

FINANCE AND CORPORATE SERVICES PORTFOLIO DECISION SCHEDULE



Wednesday 27 March 2013

at 4.00 pm

in Committee Room B, 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 Irrecoverable Debts – Housing Benefit Overpayments – *Chief Finance Officer*

2.2 Council Apprenticeship Arrangements – *Organisational Development Manager*

2.3 Approval for Compulsory Redundancies – *HR Business Partners*

2.4 Irrecoverable Debts – National Non Domestic Rates (Business Rates) – *Chief Finance Officer*

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 Approval for Compulsory Redundancies – *HR Business Partners (para 4)*



FINANCE AND CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder
27 March 2013



Report of: Chief Finance Officer

Subject: IRRECOVERABLE DEBTS – HOUSING
BENEFIT OVERPAYMENTS

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision

2. PURPOSE OF REPORT

- 2.1 To seek the Portfolio Holder's approval to write-out a number of Housing Benefit Overpayments, which are now considered to be irrecoverable.

3. BACKGROUND

- 3.1 The Council's financial procedure rules provide that any debt due to the Council of £1000 or more can only be written-out with the express permission of the Portfolio Holder.
- 3.2 Overpayments of housing benefit are typically, given the financial circumstances of claimants often difficult to recover. Where an overpayment has occurred and the individual continues to be in receipt of benefit, a weekly deduction is made from their ongoing benefit entitlement at source to repay the debt. In these cases the Council applies the Department for Work and Pensions advised weekly recovery rates. These rates are £17.75 per week for overpayments occurring because of fraudulent actions by the claimant (where the council has proven during investigation, claimant knowledge of the benefits system and intent to defraud) and £10.65 per week for non fraud cases. Recovering such debt by applying these rates can take a number of years which adds to the risk of ultimate non collection.
- 3.3. Where claimants are no longer in receipt of benefit an invoice is raised for the overpayment debt. In some instances it is possible to secure

recovery relatively quickly eg. the individual can use previously undedared capital or occupational pensions. However, in other situations it is often necessary to agree a repayment plan with the debtor to recover the debt on a reasonable basis to avoid hardship.

- 3.4. Whilst every effort is made to collect benefit overpayment debts, certain debts become irrecoverable and this report seeks the Portfolio Holder's agreement for their write out. All debts submitted for write out have been scrutinised by officers and are recommended for write out for the reasons outlined in paragraph 4.2. However further monitoring and recovery work will continue where possible and individual debts will be reinstated if payment is eventually received or further developments indicate a debt to later become recoverable.

4. FINANCIAL IMPLICATIONS

- 4.1 The council as part of its financial accounts preparation undertakes analysis and sets aside a provision for potential non collection of benefit overpayments. The amounts identified for write out in this report can be accommodated within the assessed provision.
- 4.2. The exempt appendices attached to this report detail the individual Benefit Overpayments over £1000, and the reasons why each overpayment is considered unrecoverable:

These items contain exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para3) information relating to the financial or business affairs of any particular person including the authority holding that information).

Appendix A – Absconded Debtor
Appendix B – Individuals deceased and no estate
Appendix C – Miscellaneous
Appendix D – Bankruptcy order

All debts submitted for write-out from the accounting records have been comprehensively scrutinised by officers.

5. RECOMMENDATION

- 5.1. That the Portfolio Holder agrees to write-out debts to the value of £38,862.15.

6. REASONS FOR RECOMMENDATION

- 6.1 To ensure the appropriate accounting treatment of debtors within the council's financial systems.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 7.1 None. All appendices are exempt items.

8. BACKGROUND PAPERS

- 8.1. No background papers.

9. CONTACT OFFICER

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FINANCE AND CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder
27 March 2013



Report of: Organisational Development Manager

Subject: COUNCIL APPRENTICESHIP ARRANGEMENTS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non Key Decision

2. PURPOSE OF REPORT

2.1 To obtain the Portfolio Holder's approval to continue with the Apprenticeship Partnership arrangement with Hartlepool College of Further Education for the recruitment and placement of new apprentices in future years.

3. BACKGROUND

3.1 As a consequence of the budget reductions in 2011/12, the capacity of the Council to recruit and manage directly employed apprentices reduced significantly, resulting in alternative delivery methods being explored.

3.2 On the 29th July 2011 the previous Portfolio Holders for Regeneration & Economic Development and Performance agreed to a single year partnership arrangement between Hartlepool Borough Council and Hartlepool College of Further Education for the College to become a managing training agent for new Council apprentices.

