

PLEASE NOTE CHANGE OF DATE

FINANCE AND POLICY COMMITTEE

AGENDA



Tuesday 18 June 2019

at 10.00 am

**in the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Brewer, Brown, Hunter, Lindridge, Little, Marshall, Moore, Smith, Tennant and Young.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 21 March 2019.

4. BUDGET AND POLICY FRAMEWORK ITEMS

No items.

5. KEY DECISIONS

- 5.1 Urgent Works to Christ Church – *Director of Regeneration and Neighbourhoods*
(To Follow)

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Irrecoverable Debts – Council Tax and Business Rates - *Director of Finance and Policy*
6.2 Risk Management Framework - *Assistant Director, Corporate Services*



PLEASE NOTE CHANGE OF DATE

7. ITEMS FOR INFORMATION

No items.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Future meeting dates –

Monday 22 July, 2019 at 10.00 am
Monday 16 September, 2019 at 10.00 am
Monday 14 October, 2019 at 10.00 am
Monday 11 November, 2019 at 10.00 am
Monday 9 December, 2019 at 10.00 am
Monday 13 January, 2020 at 10.00 am
Monday 10 February, 2020 at 10.00 am
Monday 16 March, 2020 at 10.00 am



FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

21 MARCH 2019

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool.

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Stephen Akers-Belcher, Paddy Brown, Kevin Cranney,
Brenda Harrison, Ann Marshall, Leisa Smith and Mike Young.

Also Present: Councillor Marjorie James as substitute for Councillor Shane Moore;
and Councillor Allan Barclay as substitute for Councillor
Stephen Thomas in accordance with Council Procedure Rule 5.2.

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Danielle Swainston, Assistant Director, Joint Commissioning
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

120. Apologies for Absence

Councillors James Brewer, Shane Moore and Stephen Thomas.

121. Declarations of Interest

Councillors Stephen Akers-Belcher and Kevin Cranney declared interests due to their involvement in other organisations in the town providing youth services.

122. Minutes of the meeting held on 11 March 2019

Confirmed.

123. Use of Child Poverty Reserve – Proposed Extension of the Children’s 5 – 19 Activities Grant for 12 Months *(Director Finance and Policy)*

Type of decision

Key Decision (tests (i) and (ii) apply) (Previous general exception provisions apply).

Purpose of report

To consider the potential use of the Child Poverty Reserve for the proposed Extension of the Children's 5-19 Activities Grant for 12 months.

Issue(s) for consideration

The Director of Finance and Policy reported that the establishment of the Child Poverty Reserve was originally approved by Council on 10 December 2015 and authority delegated to Finance and Policy Committee to approve the use of these one off funds. The current uncommitted balance of this reserve was £35,000.

At the meeting in December 2018, the Committee agreed that a significant contribution would be made to this reserve from the windfall payment the Council would receive from the sale of the King John’s Tavern to JD Wetherspoon. The necessary legal processes were currently progressing between JD Wetherspoon’s and the owners of Middleton Grange Shopping Centre and while it was not anticipated that there would be any issues in relation to the completion of the legal processes, the Director highlighted the risk, however small, that the Council would not receive the windfall payment until this work was complete.

On 19 February 2019 the Children’s Services Committee considered a report (set out as appendix A to the report) which outlined a proposal to extend the Children’s 5-19 Activities Grant for a further period of 12 months. The Children’s Services Committee then referred this issue to Children’s Services Committee Working Group on 25 February 2019 and the notes from this meeting were considered by Children’s Services Committee on 19 March 2019 (and were set out as appendix B to the report).

Finance and Policy Committee was requested to consider the issues detailed in the appendices and determine whether they wished to support an extension of the Children’s 5-19 Activities Grant for a further period of 12 months.

The Chair indicated that the need for an additional meeting was due to the decision making in relation to the Child and Family Poverty Reserve funding being delegated to Finance and Policy Committee. The Chair stated that he had requested that the proposal put forward to this committee had to be

different to that considered by the Children's Services Committee so the recommendations referred to a new contract agreement with a requirement of match funding, new contract specifications agreed by Children's Services Committee and robust monthly monitoring together with an appropriate exit strategy. Individual organisations should also be able to access the funding; it did not require a consortium approach.

The Chair of the Children's Services Committee welcomed the change in tone of the report and recommendations over those that had been previously considered.

There was concern expressed by Members at the request for additional funding at a time when the Council was facing cuts. The proposal for matched funding was welcomed though it was proposed that the funding be only for 6 months rather than 12 and funding was only paid based on results. There were other funding opportunities available to the groups around providing training and employment that could also be accessed.

The meeting debated the revised proposals and it was concluded that the proposals be supported on the basis of this being a new one-off grant and not the continuation of existing funding with a ceiling of £50,000 being available as matched funding (not in-kind) payable only –

- on the receipt of monthly performance reports;
- details being submitted of the numbers of children involved, their home postcode, their school and if more than one child from a family was involved;
- an exit strategy for the scheme being submitted by 30 June.

The Chief Executive stated that she and the Director of Finance and Policy would work with the department to ensure robust arrangements were in place in accordance with Members views. This may also include some 'dip sampling' by Internal Audit throughout the process to provide assurance to Members.

