

FINANCE AND CORPORATE SERVICES PORTFOLIO DECISION RECORD

27 March 2013

The meeting commenced at 4.00 pm in the Civic Centre, Hartlepool

Present:

Councillor: Paul Thompson (Finance and Corporate Services Portfolio Holder)

Officers: Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
John Morton, Assistant Chief Finance Officer
Wally Stagg, Organisational Development Manager
Rachel Clark, HR Business Partner
Gillian Laight, HR Business Partner
Angela Armstrong, Principal Democratic Services Officer

Also present:

Elena Suzat and Elodie Chabaud, Academics

67. Irrecoverable Debts – Housing Benefit Overpayments (Chief Finance Officer)

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The Assistant Chief Finance Officer confirmed that approximately £47m in housing benefits was awarded by the Local Authority each year and there were a number of reasons why overpayments occurred linked to the complexities of a means tested income based claim system eg. when claimants sometimes provide incorrect information or fail to tell the council promptly when their financial circumstances have changed. The Portfolio

Holder was reassured that whilst every effort had been made to collect benefit overpayments debts, approval was sought to write-out the debts detailed by way of appendix. **These items contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006 namely information relating to the financial or business affairs of any particular person including the authority holding that information, para 3.**

The Assistant Chief Finance Officer updated the Portfolio Holder in relation to one of the claimants, recorded in the schedules as an absconder as he had been notified that the claimant was currently retained by Her Majesty's Prison service.

Decision

The Portfolio Holder agreed to write-out debts to the value of £38,862.15.

68. Council Apprenticeship Arrangement (*Organisational Development Manager*)

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The report included the background to the current partnership arrangement with Hartlepool College of Further Education and the progress of the arrangements to date including the implementation of a Service Level Agreement which detailed the key roles and responsibilities of all stakeholders. The report sought approval for the Council to enter into a permanent partnership arrangement with the College.

The Portfolio Holder sought clarification on the apprenticeship programme that was operated by the Council's Adult Education Service in comparison to the service offered by the College. The Organisational Development Officer confirmed that the Adult Education Service did offer apprenticeships in Business Administration and Customer Service to employers. However, the Assistant Chief Executive added that due to job evaluation, apprentices employed by the Council would be paid a higher salary than those employed

through the arrangements with the College. Therefore, in view of recent budget restrictions and to maintain the Council's commitment to, and possibly increase the number of apprenticeships available within the Council, the decision was taken to enter into the current annual arrangement with the College. In addition, this arrangement provided the flexibility to place apprentices elsewhere if the original placement was not considered suitable.

In response to a question from the Portfolio Holder, the Assistant Chief Executive commented that the majority of employers accessing the service provided by Adult Education did not operate a job evaluation scheme and therefore would not be affected by the financial implications of equal pay. The Portfolio Holder recognised that Adult Education provided an excellent service placing Business Administration and Customer Service apprenticeships with a number of organisations.

A discussion ensued on the potential procurement arrangements for the provision of an apprenticeship arrangement as the Portfolio Holder noted that there were several organisations who were able to provide an apprenticeship programme. In view of this, the Portfolio Holder suggested that whilst the current arrangement would be extended until 31 August 2014, the potential future procurement options for the provision of an apprenticeship programme for the Council after this date be explored, to ensure best value was achieved.

Decision

- (i) That the current partnership arrangement with the Hartlepool College of Further Education for the recruitment and placement of apprentices be extended to 31 August 2014.
- (ii) That to ensure the Council achieved best value, the potential future procurement options for the recruitment and placement of apprentices be explored.

69. Approval for Compulsory Redundancies (*HR Business Partners*)

Type of decision

Non key.

Purpose of report

To seek a decision regarding the future employment of employees who were affected by budget proposals under consideration for 2013/14. Employees in all three Departments of the Council were affected and were identified on the attached exempt schedule at Appendix A. **This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation)**

Order 2006 namely information which is likely to reveal the identity of an individual, para 2.

Issue(s) for consideration by Portfolio Holder

In view of the significant budget pressures faced by the Council, the report detailed the Medium Term Financial Strategy (MTFS) as considered by Cabinet in December. A number of savings proposals including staffing changes were included in the MTFS and after consulting with Trades Unions a number of proposals were attached to the report.

The Portfolio Holder was informed that subject to formal agreement by the Corporate Management Team, a significant proportion of those identified for redundancy through the compulsory redundancy programme had the potential to be redeployed into other posts in the Council.

The Portfolio Holder considered that the compulsory redundancy programme had been processed correctly and requested an update from the Corporate Management Team on the potential redeployments.

Decision

- (i) The Portfolio Holder approved the compulsory redundancy of the staff identified by way of confidential appendix.
- (ii) That an update be provided to the Portfolio Holder on the outcome of the Corporate Management Team meeting in relation to the potential redeployment of those identified for redundancy as noted above.

70. Irrecoverable Debts – National Non Domestic Rates (Business Rates) (Chief Finance Officer)

Type of decision

Non key.

Purpose of report

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

Issue(s) for consideration by Portfolio Holder

The Portfolio Holder was reassured that the Council's performance in collection of NNDR was positive with 98% being collected within the financial year it was billed and whilst every effort was made to collect overdue sums,

approval was sought to write out the debts detailed in the confidential appendices. The Portfolio holder was advised that the proposals for managing the irrecoverable debt would ensure the correct treatment under the existing system. The Portfolio holder was advised that the proposals for managing the irrecoverable debt would ensure the correct treatment under the existing national system of pooling of business rates. **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 information relating to the financial or business affairs of any particular person including the authority holding that information, para 3.**

In respect of exempt Appendix C, the Assistant Chief Finance Officer informed the Portfolio Holder that new information had come to light since the issue of papers regarding the potential whereabouts of three debtors listed as absconders. It was proposed and agreed that the debts for the accounts 9050311679, 9050259383 and 9031060011 be removed from the write out list and further recovery action be pursued. Therefore, the adjusted write out total to be considered by the Portfolio Holder was £427,512.91.

A discussion ensued on the process that enabled companies and individuals to close businesses and start up new businesses with alternative names. The Assistant Chief Finance Officer commented that this was a difficult issue to deal with, however a number of options were currently being explored with the Council's Legal Division including the potential to request that individual Directors to be disbarred from being the Director of a Limited Company. The Chief Finance Officer confirmed that the internal process to retrieve any debt owed to the Council was undertaken quickly and efficiently wherever possible. The Portfolio Holder was asked to note that any debts that were written off, would remain on Council record should any opportunity present itself in the future to recover those debts from that individual or company.

The Chief Finance Officer added that the Council generally had good long term collection rates for business rates with the ultimate aim of recovering all monies owed to the Council.

Decision

That the Portfolio Holder agreed to write-out irrecoverable National Non Domestic Rates debts to the value of £427,512.91.

The meeting concluded at 4.35 pm

P J DEVLIN

CHIEF SOLICITOR

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