3.3 On the 10th February 2012 the joint Portfolio Holders for Regeneration & Economic Development and Performance approved to the continuation of the above arrangements for a further year.

3.4 Under the partnership arrangement Hartlepool College of Further Education act as a managing training agent and employs the new apprentices and places them within the Council. The Council pays the college for the new apprentice's services. This has resulted in significant salary saving for the Council as detailed in Table 1 below.

Table 1

Apprentice	Minimum HBC Apprentice salary	HCFE Apprentice salary
Aged 16 – 18 (year 1)	12,312	5,098
Aged 19 - 20 (year 2)	12,787	9,582
Aged 21 + (year 2)	12,787	11,698

3.5 Prior to the Apprenticeship Partnership arrangement apprentice posts were graded in accordance with Council's Pay and Grading Structure agreed as part of the Single Status Agreement as part of the Councils strategy to minimise/eliminate equal pay risks and in light of guidance provided by the Local Government Employers (LGE).

3.6 The table below provides a summary of the number of apprentices placed across the Authority under the partnership arrangement with HCFE.

Table 2

Apprenticeship Framework	2011	2012
Business Administration	18	10
Customer Service	1	3
Engineering	1	1
Electrical		2
Bricklayer		1
Heating Engineer		1
Mechanical Fitter	1	2
Building Control	1	
Housing Services		1
TOTAL	22	21

3.7 In addition to apprentices who are specifically recruited to undertake an apprenticeship, there is also provision for existing employees to demonstrate their competence and have it accredited via an NVQ and/or apprenticeship. Adult Education is the preferred provider in these circumstances and is currently delivering a number of programmes across the Authority.

4. PROGRESS OF PARTNERSHIP ARRANGMENTS TO DATE

- 4.1 To effectively implement the partnership arrangement, an SLA has been developed and signed which details the key roles and responsibilities of all stakeholders.
- 4.2 The Apprenticeship Working Group led by the Corporate OD Team and comprising Departmental workforce development representatives is responsible for the day to day management of the SLA which includes:
- Identifying Departmental apprenticeship requirements
 - Supporting the recruitment process
 - Monitoring apprentice progress against qualification
 - Managing performance
 - Acting as conduit between the Council and HCFE to report performance related issues
 - Exploring options for increasing apprenticeship opportunities
 - Any issues relating to individual apprentice performance issues whilst placed with their Department
 - Attending term time review meetings
- 4.3 Overall the partnership arrangement appears to be working well and since its introduction 18 months ago a significant amount of work has been undertaken to develop and embed new procedures.
- 4.4 Some of the key benefits include a substantial reduction in apprentice salary costs, which in some areas has resulted in an increase in the number of apprenticeships offered by the Authority or alternatively the savings have been offered up as part of Departmental savings programmes.
- 4.5 There has also been a reduction in Officer time required for participation in the annual apprenticeship recruitment process and managing the probation period as HCFE undertake the majority of this work.
- 4.6 HCFE has provided free 'mentoring your apprentice' training for supervisors/line managers to help them support apprentices in the workplace.
- 4.7 Further benefits are also expected to be achieved through the alignment of HCFE and HBC employment policies and procedures. This work is currently underway.
- 4.8 Hartlepool College of Further Education is the largest provider of apprenticeships within the town therefore, the risk of them of being unable to deliver the partnership arrangement in the future is minimal.

- 4.9 On this basis it would be advantageous to HBC if the partnership arrangement was to continue in future years.

5. RECOMMENDATIONS

- 5.1 The Portfolio Holder to agree to the continuation of the Apprenticeship Partnership arrangement with the College of Further Education for the recruitment and placement of apprentices in future years.

6. REASONS FOR RECOMMENDATIONS

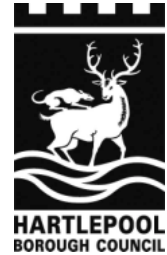
- 6.1 The continuation of the partnership arrangement will result in further savings in respect of salary costs and officer time.

7. CONTACT OFFICER

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FINANCE AND CORPORATE SERVICES PORTFOLIO

Report To Portfolio Holder
27th March 2013



Report of: HR Business Partners

Subject: APPROVAL FOR COMPULSORY REDUNDANCIES

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key decision.

2. PURPOSE OF REPORT

2.1 To seek a decision regarding the future employment of employees who are affected by budget proposals under consideration for 2013/14. Employees in all three departments of the Council are affected and they are identified on the attached exempt schedule at **Appendix A. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (paragraph 2) information which is likely to reveal the identity of an individual).**

3. BACKGROUND

3.1 The Council faces significant budget pressures. In December, Cabinet considered and agreed a report setting out a Medium Term Financial Strategy (MTFS) for the Council and proposals for achieving savings in 2013/14.

