reduction in levels of sickness absence rates for the fifth year running. The Council continues to focus on sickness

absence management to drive these figures down further. This commitment is demonstrated in the more challenging target figures shown in a later section.

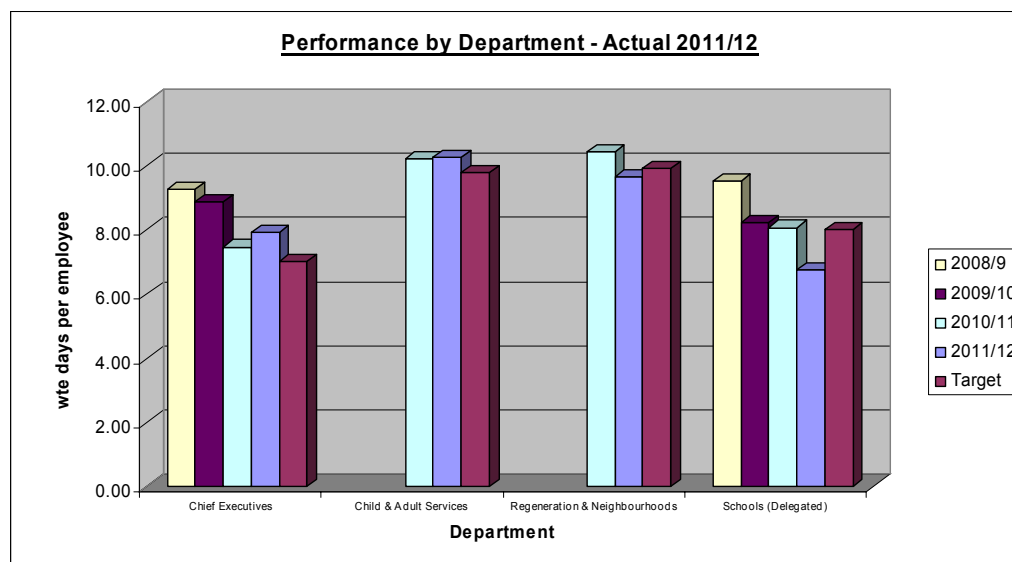
Figure 1



4.2 Figure 2 below illustrates the actual performance for each Department and Schools as at 31 March 2012. This can be compared to performance over the last three years in Chief Executives and Schools. However due to corporate restructuring, Regeneration & Neighbourhoods and Child & Adults Services Departments show that last two years data. The final column shows the 2011/12 annual target set by each Department and Schools.

The figure identifies that there is a continued overall downward trend in sickness absence rates in Schools and Regeneration & Neighbourhoods. There has been an increase in rates in both Chief Executives and Child & Adult Services due to the number of long terms ill health cases in these departments during the 12 month period. However, overall the Council has achieved a significant overall reduction in annual sickness rates from 9.11 to 8.39 wte.

Figure 2



- 4.3 The last employee sickness absence survey undertaken by Local Government Employers in 2009 highlights the average wte days per employee per annum lost due to sickness absence for Authorities (England & Wales) as 9.2 wte.

The Corporate Institute of Personnel & Development in their annual survey in 2011 report the average sickness rate at 7.7 days per employee across all sectors. The public sector sickness averages are still the highest at 9.1 days per employee, but with a closer gap of other sectors where rates have been increasing in certain areas. The not-for-profit sector averages at 8.9 and the private services sector average is 7.1.

Sickness absence figures for 2010/11 from neighbouring Local Authorities in the Tees Valley are as follows:

| | |
|---------------|----------|
| Redcar | 7.07 wte |
| Stockton | 7.25 wte |
| Middlesbrough | 8.11 wte |
| Darlington | 8.32 wte |
| Hartlepool | 8.39 wte |

- 4.4 According to the LGA survey in 2009, relating to local government sickness absence there has been no change to the recent trends for the causes of absence for both long and short term sickness. The most important single cause of absence was stress, depression, anxiety, mental health and fatigue (18.4%); the other major causes are infections (13.6%); musculo skeletal problems (excluding back)

13.5%; back and neck (7.3%); kidney, stomach and liver problems (8.3%).

The CIPD Absence Survey 2011 identifies that for short term sickness, the main cause is minor illnesses. For long term sickness absence is cited the main cause as stress, acute medical conditions (such as stroke, heart attacks, cancer), musculoskeletal injuries, mental ill health and back pain.

The reasons for absence in Hartlepool Borough Council have not been collated for 2009/10 due to a redirection of resources to the business transformation programme priorities but there is no reason to suggest we deviate from the national averages. The new Human Resource Information System, Sickness Absence module is being implemented in 2011 which will lead to an improved availability to data for reporting.

The HSE has identified that in a large workforce with a significant number of female and older employees then a higher level of absence can result. When corrections were made to account for this demographic then the public and private sector sickness absence rate differences were much smaller than publicised. Also the public sector has a much higher level of organisational change and use of call centres which traditionally see higher rates of sickness absence.