The following decision was agreed unanimously.

Decision

That a new 5-19 Activities Grant initiative for a period of 6 months be approved and the amount to be provided from the Child and Family Poverty Reserve be limited to a maximum of £50,000, subject to:

- individual organisations providing match funding on a £ for £ cash basis;
- the agreement of service specification by the Children's Services Committee;
- Council funding being conditional on the provision of monthly performance monitoring information, as stipulated;
- Council funding being conditional on individual organisations providing an exit strategy by 30 June 2019 to manage the non-recurrent nature of

this funding.

The meeting concluded at 10.20 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 27 MARCH 2019

FINANCE AND POLICY COMMITTEE

18 June 2019



Report of: Director of Regeneration and Neighbourhoods

Subject: URGENT WORKS TO CHRIST CHURCH

1. TYPE OF DECISION/APPLICABLE CATEGORY

- 1.1 This is a Key Decision test (i) as it is a decision which is financially significant because it will result in income, expenditure or savings with a gross full year effect of £100,000 or greater.
- 1.2 General Exception applies because the necessary works required for Christ Church can only be undertaken during a certain period in the year, while there is a lead in time for the stones to be ordered and carved into the required shapes, so the funding needs to be reallocated to this project to allow the works to be undertaken this year.

2. PURPOSE OF REPORT

- 2.1 To seek Finance and Policy's Committee approval to the proposed reallocation of the Council's property-related budget to cover the unexpected and urgent works required to Christ Church, and to refer this proposal to Council for approval.

3. BACKGROUND

- 3.1 In November 2018 a piece masonry fell from Christ Church as a result of weathering and poor stone quality, which led to the area being fenced off for the safety of passing pedestrians.
- 3.2 A survey was subsequently commissioned to assess the structural condition of Christ Church, using a qualified Stonemason, to help the Council understand the nature of the works required and estimated costs for these.
- 3.3 The survey identified that urgent works are required to protect Christ Church from further erosion and remove the risk of further potential incidents and thereby protect the public.

- 3.4 Christ Church is a Listed Building, therefore it must be restored using traditional methods and materials, meaning that the repair works include using lime mortars which cannot cure below 5 degrees Celsius without protecting the structure. Therefore this provides only a short window of opportunity to enable the repairs to be completed in 2019, without expensive protection, if the works run into the winter months.
- 3.5 The stone has to be sourced, cut and shaped off site, and then has final cutting and shaping on site to fit, so is very labour intensive and slow, which means the work needs to be commissioned as soon as possible to ensure we are able to complete the urgent work in 2019. Furthermore the scaffolding needs to be specifically designed to allow for the works to be undertaken and protect the external structure of the building.

4. PROPOSALS

- 4.1 There is currently no funding identified to cover the costs of these works as they were very much unexpected, which means it has not been included in any allocation of funding from the Council's property budgets.
- 4.2 The estimated costs of the works are £245,000 and it is proposed to fund these by re-allocating the £190,000 of capital funding currently allocated to the Bowls Club, with the remaining £55,000 being funded from the corporate planned maintenance programme.
- 4.3 Capital funding previously allocated for the Bowling Club has not progressed due to the ongoing Mill House replacement ambition which includes the future of the Bowls Club. Furthermore, recent surveys have identified that the proposed works to this building are not urgent, and therefore they can be considered as part of a future funding allocation. In the unlikely event that the condition of the Bowls Club building deteriorates any necessary work will need to be prioritised within the available corporate planned maintenance budget.
- 4.4 The issues in relation to Christ Church have highlighted an issue in relation to how the Council responds to such incidents. Therefore it is proposed to bring a further report to Finance and Policy Committee to review how the capital maintenance allocation will be managed.

5. RISK IMPLICATIONS

- 5.1 There are health and safety risks associated with the stones falling from the building, although these have been mitigated by the implementation of Herras fencing around the site. However the fencing is restricting the opportunity to showcase the recent works undertaken to Church Square and encourage the use of this area for events.

- 5.2 Furthermore the disrepair to Christ Church will only get worse, resulting in further costs, if the matters that have caused the falling stones to happen are not addressed urgently.

6. FINANCIAL CONSIDERATIONS

- 6.1 The Council currently has no funding identified to carry out the urgent works required to Christ Church, which are estimated to costs £245,000, therefore a funding strategy is necessary to allow the works to be undertaken.
- 6.2 In order to identify the essential funding, it is proposed to reallocate the capital funding of £190,000 for the Bowls Club previously allocated to this building to help fund the urgent works required to Christ Church. The remaining £55,000 will be funded from the corporate planned maintenance budget, which the Director of Regeneration and Neighbourhoods has delegated authority to approve.

7. LEGAL CONSIDERATIONS

- 7.1 The Council has a duty to maintain its building in a good condition and protect the public and users of these, and these works are necessary to reduce the health and safety risk currently associated with Christ Church due to the risk of falling stones.