3.2 The proposals identified savings across all three Departments of the Council and across a wide range of services.

4. PROPOSALS

4.1 The MTFS report that Cabinet considered in December indicated that employees would be affected by the savings proposals. Formal consultations have been undertaken with the recognised Trade Unions. As part of the consultations with the Trade Unions arrangements for consulting and implementing staffing changes, timescales and arrangements for addressing issues, as they arise, were discussed and agreed. The

procedure followed the Council's Reorganisation, Redundancy and Redeployment Policy.

4.2 Employees identified as potentially affected by the proposals have been formally consulted in accordance with the agreed procedure. Feedback from the consultation exercise was considered by Departmental Management Team meetings by early February 2013. At the meetings staff were identified as follows; those:

- Who are no longer at risk;
- Who wish to volunteer for redundancy, some with release of pension benefits where appropriate;
- Who are in a compulsory redundancy situation;
- Who are part of a pool where redundancy selection criteria will be applied by a Panel which may lead to one or more staff being identified for compulsory redundancy.
- Who are part of recruitment ring-fenced arrangements.

4.3 This report is to consider those employees who have been identified as being in a compulsory redundancy situation.

4.4 Notice of redundancy is scheduled to be given to employees following Finance & Corporate Services Portfolio Holder approval. During the notice period, all individuals will continue to be registered under the Compulsory Redundancy Redeployment Procedure and the Council will seek alternative employment. If this is successful then the redundancy notice will be retracted. A Redundancy Support Programme has been implemented to provide specialist advice to support those employees at risk. There is flexibility to extend notice periods up to 31 March 2013 for employees if redeployment opportunities have not been fully exhausted.

4.5 Any outstanding appeals, where possible, will be heard prior to an employee leaving.

5. EMPLOYMENT DETAILS AND COSTS

5.1 The employees, their posts and redundancy costs are listed on the exempt spreadsheet (**Appendix A**).

All estimates are calculated on a leave date of 31 March 2013, but are adjusted for contractual notice periods.

6. RISKS

6.1 It should be noted that with any dismissal there is always a risk of an unfair dismissal claim to an Employment Tribunal. An assessment of the processes applied and the impact on individuals has been made and

identified that a full and equitable process has been followed to date and will continue to be applied.

- 6.2 If notice to terminate the employment contract was delayed and the employee continued to be employed in a supernumerary capacity, where there is no funding for the post, the Council would incur additional cost. No funding has been identified by the Council to support this option. It would also not be part of the Council's normal redeployment procedure.

7. RECOMMENDATION

- 7.1 That the Portfolio Holder Member makes a decision regarding the future employment of those staff identified in the exempt **Appendix A**.

8. BACKGROUND PAPERS

Policy for Managing Re-organisation, Redeployment and Redundancy

9. CONTACT OFFICER

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FINANCE AND CORPORATE SERVICES PORTFOLIO

Report to Portfolio Holder
27 March 2013



Report of: Chief Finance Officer

Subject: IRRECOVERABLE DEBTS – NATIONAL NON
DOMESTIC RATES (BUSINESS RATES)

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision

2. PURPOSE OF REPORT

- 2.1 To seek the Portfolio Holder's approval to write-out a number of National Non Domestic Rates (NNDR), which are now considered to be irrecoverable.

3. BACKGROUND

- 3.1 The Council's financial procedure rules provide that any debt due to the Council of £1000 or more can only be written-out with the express permission of the Portfolio Holder.
- 3.2 The council currently bills and collects on behalf of central government for a national business rates pool about £29million of business rates each year. This system will change on 1st April under the Localisation of Business Rates framework.
- 3.3 The Council's performance in collection of NNDR is positive with 98% of NNDR being collected within the financial year it is billed. After 5 years in excess of 99.5% of NNDR due will have been collected. Whilst every effort is made to collect these sums due for which the council is responsible for collecting, certain debts become irrecoverable, and this report seeks the Portfolio Holder's agreement for their write-out.
- 3.4 Some of the write-outs included in the attached schedules are debts relating to businesses that have gone into liquidation. In these cases the Council's options to recover the outstanding debt are limited to submitting a claim in insolvency proceedings. As the Council is rarely successful in

recovering the debt via these proceedings, the debt is written out of the accounting system in the first instance, with the proviso that the debt will be reinstated on the system if a payment is subsequently received.

