

**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

Report to: Resources and Governance Overview and Scrutiny Committee
- 16 July 2009

Author: City Solicitor

Title: Information and Overview Report

1. Purpose of Report

To provide information about relevant issues affecting the Committee's remit to aid Members to manage and develop the work programme.

2. Recommendation

The Committee is requested to consider the topics highlighted in the report and either:

- Note the information
- Request a briefing note to provide further details
- Add the item to the Committee's Work Programme

3. Contact Officer:

Courtney Brightwell, Scrutiny Support Officer

Tel: 0161 234 3376
c.brightwell@manchester.gov.uk

4. Suggestions for the Work Programme

No suggestions have been received this month.

5. Forward Planning

The Executive Forward Plan lists key decisions to be taken by the City Council within the next four months.

A key decision, as defined in the Council's Constitution is an executive decision which is likely:-

To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or

To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500,000 providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

Relevant extracts from the Executive Forward Plan are attached to this report to enable members to incorporate scrutiny of key decisions into its work programme. (See Appendix 1)

6. Monitoring Previous Recommendations

Date	Item	Recommendation	Action	Contact Officer
18 June 2009	RG/09/33 Minutes	To approve the minutes of these meetings as correct records and to endorse the recommendations in the minutes of the Governance Sub Group.	The recommendation that the period of the consultation on executive arrangements be extended to 12 weeks and that a special meeting of Council be convened to consider the outcome of the consultation and the draft proposals has been made to Council. Council's decision will be reported back to this Committee	Roger Fielding, Governance and Scrutiny Support Unit
18 June 2009	RG/09/38 Information and Communication Technology	To request that the Audit Committee oversees treasury activity on a periodic basis to ensure prudent management of the Council's funds. To request a report on the draft treasury strategy be presented to the meeting in February 2010.	This has been added to the work programme of the Audit Committee. This has been added to the work programme.	Roger Fielding, Governance and Scrutiny Support Unit Courtney Brightwell, Governance and Scrutiny Support Unit
18 June 2009	RG/09/38 Information and Communication Technology	To note the report and to request an update in 6 months time on the progress of developing an ICT Disaster Plan and how WYSE terminals were being rolled out.	This has been added to the work programme.	Courtney Brightwell, Governance and Scrutiny Support Unit

7. Items for Information Only

Subject	Enforcing Sales on Derelict Commercial Properties and an Aged Debt Analysis of Council Tax arrears
Contact Officer	Julie Price, Head of Revenues and Benefits Tel: (0161) 811 8202 Email: j.price2@manchester.gov.uk

Introduction

The Resources and Governance Scrutiny Committee asked the City Treasurer to explore the possibility of enforcing sales on derelict commercial properties from which the Council could not collect business rates to improve the collection rate levels and encourage regeneration. This briefing note identifies three possible strategies to achieve the desired outcomes:

- Through the statutory enforcement powers available to the Council for recovery of unpaid Business Rates.
- Through a range of enforcement powers available to Environmental Health Officers aimed at tidying up neglected land and property or making them safe.
- The use of compulsory Purchase Orders

The Scrutiny Committee also requested an aged debt analysis of outstanding Council Tax arrears to demonstrate how much Council Tax owed from previous years has been collected.

1. Enforcing Sales on empty commercial properties

1.1 Business Rates

There are two statutory enforcement powers available to the Council that may lead to the forced sale of business premises.

1.1.1 Bankruptcy proceedings

These can be used to recover unpaid Business Rates from the owners of occupied or unoccupied premises whether they are a sole trader, a partnership or a corporate body. Once the Council has a Liability Order, and the debt owed by the owner is above £750, bankruptcy proceedings can be taken. Once the person/company has been made bankrupt, the court will appoint a Trustee in Bankruptcy to try and arrange payment. All the assets of the person/company concerned are vested in the Trustee and they then have the power to sell whatever assets necessary to recover the debt.

If the occupier is a limited company, the Council would have to take action to wind up the Company to force recovery and there is no certainty that payment would be forthcoming, especially if the premises in question were rented as they often are.

1.1.2 Charging Orders

These can only be used with the agreement of the debtor. An arrangement will be made where the Council has a Charging Order on the property as security for the debt

and the business will clear the debt within three years. If the owner tries to sell the property, the debt is cleared out of the proceeds of the sale. If the debt is not cleared, the Council can apply to the court to force the sale of the property.

This approach is specific to the premises where the debt is outstanding. However, there is no way that the Council can force the business to accept the Charging Order. If the Council is going to achieve a forced sale, it can only apply to the courts once the three year period is up.