8. OTHER CONSIDERATIONS

Consultation	No relevant issues
Child/Family Poverty Considerations	No relevant issues
Equality and Diversity Considerations	No relevant issues
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues
Staff Considerations	No relevant issues
Asset Management Considerations	Covered in previous paragraphs

9. RECOMMENDATIONS

- 9.1 It is recommended that Finance and Policy Committee:
- Seeks Council approval to reallocate the capital funding of £190,000 for the Bowls Club previously allocated to this building to help fund the urgent works required to Christ Church;
 - Asks Council to note that the recent surveys have identified that the proposed works to the Bowls Club are not urgent, and therefore they

can be considered as part of a future funding allocation. In the unlikely event that the condition of the Bowls Club building deteriorates any necessary work will need to be prioritised within the available corporate planned maintenance budget.

- Note that £55,000 will also be allocated to the Christ Church Scheme from the corporate planned maintenance programme.
- Approve an overall budget of £245,000 associated with carrying out the urgent repairs to Christ Church.

10. REASONS FOR RECOMMENDATIONS

- 10.1 These are urgent works that are necessary to repair Christ Church from further erosion and disrepair, while protecting the passing public from falling debris.

11. BACKGROUND PAPERS

- 11.1 There are no background papers to this report.

12. CONTACT OFFICERS

- 12.1 Denise McGuckin
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Sign Off:-

- Director of Finance and Policy ☒
- Chief Solicitor/Monitoring Officer ☒
- Chief Executive ☒ Finance & Policy Committee only

FINANCE AND POLICY COMMITTEE

18 June 2019



Report of: Director of Finance and Policy

Subject: IRRECOVERABLE DEBTS – COUNCIL TAX
AND BUSINESS RATES

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

- 2.1 To seek Members approval to write-out a number of Council Tax and Business Rates debts which are now considered 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 Members.

Council Tax

- 3.2. After the award of relevant discounts, exemptions and Local Council Tax Support awards, the Council collects annually about £47m of Council Tax covering over 43,000 properties. The Council's performance in collection of Council Tax continues to be positive, despite the difficult economic climate and the impacts of the abolition of Council Tax Benefit / introduction of Local Council Tax Support meaning that since April 2013, meaning all working age households have some Council Tax to pay.
- 3.3. In 2017/18, the Council collected within the financial year 95.7% of the Council Tax due, placing the Council second in the Tees Valley (the range was 92.8% to 95.8%). Furthermore, after 5 years in Hartlepool in excess of 99.4% of Council Tax will have been collected (this is a local indicator and comparative data is not available).

- 3.4. Collection of Council Tax from LCTS households is more challenging but analysis shows that in Hartlepool, collection levels are also positive with about 93% of 2013/14, 90% of 2014/15, 85% of 2015/16, 79% of 2016/17 and 72% of 2017/18 Council Tax liabilities for all Working Age LCTS households being collected by 31st December 2018.

Business Rates

- 3.5. The Council currently bills and collects about £33.4m of business rates per annum. With the introduction of the retained business rates system on 1st April 2013, it is important that the Council has effective arrangements for recovery of these sums and this responsibility will grow in significance given the Government's announcement that it intends to move to 75% local retention of business rates in 2020/21. In addition, the Council has a legacy responsibility to continue to pursue recovery of outstanding business rates arrears relating to the former National Non Domestic Rates Pool that operated until 31st March 2013.
- 3.6. The Council's performance in collection of NNDR is positive. In 2017/18, 98.9% of business rates were collected within the financial year it was billed, ranking the Council joint third in the Tees Valley (the range was 98.9% to 99.5%). In terms of long term collection of business rates, after 5 years in Hartlepool, in excess of 99.6% of business rates due will have been collected (this is a local indicator and comparative data is not available).
- 3.7. The Business Rates recommended for write out relate largely to company liquidations where the Council is limited to submitting a claim in insolvency proceedings. The Council is unlikely to receive any settlement from these proceedings, as the Council ranks below other creditors notably HM Revenue and Customs, therefore the debt is being prudently written out of the accounting system.
- 3.8. Furthermore, it is important that these sums are written out of the accounts at this stage with currently 50% of the write out being borne by central government under the current business rates retention system.

Recovery Actions Council Tax and Business Rates

- 3.9. The Council has robust and effective arrangements for billing and collecting Council Tax and Business Rates income, including defined timescales for recovery action for outstanding payments. These arrangements include a range of recovery actions to secure Council Tax and Business Rates recovery including court action, Enforcement Agents (Bailiffs), Attachment of Earnings Orders, Attachment of Benefits Orders, bankruptcy / liquidation proceedings and charging orders. For absconded debtors, extensive tracing is undertaken over a period of time and should any forwarding address become apparent,

the relevant Council Tax / Business Rate debt would be reinstated onto the system, and enforcement action would recommence.

- 3.10. If any payment is subsequently received in respect of any of the individual debts referred to in this report, the relevant debt will also be reinstated onto the council's computer systems. Whilst every effort is made to collect debts due to the Council, and the Council has high collection levels, certain debts become irrecoverable, and this report seeks agreement for their write-out.