4. FINANCIAL IMPLICATIONS

- 4.1 Any NNDR / business rates debts assessed as irrecoverable are currently written out against the business rate yield for the central government national business rates pool and therefore have no direct impact on local council taxpayers. These arrangements will change on 1st April with the introduction of localisation of business rates as part of the Local Government Finance Act 2012. In preparation for these changes, a comprehensive review has been undertaken across all business rates accounts to identify any debts that are considered irrecoverable, which relate to the period of the national pooling arrangements and should therefore be accounted for within those pooling arrangements.
- 4.2 The appendices attached to this report detail the individual business rates debts over £1000, and the reasons why each debt remains unrecovered:

Appendix A – Limited companies in Liquidation / Administration

Appendix B – Sole Traders / Partnerships Bankrupt*

Appendix C – Sole Trader Miscellaneous*

Appendix D – Limited companies Miscellaneous

Appendices B and C contain exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para3), information relating to the financial or business affairs of any particular person (including the authority holding that information)

All debts submitted for write-out from the accounting records have been comprehensively scrutinised by officers.

5. RECOMMENDATION

- 5.1 That the Portfolio Holder agrees to write-out irrecoverable National Non Domestic Rates debts to the value of £432,248.53.

6. REASONS FOR RECOMMENDATION

- 6.1 To ensure the appropriate accounting treatment of debtors within the council's financial systems.

7. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

7.1 Attached except Appendices B and C which are exempt items.

8 BACKGROUND PAPERS

8.1 No background papers.

9. CONTACT OFFICER

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Limited Company - Over £1000**In Liquidation / In Administration****APPENDIX A**

Account Ref	Name	Address	Total Due	Paid	BALANCE	From	To	Reason for write off
9050272118	Nb Mason (Amusements) Ltd	114 York Road	£12,204.22	£4,380.13	£7,824.09	01/04/08	02/11/09	Liquidation
9050299377	Geronimo Cage & Chassis Ltd	Lock Up No 5 at Unit 2a-2b Cromwell Street Depot	£1,197.20	£171.52	£1,025.68	01/04/09	25/03/11	Liquidation
9050286941	Properties M/C Ltd	69 York Road	£2,235.90	£0.00	£2,235.90	09/05/07	31/03/09	Liquidation
9050311423	Truck Sales Direct Ltd	6c Ullswater Road	£2,217.61	£0.00	£2,217.61	25/03/10	31/03/11	Company Dissolved
9050291848	Lesley Jane Ltd	16 Victoria Road	£2,555.35	£1,053.25	£1,502.10	01/04/10	19/09/10	CVA
9050319173	Revolution Leisure Ltd	Kals Winebar, 25-26 Church Street	£3,538.05	£0.00	£3,538.05	27/04/11	10/10/12	Liquidation
9050301738	Wynyard Leisure Ltd	8-10 Victoria Road	£62,069.32	£6,672.42	£55,396.90	01/04/10	07/05/12	Liquidation
905030172X	Wynyard Leisure Ltd	Sky Lounge, Avenue Road	£20,396.50	£5,835.67	£14,560.83	28/04/09	07/05/12	Liquidation
9050314643	Wynyard Leisure Ltd	16 Church Street	£10,280.19	£140.65	£10,139.54	05/06/09	02/05/11	Liquidation
9050330398	Wynyard Leisure Ltd	Depot, Mainsforth Terrace	£49,290.55	£0.00	£49,290.55	29/05/09	08/05/12	Liquidation
9050330371	Wynyard Leisure Ltd	Club Attitude	£2,499.55	£0.00	£2,499.55	29/05/09	08/05/12	Liquidation
9050330355	Wynyard Leisure Ltd	Longscar Centre	£6,136.85	£0.00	£6,136.85	24/07/09	08/05/12	Liquidation
9050283470	AEP Logistics Ltd	Unit 21 Prospect Way	£8,872.93	£0.00	£8,872.93	01/04/10	06/01/11	Liquidation
9050256724	Tyne Tubes Services Ltd	104/105 Graythorp Ind Est	£17,272.51	£11,131.72	£6,140.79	01/04/05	07/03/06	Liquidation
9050128122	Rosebys Ltd	106/107 Middleton Grange	£2,822.76	£0.00	£2,822.76	01/04/08	24/09/08	Liquidation
9050254519	7-Sigma Ltd	White House, Church Square	£2,682.82	£0.00	£2,682.82	17/06/02	02/04/03	Liquidation
9050278736	Williamson Motors Ltd	Brenda Road	£30,368.13	£19,192.41	£11,175.72	12/04/06	17/09/06	Liquidation
9050326293	Clinton Cards (Essex) Ltd	Units C-D Middleton Grange	£6,406.98	£3,155.04	£3,251.97	01/04/12	07/05/12	Liquidation
905028533	Tabarrini Leisure Ltd	Surfside, Seaton Reach, Seaton Carew	£5,277.78	£4,124.76	£1,153.02	01/04/07	24/04/08	Liquidation
905032052X	Greenstar Catering Ltd	Unit 1, Villiers Street	£18,441.83	£0.00	£18,441.83	22/12/10	31/03/12	Liquidation
9040011486	Greenstar Catering Ltd	125 Middleton Grange	£12,150.59	£10,953.70	£1,196.89	01/04/11	31/03/12	Liquidation
9050288464	Clever Clogs Nursery Ltd	Clever Clogs Childcare, Throston Grange Lane	£8,726.87	£4,734.44	£3,992.43	01/04/10	09/01/11	Liquidation
9050298567	Expamet Building Products Ltd	Expamet Building Products, Greatham Street	£12,303.26	£8,473.00	£3,830.26	01/04/12	23/05/12	In Administration
9050311415	Truck Sales Direct Ltd	1b Ullswater Road	£1,472.43	£0.00	£1,472.43	25/03/10	31/03/11	Liquidation
9050306071	Shakys Ltd	147a York Road	£2,026.71	£0.00	£2,026.71	03/11/09	19/11/12	Liquidation
9050314562	MGM Entertainment Ltd	Zeus, Whitby Street	£4,709.05	£0.00	£4,709.05	10/06/10	31/03/11	Liquidation
9050325270	Parsons Paint Shop Ltd	Unit A, North House, Brenda Road	£14,200.25	£0.00	£14,200.25	01/10/11	31/03/13	Liquidation
9050277772	Sofa Bed Shop Ltd	Oxford House, Oxford Street	£28,277.20	£5,377.31	£22,899.89	01/04/09	29/03/12	Liquidation
9050263518	Silentcharm Ltd T/A Kingsway	Kingsway Leisure Club, Swainson Street	£1,233.15	£0.00	£1,233.15	01/04/00	26/04/01	Liquidation
9050287018	Truckexporters Ltd	Myross Engineering, Casebourne Road	£10,214.08	£7,090.00	£3,124.08	01/07/07	31/03/09	Company Dissolved
905031032X	Gowerflag Ltd	88a York Road	£2,313.57	£0.00	£2,313.57	01/04/11	03/01/12	Company Dissolved
9050313469	Gowerflag Ltd	16 Victoria Road	£4,303.36	£0.00	£4,303.36	01/04/11	03/01/12	Company Dissolved
Submitted 13 March 2013								
TOTALS			£368,697.55	£92,486.02	£276,211.56			