1.2 Enforcement Powers

There are a range of other powers available to the Council to deal with dilapidated property and the problems it may cause such as vermin, danger to the public, inadequate drainage etc. All of these involve the Council serving a notice on the owner of the building that certain works are required. If the works are not carried out by the owner, the Council does them and places a charge on the property to prevent the owner selling the property while the debt is outstanding. If the owner does not make payment, it should be possible to force the sale of the property in the same way as we can for business Rates. This would give no assurances for future collection, but the building would be in better condition after the requisite works are completed.

1.3 Compulsory Purchase Orders

In addition, Section 226 of the Town and Country Planning Act can be used to acquire properties and demolish them for the “promotion or improvement of the environmental well being of an area”. There are greater powers to use Compulsory Purchase Orders if the building is in a designated renewal area.

More detailed information relating to the enforcement powers available to Environmental Health Officers and the use of Compulsory Purchase Orders is available from the appropriate departments.

There is no guarantee that the use of insolvency proceedings or winding up orders would have the desired effect of improving the buildings or recovering outstanding Business Rates. Based on the limited research undertaken to produce this note, the powers available to Environmental Health Officers offer a more certain approach to improving buildings. Compulsory Purchase Orders appear to be available in more restricted circumstances.

2. Aged Debt Analysis of Council Tax arrears

Council Tax was introduced in April 1993. The total of outstanding Council Tax arrears at 1 April 2009 was £43 Million. Table 1 below breaks down the outstanding Council Tax arrears by financial year since April 1993.

Table 1 – Arrears of Council Tax by year since 1 April 1993

	Arrears Outstanding
1993/4	£49,023
1994/5	£118,350
1995/6	£142,914
1996/7	£221,428
1997/8	£333,791
1998/9	£398,855
1999/00	£555,309
2000/1	£757,209
2001/2	£1,253,407
2002/3	£1,837,832
2003/4	£2,411,455
2004/5	£3,304,585
2005/6	£5,261,973
2006/7	£6,535,717
2007/8	£8,671,337
2008/9	£11,150,401

These figures will continue to reduce as the Council pursues the debt and undertakes the annual exercise to write off debt where the debtor cannot be traced. This is normally carried out in March, but was delayed due to the computer problems experienced at that time.

Each year the annual accounts make provision for the write off of debt, thus when actual write offs occur this does not lead to a deficit on the Collection Fund Account.

The Council currently collects between £6 and 7 million each year towards historic Council Tax accounts. This is in addition to the current year's Council Tax revenue, which counts towards the performance indicator that measures debt raised and collected in the financial year. Recovery continues for as long as it takes to recover the debt and the Council takes a robust approach to debt collection.

**Executive Forward Plan - Summary of Key Decision
Corporate Services**

	Decision Reference	Subject Area for Decision	Anticipated date of decision	Decision Taker (Executive or Chief Officer)
		Capital Expenditure Approvals		
		Beswick Housing Renewal	July 09 – Nov 09	City Treasurer
		Corporate Asset Management and DDA Works	July 09 – Nov 09	City Treasurer
		Spend to Save Schemes	July 09 – Nov 09	City Treasurer
		Surestart Children’s Centre Programme	July 09 – Nov 09	City Treasurer
		Building Schools for the Future including Academies	July 09 – Nov 09	City Treasurer
		NDS Devolved Capital 2009/10	July 09 – Nov 09	City Treasurer
		Housing Market Renewal	July 09 – Nov 09	City Treasurer
		Heaton Park Regeneration	July 09 – Nov 09	City Treasurer
		Primary School Re-building Programme 2009/10	July 09 – Nov 09	City Treasurer
		Wythenshawe Town Centre	July 09 – Nov 09	City Treasurer
		Maine Road Remediation	July 09 – Nov 09	City Treasurer
		Cheetham District Centre	July 09 – Nov 09	City Treasurer
		Town Hall Service Centre	July 09 – Nov 09	City Treasurer
		Sustainability	July 09 – Nov 09	City Treasurer
		Local Transport Plan – Maintenance (bridges Assessment and strengthening, strategic road and footway maintenance)	July 09 – Nov 09	City Treasurer
		Retained HRA and Northwards Housing Programmes 2009/10	July 09 – Nov 09	City Treasurer
		Private Sector Housing Programme 2009/10	July 09 – Nov 09	City Treasurer
		CRM/Information Strategy/SAP Roll Out	July 09 – Nov 09	City Treasurer
		Corporate Contact Centre	July 09 – Nov 09	City Treasurer
		City Centre Public Realm - Metrolink	July 09 – Nov 09	City Treasurer