4 PROPOSALS

- 4.1. The appendices attached to this report detail the individual Council Tax and Business Rates debts over £1000, and the reasons why each debt remains unrecovered. The amounts recommended for write out are the net debt outstanding and the net amounts involved often span more than one financial year. The total amount for write out are as follows:

Council Tax £78,338.43

Appendix A – C Tax Deceased Debts- £15,648.94

Appendix B – C Tax Absconder Debts - £20,876.30

Appendix C – C Tax Bankrupt / Debt Relief Order Debts

/ Liquidation - £29,723.04

Appendix D – C Tax Miscellaneous- £12,090.15

Appendices A, B, C and D 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)

Business Rates £337,419.14

Appendix E – Business Rates Sole Trader Bankrupt - £4,609.66

Appendix F – Business Rates Sole Trader Absconder / Miscellaneous - £64,908.50

Appendix G – Business Rates Limited Company Liquidation / Dissolved -£267,900.98

Appendices E and F 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)

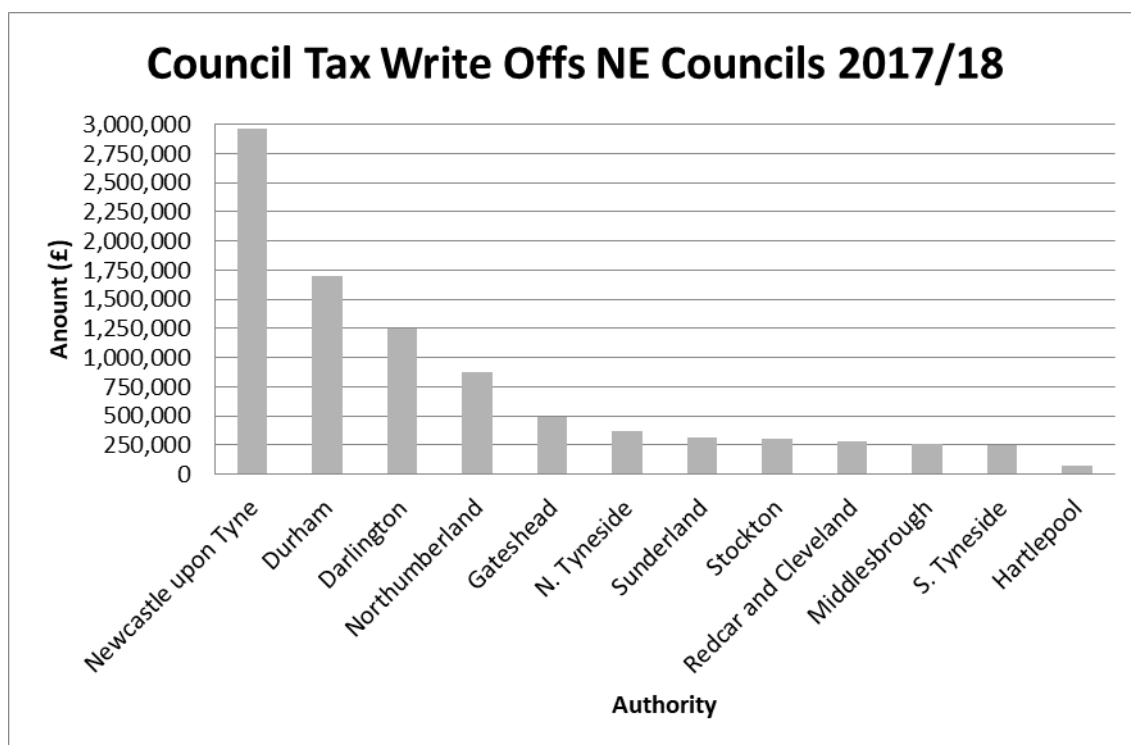
- 4.2. All debts submitted for write-out from the accounting records have been comprehensively scrutinised by officers.