Hartlepool Borough Council recognises the LGA survey findings that identify there are many causes to higher levels of sickness absence in addition to genuine sickness. Many absences are a direct result of staff protests against organisational and cultural problems and actions needed should target solutions to minimise these.

4.5 Long, Medium and Short Term Sickness Absence

| | |
|-------------|----------------|
| Long term | = 20 days plus |
| Medium term | = 5 to 20 days |
| Short term | = under 5 days |

Figure 4

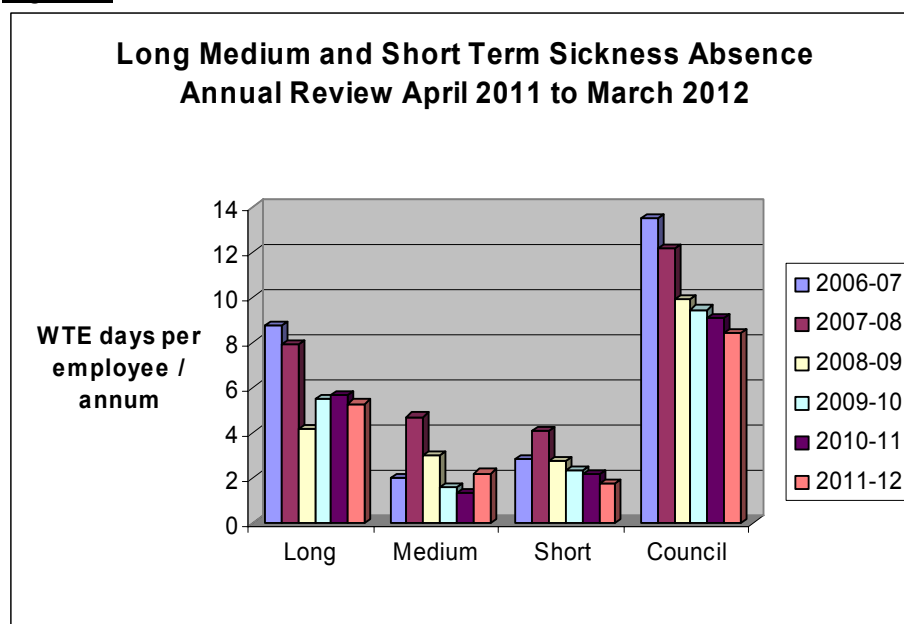


Figure 4 shows a breakdown of long, medium or short terms sickness absence for the past 5 years up to March 2011. The final column shows the impact this had on the overall Council sickness absence figure.

In 2011 there continues to be a decline in medium and short term sickness absence which accounts for the overall downward trend in the decrease for the Council. The 2008/09 sharp decrease in long term cases can be offset by the increase in medium terms cases which shows as a slight anomaly to the overall trend caused by a fluctuation of long and medium terms cases within Schools. The long term cases have increased and this is likely a result of the effect of the Council's redundancy programme on cases and resource diverted away from sickness absence management.

Overall this shows a year on year improvement in the management of sickness absence for the Council to date.

4.6 2010/11 to 2011/12 Sickness Absence Targets

Each Department has set their average sickness absence targets for 20011-12 as detailed in Table 1 below. The first two columns show the target and actual sickness for 2010/11 and the final column shows the proposed targets for 20011/12.

Table 1

| Department | 2011/12 Target (days) | 2011/12 Actual | 2012/13 Proposed Target |
|--|--------------------------------------|---------------------------|--|
| Chief Executive's | 7.0 | 7.92 | 6.5 |
| Child & Adult Services | 9.8 | 10.28 | 9.0 |
| Regeneration & Neighbourhoods | 9.9 | 9.64 | 9.2 |
| Schools | 8.0 | 6.76 | 6.5 |
| Overall Council | 8.8 | 8.39 | 7.7 |

The target set for 2012/13 is based upon individual targets set by departments and for schools. The 2011/12 target, if achieved, will represent a realistic and good improvement in sickness absence performance management for a 12 month period.

4.7 Actions Planned for 2012/13

A number of actions are ongoing for 2012/13 and they are expected to help in achieving sickness targets in the future. These are set out below together with a some new measures.