APPENDIX D

Limited Company - over £1000

Miscellaneous

Account Ref	Name	Address	Total Due	Paid	BALANCE	From	To	Reason for write off
9050273726	Fujiyama Investment Ltd	Units 27-28 Navigation Point	£7,748.10	£1,160.61	£6,587.49	01/04/11	31/03/12	Ceased trading
9050321259	Creamde Ltd	174a Middleton Grange	£18,311.70	£3,050.00	£15,261.70	20/07/11	09/01/12	Ceased trading - proposal to strike off
905032519X	Duraflex Ltd	501 Hub 2 Venture Court, The Innovation Centre	£1,961.72	£384.29	£1,577.43	01/09/11	17/09/12	No trace/absconded
9029320028	Waxy Hartlepool Ltd	Public Convenience. Middleton Grange	£3,943.05	£0.00	£3,943.05	01/04/95	08/09/97	Company no longer exists
9029320133	Waxy Hartlepool Ltd	93b Middleton Grange	£4,956.79	£0.00	£4,956.79	25/12/91	31/12/93	Company no longer exists
9025580017	C & M Fabrications	4a Ullswater Road	£4,864.78	£0.00	£4,864.78	23/10/91	31/03/96	no trace/absconded
9024870011	Winter Entertainments Ltd	Foxys Night Spot, Surtees Street	£4,052.22	£0.00	£4,052.22	01/04/90	30/09/91	Company dissolved
9050086586	Racevink BV	Stall G, Market Hall	£1,340.15	£0.00	£1,340.15	09/10/98	01/04/00	no trace/absconded
	Submitted 13 March 2013							
		TOTALS	£47,178.51	£4,594.90	£42,583.61			