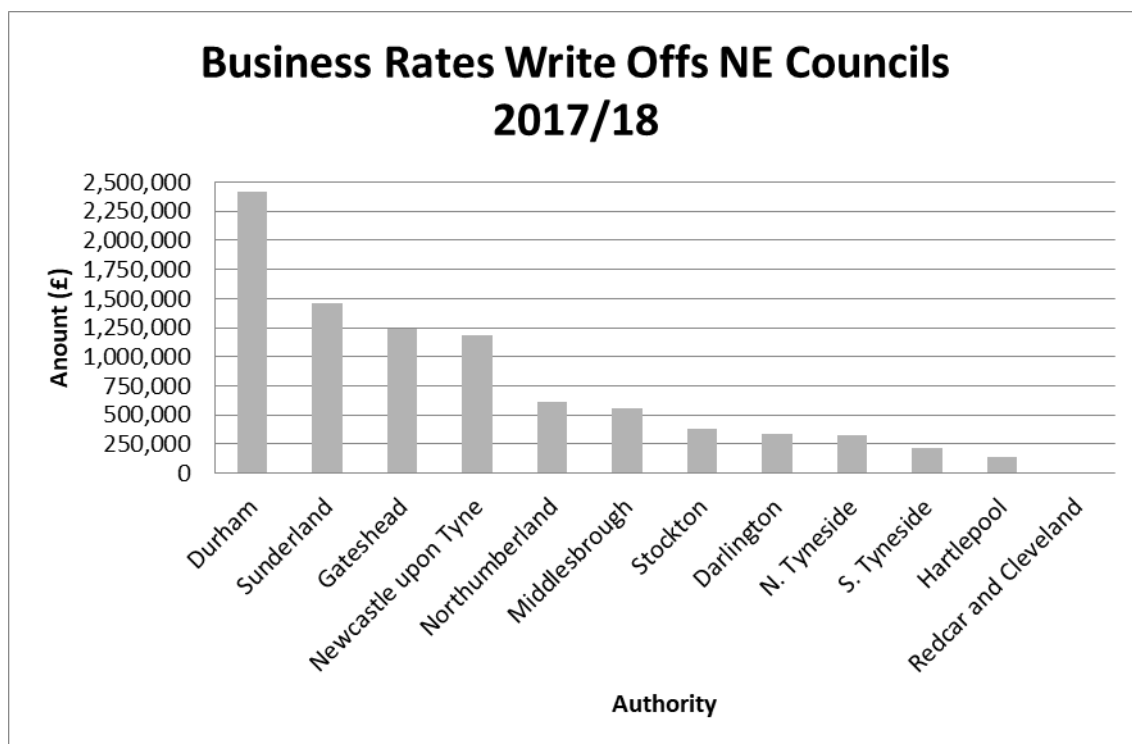
5. RISK IMPLICATIONS

- 5.1. When determining the Council Tax Base for a financial year and the forecast yield from Business Rates an assessment and adjustment is made for potential non collection. In addition, as part of the process for compiling the annual statement of accounts, a detailed review is made of all Council Tax and Business Rates accounts and accounting provisions are established against which any debts considered to be non collectable can subsequently be written off. These risk management arrangements are consistent with statutory requirements and good practice.

6. FINANCIAL CONSIDERATIONS

- 6.1. In terms of the annual Council Tax and Business Rates debit to be collected, the amount proposed for write out in this report continues to be very low. Across the 12 North East Councils in 2017/18 Hartlepool wrote out the lowest amount of Council Tax and ranked 11th out of 12 in the amount of Business Rates written out as shown in the graphs below. This position reflects the Council's good long term collection rates and sustained robust recovery procedures. The proposed write out's in this report are well within the financial planning assumptions underpinning the Council's budget.





- 6.2. For Business Rates, historical accounting provisions have been established and have been charged against the former Central Government National Non Domestic Rates / Business Rates Pool for any business rates debts prior to 1st April 2013, considered to be at risk of non recovery. The following table shows how the recommended business rates write outs contained in this report of £337,419.14 will be accounted for:

	Pre 31.03.13 Write Out £	Post 01.04.13 Write out £	Total £
<u>Central Government</u> NNDR/Business Rates Pool + Rates Retention system bad debt provision	42,976.06	147,221.54	190,197.60
<u>Council Rates</u> Retention system bad debt provision	0	147,221.54	147,221.54
Total			337,419.14

7. LEGAL CONSIDERATIONS

- 7.1. National legislation determines the priority given to the payment of amounts due to individual creditors. Where creditors have made loans secured on assets (e.g. mortgages on property) they can take action to

sell those assets to recover their money. Any money left over from the sale after the debt has been repaid is added to the sum to be shared between the other creditors.

7.2 Where a company or individual is put into liquidation or bankruptcy any proceeds from the sale of assets, after payment of secured creditors, will be allocated to unsecured creditors in the following order of priority:

- fees and charges of the bankruptcy or liquidation
- debts to preferential creditors, such as wages owed and contributions to occupational pension schemes
- for a company, any creditor holding a floating charge over an asset
- all unsecured creditors
- any interest payable on debts
- for a company, the shareholders.

7.3 It should be noted that councils cannot place a charge on property in relation Business Rates, (unless granted voluntarily), therefore any unpaid business rates are classified as unsecured creditors.

8. CONSULTATION

8.1. There are no consultation considerations.

9. CHILD AND FAMILY POVERTY

9.1. There are no child/ family poverty considerations.

10. EQUALITY AND DIVERSITY

10.1. There are no equality and diversity considerations.

11. STAFF CONSIDERATIONS

11.1. There are no staff considerations.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1. There are no asset management considerations.

13. CONCLUSION

- 13.1 The Council collects approximately £80.4m annually in respect of Council Tax (£47m) and Business Rates (£33.4m) and has effective arrangements for collecting monies due, as summarised below:

Council Tax

- 2017/18 Council Tax collected was 95.7%, the second highest in the Tees Valley (the range was 92.8% to 95.8%);
- After 5 years 99.4% of Council Tax is collected;
- Across the 12 North East Councils in 2017/18 Hartlepool wrote out the lowest amount of Council Tax.

Business Rates

- 2017/18 Business Rates collected was 98.9%, the joint third highest in the Tees Valley;
- After 5 years 99.6% of Business Rates is collected.
- Across the 12 North East Councils in 2017/18 Hartlepool wrote out the second lowest amount of Business Rates.

- 13.2 Despite the Council's robust and effective recovery arrangements some debts for Council Tax and Business Rates will become unrecoverable. As detailed in section 4 the majority of these amounts relates to limited companies which have gone into liquidation or been dissolved.
- 13.3 The recommended write outs are within the financial planning assumptions underpinning the Council's budget. Therefore, whilst it is regrettable that these amounts cannot be recovered, this will not impact on the delivery of services in the current financial year.