Policy Actions

- Continued review of the Council's Wellbeing Strategy to promote the health, safety and general wellbeing of the Council's employees. The Council continues to be very active for the healthy workforce from fast track physiotherapy, wellbeing sessions, weight management groups, non-smoking groups, health checks, and the introduction of the cycle salary sacrifice scheme
- Continue to proactively promote and market Occupational Health Services and employee support initiatives to positively increase the options for employees who fall ill and in turn, impact on the sickness absence rates
- Ongoing development of the Council's commitment to managing stress at work as part of a wider Mental Health strategy across the Council
- Continuous review of the Council's sickness absence policy and management arrangements
- Explore withholding or deducting an employee's annual pay spine increments for poor sickness absence records

- Review and development of statistics and monitoring information as a result of the plans for the implementation of a computerised Human Resources Information System (Resource Link)
- Continue to promote flexible working measures, including home working, may impact on the rates in the future
- Maintain the close partnership with trade unions to work together to manage sickness absence in the Council

Departmental Actions / HR Business Team Actions

- Continued attendance of HR Business Officers to senior departmental and management team meetings updating them of sickness cases and management performance for sickness absence management
- Monitoring of sickness at lower trigger points of 3 sickness occasions / 10th day of sickness in previous 12 months
- Continued provision of absence management tool kit for line managers
- Continued provision of Sickness Absence Management training for all managers developed and facilitated by the HR Business Team
- Focus on early intervention home visits for those employees likely to be suffering from medium / longer term illness to ensure contact is made at the earliest opportunity to discuss a return to work plan or referrals triggered where appropriate
- Director / Assistant Director reinforcement of key messages to managers and employees for effective sickness absence management of cases and the need for early notification to HR Business Teams of potential long term sickness cases

5. RECOMMENDATIONS

It is recommended that the Performance Portfolio Holder notes the information in relation to employee absence in 2011/12 and approves the proposal for future targets and proposed actions for 2012/13.

6. CONTACT OFFICER

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FINANCE AND CORPORATE SERVICES PORTFOLIO

Report To Portfolio Holder

18th July 2012



Report of: Assistant Director (Resources)

Subject: RATING RECOVERIES EXERCISE

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key decision.

2. PURPOSE OF REPORT

- 2.1 To seek approval for the appointment of external experts to recover business rates potentially overpaid by the Council.

3. BACKGROUND

- 3.1 The Council's total annual business rates bill is in the order of £1.6m per annum and relates to over 60 properties and 24 schools.
- 3.2 In late 2009, Sanderson Weatherall Chartered Surveyors were appointed by the Council to act as its rating agent. They reviewed the rating valuation assessments on all properties occupied by the Council and have made appeals where appropriate in relation to both the 2005 Rating List (which ran from 1.4.05 to 31.3.10) and the current 2010 List (which runs until 31.3.15). Substantial one-off and ongoing savings have been made which contributed to Business Transformation Savings.
- 3.3 In addition to ensuring that the correct rating valuation assessments are achieved it is essential to ensure that the Council has paid the correct amount through the ongoing billing process. Rates bills are complex as they are calculated taking into account matters such as effective dates, rateable value changes, reliefs, interest on refunds etc. As such errors are relatively common and the over charged amounts can be considerable.

- 3.4 The identification of over charged amounts and the potential to claim unclaimed reliefs and other refund opportunities is a highly specialised area of work, and is separate to the rating appeal work which Sanderson Weatherall are carrying out for the Council.
- 3.5 The Council has been approached by one of the country's leading firms of rates recovery and audit specialists, Goodman Nash Chartered Surveyors. They have already identified rates which may have been subject to overpayment by the Council. Even after payment of their fees, this clearly could contribute a receipt to the Council's budget, and a full audit of our rates accounts may reveal further refunds due.
- 3.6 Goodman Nash were established in 1994 and in 1999 won a major court case at the Court of Appeal resulting in refunds of around £30m across 18,000 properties. Since then they have identified a further £110m plus. Their clients include large retailers such as Tesco, Asda and John Lewis, many small and medium sized businesses and in the public sector NHS Trusts and numerous local authorities including Stockton Borough Council, Cumbria County Council, Middlesbrough and Newcastle.
- 3.7 Goodman Nash operate on a success fee basis, and only request payment following actual recovery of funds. The fee basis which has been negotiated with them would be based on a percentage of the recoveries made. This is a competitive fee quote, and it is envisaged that costs to the Council would be under the tendering threshold of £60,000 as defined in the Contract Procedure Rules.

4. PROPOSALS

- 4.1 Rather than pursue another two quotations as per the Contract Procedure Rules in what is a very specialist field it is proposed to appoint Goodman Nash to carry out a full rates audit and recovery programme over a period of no more than 2 years.
- 4.2 This course of action is considered to be competitive and will provide value for money for the Council.

5. FINANCIAL AND RISK CONSIDERATIONS

- 5.1 As discussed above, Goodman Nash work on a success fee basis and fees are only due once recoveries are actually made therefore the exercise does not carry risk. As also discussed above, potential refunds have already been identified by Goodman Nash and therefore the exercise is expected to produce income that will contribute to the budget process going forward.

- 5.2 A strategy for using one-off refunds will need to be developed as part of the overall Medium Term Financial Strategy, which will address a range of significant financial risks facing the Council.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Portfolio Holder approves the appointment of Goodman Nash to carry out the rates audit and recovery.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The appointment should result in receipts with no risk to the Council.

8. BACKGROUND PAPERS

- 8.1 There are no background papers.

9. CONTACT OFFICER

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