14. RECOMMENDATION

- 14.1. That Members note the effective recovery arrangements for Council Tax and Business Rates and performance levels summarised in section 13.
- 14.2 That Members agree to write-out irrecoverable Council Tax of £78,338.43 and Business Rates debts to the value of £337,419.14 and to note that £190,197.60 (56%) of this Business Rates write out is the responsibility of Central Government.

15. REASONS FOR RECOMMENDATION

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

16. BACKGROUND PAPERS

16.1 There are no background papers.

17. CONTACT OFFICER

John Morton
Assistant Director Finance and Customer Services
Email: john.morton@hartlepool.gov.uk
Contact: 01429 523003

Sign Off:-

Chief Executive	<input checked="" type="checkbox"/>
Director of Policy and Finance	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

Business Rates Accounts**Companies - Over £1000****Ceased Trading****Liquidation/Bankruptcy etc**

Pre 1 April 2013

6.1 Appendix G

Account Ref	Name	Address	O/S BALANCE	From	To	Reason for write off
9050331874	Showroom Bar Ltd	Unit 25a Park View Road	£14,623.17	01.04.08	31.03.13	Liquidation
905035016X	Solid Oak Hardwood Furniture Ltd	Unit 8a, Park View Road	£399.21	01.04.12	31.03.13	Liquidation
	submitted 08.02.19					
		Totals	£15,022.38			

Post 1 April 2013

Account Ref	Name	Address	O/S BALANCE	From	To	Reason for write off
905035971X	Showtec Ltd	The Showroom, 2 Victoria Road	£3,772.78	10.12.15	26.09.16	Liquidation
9050317839	Eden Estates (North East) Ltd	109 York Road	£1,159.32	01.01.14	27.01.15	Company dissolved
9050372015	Tees Leisure Catering Ltd	21 Park Road	£21,749.05	26.08.15	20.07.16	Liquidation
905035484X	Opulance Ltd	Unit B, Navigation Point	£4,864.58	01.07.15	31.03.16	Liquidation
9050360432	Lucifer Sams Ltd	Unit 19, Navigation Point	£20,419.67	29.04.16	28.01.17	Liquidation
9050345018	Arcot Leisure Ltd	The Windmill, Dalton Piercy	£11,705.16	16.05.14	02.03.15	Liquidation
9050368670	123 Pubs Ltd	Unit 8-9, Navigation Point	£9,659.59	29.04.16	23.03.17	Company Dissolved
905035937X	Darkslide Automotive Ltd	Ld Automotive Ltd	£1,010.20	01.10.15	30.09.16	Company Dissolved
9050367267	Alice Restaurant Ltd	Unit 3, Navigation Point	£11,264.07	05.11.15	07.05.17	Company Dissolved
905035016X	Solid Oak Hardwood Furniture Ltd	Unit 8a, Park View Road	£7,868.87	01.04.14	31.03.15	Liquidation
9050352979	M H Timber Ltd	Bt 60/13 Tofts Farm Ind Est, Brenda Road	£5,618.34	11.12.14	21.04.15	Company Dissolved
9050352537	Nirum Ltd	25a Victoria Road	£1,092.52	02.06.14	10.03.15	Liquidation
9050346316	Recycle Land UK Ltd	Bt 60/15 Tofts Farm Ind Est, Brenda Road	£3,337.25	14.07.14	30.11.15	Company Dissolved
9050374735	Harry's Bar One Ltd	Unit 1, 24-26 Avenue Road	£7,624.02	01.12.16	27.03.18	Company Dissolved
9050306365	Mane Leisure LTD	Units 10 & 12, Navigation Point	£3,887.09	01.04.16	23.02.17	Liquidation
9050364217	Golden Cc Limited	Mary Rowntrees Cafe/Bar, York Place	£1,648.52	18.10.16	16.01.17	Liquidation
9050365574	Ap Autoservices (Ne) Ltd	Unit 5 Tones Workshops, Oxford Road	£1,819.45	11.05.15	11.04.17	Company Dissolved
9050370667	P & E Coaches Ltd	P & E Coaches/Classy Clothes, Usworth Rd	£2,980.51	01.04.17	30.09.17	Liquidation
9050354394	Church Street Take Away Ltd	69-72 Church Street	£2,540.00	01.08.15	31.01.16	Liquidation
9050361226	Rabyco Ltd	25a Victoria Road	£1,338.43	11.01.16	19.12.16	Liquidation
9050331912	Global Textile Js Ltd	200 York Road	£1,258.46	01.04.14	11.02.15	Liquidation
9050366473	Ask Wine Bar Ltd	Unit 4, Navigation Point, The Marina	£2,972.92	01.04.17	05.10.17	Liquidation
9050308333	Natoli Leisure Ltd	Unit 23, Park view Road	£1,174.83	01.04.16	20.06.16	Liquidation
9050322697	MD84 Ltd	Zeus, Whitby Street	£7,575.84	01.11.11	31.03.15	Liquidation
9050355331	Dishad Spices Ltd	49 Church Street	£1,572.34	01.04.16	24.07.18	Liquidation
9050356184	Eco Timber Ltd	Unit 3 & Pt 6 North House, Brenda Road	£39,409.85	01.04.15	06.08.18	Company dissolved
9050369588	All About The Ale Ltd	Unit 19, Navigation Point	£6,123.80	29.06.17	28.02.18	Company dissolved
9050322727	The Douglas Hotel (Hartlepool) Ltd	Douglas Hotel, 2 Grange Road	£1,432.70	01.04.17	02.07.18	Company dissolved
9050336450	Terncove LTD	406 Catcote Road	£4,220.61	01.04.15	09.07.16	ceased trading in England - now in Scotland - Out of jurisdiction HBC received money under Creditor
9050351395	Genus UK Ltd	141 Middleton Grange	£61,777.83	01.04.17	31.03.19	Voluntary Arrangement but remaining balance uncollectable
	submitted 08.02.19					
		Totals	£252,878.60			

TOTAL **£267,900.98**

FINANCE AND POLICY COMMITTEE

18th June 2019



Report of: Assistant Director - Corporate Services

Subject: RISK MANAGEMENT FRAMEWORK

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to seek Finance and Policy Committee's agreement of a new Risk Management Framework for the Council.

3. BACKGROUND

- 3.1 The current Risk Management Framework for the Council was developed with Gallagher Bassett and has been in place with only minor reviews since 2011. In the preparation of the Council Plan 2017-2020 it was identified that the Framework and how it was being implemented across the organisation were in need of review. This need was further confirmed following a limited assurance audit from Internal Audit in June 2018.

4. PROPOSED RISK MANAGEMENT FRAMEWORK

- 4.1 Effective risk management is vital if the organisation is to successfully achieve its aims and deliver effective and efficient services. If the risks facing the organisation are not fully understood then we cannot be sure that the actions we are taking to reduce or mitigate against those risks are the most effective and financially efficient. The need for effective risk management is of even greater importance in the current environment of reducing budgets and increasing demand. In order for the importance of risk management to be appreciated by the wider workforce, senior leaders and elected members have a critical role to play as figureheads to drive this forward.

- 4.2 The new proposed Risk Management Framework is included as appendix 1. This Framework builds upon the previous one and reflects best practice. It has simplified the Council's approach, provided further clarity to officers about how risk should be considered within the Council and demonstrates the added value of appropriate risk management. Throughout the development of the proposed Framework the Head of Internal Audit has been involved providing feedback in order to ensure that the new Framework provides the required level of assurance and responds effectively to the concerns raised through the internal audit report.
- 4.3 The new proposed Risk Management Framework was considered by Audit and Governance Committee at their meeting on 6th June 2019. They confirmed that they were satisfied that it provides adequate assurance and agreed for it to go forward to Finance and Policy Committee for approval.
- 4.4 In addition to the new Framework an officer toolkit has been developed to provide a handy guide for officers leading them step by step through the risk process and aims to ensure consistency in the process. A review of the Council's risk register will be undertaken and training and support will be provided to officers across the organisation to ensure that risks are recorded and reported appropriately.
- 4.5 A new Strategic Risk Register is being prepared and regular updates will be brought to Finance and Policy within the 6 monthly Council Plan Performance reports.

5. RISK IMPLICATIONS

- 5.1 The Council needs appropriate arrangements in place in order to manage its key strategic risks. The purpose of the Risk Management Framework is to embed the identification and management of risk in order to support the achievement of our strategic objectives and provide assurance to elected members that these risks are being appropriately managed. There are no direct risk implications in relation to this report.

6. FINANCIAL CONSIDERATIONS

- 6.1 Effective risk management arrangements should help improve the use of valuable and limited financial resources. There are no direct financial considerations in relation to this report.

7. LEGAL CONSIDERATIONS

- 7.1 No implications.

8. CONSULTATION

8.1 No implications.

9. CHILD AND FAMILY POVERTY

9.1 No implications.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

10.1 No implications.

11. STAFF CONSIDERATIONS

11.1 No implications.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 No implications.

13. RECOMMENDATIONS

13.1 It is recommended that the Finance and Policy Committee approves the new Risk Management Framework as set out in Appendix 1.

14. REASONS FOR RECOMMENDATIONS

14.1 Finance and Policy Committee have responsibility for agreeing the Council's Risk Management Framework.

15. BACKGROUND PAPERS

15.1 None.

16. CONTACT OFFICER

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Sign Off:-

Chief Executive	<input checked="" type="checkbox"/>
Director of Finance and Policy	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

Hartlepool Borough Council Risk Management Framework



Forward by Chair of Finance and Policy Committee and Chief Executive

Hartlepool Borough Council recognises that effective risk management strategies, systems and processes support organisations in meeting their objectives. The Council delivers a wide range of services to the people of Hartlepool and this inevitably means we need to identify and manage risk.

We are committed to adopting best practice to manage risk in order to maximise opportunities in the achievement of our outcomes and priorities.

The Council strives to manage risk in the most effective and efficient way as this will support our objective of delivering the best possible services to our residents within the available resources.



Cllr Shane Moore
Leader of the Council



Gill Alexander
Chief Executive



Our Vision Statement

To embed the identification and management of risk in order to support the achievement of our strategic priorities.

WHY DO WE DO IT?

Regulatory Requirement: Organisations need to manage risks arising from the delivery of services and to do this in a way which protects people and resources. These requirements are specifically addressed in the Accounts and Audit Regulations which require authorities to produce an Annual Governance Statement (AGS) which is attached to our Annual Accounts. This sets out the processes we have in place for managing the most significant risks to the achievement of our priorities. Our risk management processes are an integral part of the AGS.

Reassurance: We need to demonstrate to the public, elected members and senior managers that we have a structured approach to risk management, which is embedded into our planning and reporting cycles and decision making processes at all levels.

Risks need to be taken in order to improve and move Hartlepool Borough Council forward to meet the challenges currently facing local authorities such as government budget cuts, increasing demand on services and changing customer expectations. Our risk management process needs to ensure compliance with regulatory requirements, provide assurance to members and the senior management team and contribute to efficient and effective service delivery resulting in the achievement of our desired and documented outcomes.



Benefits of an embedded risk management system

Reduces the level of risk which threatens the delivery of our vision and objectives

Improves decision making at all levels of the organisation

Helps improve the use of valuable and limited resources

Increases willingness and confidence in embarking on innovative projects

Provides confidence that partnership activities are soundly and effectively conducted with clear objectives and outcome monitoring arrangements

Improves the management and delivery of organisational change

Protects the organisation's reputation by demonstrating we have robust and effective risk management arrangements

Ensures that suitable mitigation arrangements are in place to transfer or reduce the impact of unavoidable risks



Aims and Measurable Outcomes

Our aim is to have risk aware employees throughout the organisation, trained in the basics of risk management who:

- Identify risk and opportunity at every level of the organisation in everything they do, including projects, partnerships, policies and strategies;
- Recognise risks from a variety of sources to give the most informed view;
- Evaluate risks and take reasonable action to mitigate those which are considered to be above the organisations appetite;
- Communicate risk information so it forms part of the decision making process;
- Demonstrate that risks have been considered and proportionate action taken;
- Use risk management as an enabler to move the Council forward and take on challenges that are well managed.



Our measurable outcomes will be:

To design and provide appropriate training to all staff;

To provide a risk framework that supports the recording of risks and their internal controls and allows for the communication, monitoring/management and reporting of risks

To define the Authority's risks appetite and ensure that all risks at whatever level are managed within it

To reduce, where necessary, the amount of risk faced by the Authority

To provide independent assurance that Hartlepool Borough Council's Risk Management Framework is followed



Roles and Responsibilities – Elected Members

Finance and Policy Committee

- Agree the Risk Management Framework following review by the Audit and Governance Committee.
- Review progress in the management of strategic risks
- Ensure consideration of risk

Audit and Governance Committee

- Review the Risk Management Framework to confirm it provides the necessary assurance and forward to Finance and Policy Committee for agreement
- Review the effectiveness of risk management arrangements
- Provide comment and challenge on risk management activity and progress



Roles and Responsibilities – Senior Management

Corporate Management Team and Senior Leadership Team

- Overall accountability for risk management across the organisation including ensuring the strategic risk register is a live and up to date record of current risk exposure.
- Overall accountability for risk management across the organisation including ensuring the strategic risk register is a live and up to date record of current risk exposure.
- Establish a control environment and culture where risk can be effectively assessed and managed.
- Regularly discuss and review the strategic risk register and associated risk reports including horizon scanning to identify emerging risks.
- Ensure risk is appropriately considered in items that require political and management direction and decision.



Roles and Responsibilities – Senior Leaders

Director of Finance and Policy (Section 151 Officer)

- Overall accountability for the effective delivery of the organisation's risk management function in accordance with best practice.
- Ensure risk management features as part of the organisations proper administration to protect the authority from financial and reputational risk.

Departmental Management Teams

- Ensure adherence with the risk management framework.
- Champion the benefits of effective risk management
- Take ownership for risks within their function and ensure risk registers are regularly discussed, reviewed, updated and escalated as appropriate
- To support the departmental risk coordinator to drive forward the risk management framework within their function

Heads of Service

- Record and manage risks effectively in their service area, in accordance with the risk management framework.
- Where necessary escalate risks to Departmental Management Teams.
- Ensure their staff have appropriate understanding and training on risk management.
- Champion the benefits of risk management across their service and communicate the corporate approach to managing risk



Roles and Responsibilities – Employees

Employees

- Manage risk as part of their role and report risks to their managers
- Maintain awareness of risks, their impact, including costs, and feed these through the adopted risk management process.

Head of Audit and Governance

- Provide independent assessment of the risk management framework..
- Support the implementation and operation of the risk management framework across the Council.
- Provide oversight, challenge and assurance that risk is being effectively managed.



Roles and Responsibilities – Employees

Performance and Risk Management Officer Group

- Overall accountability for risk management across the organisation including ensuring the strategic risk register is a live and up to date record of current risk exposure.
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- Regularly discuss and review the strategic risk register and associated risk reports including horizon scanning to identify emerging risks.
- Ensure risk is appropriately considered in items that require political and management direction and decision.



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