		Town Hall Complex Transformation Programme – Decant Projects	July 09 – Nov 09	City Treasurer
		Town Hall Complex Transformation Programme – Main Projects	July 09 – Nov 09	City Treasurer
		Any recent additions to the Capital Budget that may require Capital Expenditure Approval Key Decision	July 09 – Nov 09	City Treasurer
		Revenue Budget		
		Allocations from Central Contingency	July 09 – Nov 09	Executive
		Requests for Funding from the Development Fund	July 09 – Nov 09	Executive
		Allocations from the Service Improvement Fund	July 09 – Nov 09	Chief Executive/ City Treasurer
		Disposal of Land		
		Property 68-70 Newton Street, Manchester	July 09 – Nov 09	Chief Executive
		Land at Altrincham Road, Baguley	July 09 – Nov 09	Chief Executive
		Land at Dean Lane, Newton Heath	July 09 – Nov 09	Chief Executive
		Land at Wayland Road, Gorton	July 09 – Nov 09	Chief Executive
		Crown Square, Manchester (Spinningfields)	July 09 – Nov 09	Chief Executive
		Land at Birley Fields	July 09 – Nov 09	Chief Executive
		Acquisition of an interest in land or buildings		
		Crossley Works, Pottery Lane	July 09 – Nov 09	Chief Executive
		Etrop Court, The Birtles, Wythenshawe	July 09 – Nov 09	City Treasurer/ Chief Executive
		Overseas House	July 09 – Nov 09	City Treasurer/ Chief Executive
		1 First Street	July 09 – Nov 09	City Treasurer/ Chief Executive
		Elliott House	July 09 – Nov 09	Chief Executive/City

				Treasurer
		Gt Ducie St Warehouse	July 09 – Nov 09	Chief Executive/City Treasurer
		Shop Unit, Piccadilly Gardens	July 09 – Nov 09	Chief Executive/City Treasurer
		Tender Acceptance		
		Great Manchester Run	July 09 – Nov 09	Chief Executive
		Paralympic World Cup 2009 and 2010	July 09 – Nov 09	Head of Leisure
		Framework One (2009). Design and Build construction projects £500k to £10m plus	July 09 – Nov 09	City Treasurer
		Waste Recycling Strategy	July 09 – Nov 09	City Treasurer
		Delivery of Social Care and Health Equipment	July 09 – Nov 09	Director of Adult Social Care
		Construction and operation of fibre to the premises (Oxford Road FTTP)	July 09 – Nov 09	Chief Executive
		Framework contract for mechanical and electrical engineering consultancy services	July 09 – Nov 09	City Treasurer
		Electricity – Street Lighting	July 09 – Nov 09	City Treasurer
		2012 Live Site Screen	July 09 – Nov 09	Chief Executive/ City Treasurer
		Town Hall Complex Transformation Programme - CAPEX, leases and contracts relating to the decant projects	July 09 – Nov 09	Chief Executive/City Treasurer
		Town Hall Complex Transformation Programme – CAPEX, leases and contracts relation to the main projects	July 09 – Nov 09	Chief Executive/City Treasurer
		Drain Clearance	July 09 – Nov 09	Head of Neighbourhood Services

		Non-specialised Security Services	July 09 – Nov 09	City Treasurer
		Training, Learning and Development Services	July 09 – Nov 09	City Treasurer/Chief Executive
		Children/Young People & Family Substance Misuse Specialist Service (Manchester)	July 09 – Nov 09	City Treasurer/Chief Executive
		IT System for Street Management	July 09 – Nov 09	City Treasurer/Chief Executive
		Customer Relationship Management Solution	July 09 – Nov 09	City Treasurer/Chief Executive
		Mechanical & Electrical Engineers Consultancy Framework in support of Corporate Technical Services Capital programme delivery (re-tender)	July 09 – Nov 09	City Treasurer/Chief Executive
		Structural Engineers Consultancy Framework in support of Corporate Technical Services Capital programme delivery (re-tender)	July 09 – Nov 09	City Treasurer/Chief Executive
		FM (Facilities Management) Consultancy Framework in support of Corporate Technical Services Capital FM strategy development work (This is a re-tender and extension of the existing Asbestos Surveying Framework)	July 09 – Nov 09	City Treasurer/Chief Executive

**Resources and Governance Overview and Scrutiny Committee
Work Programme 2008/9 - July 2009**

16 July 2009 – report deadline Monday 6 July				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 City Region	To look at the Greater Manchester strategy for the City Region with a view to looking at possible future governance arrangements.	Councillor Leese	Steve Mycio	
2 State of the City State of the Wards	To look at the statistics compiled in the annual State of the City and State of the Wards reports. To include statistics broken down by communities of interest. To include the LAA end of year results report.	Councillor Leese	Carole Pattison Sarah Henry	Presentation (To be circulated with papers) The full reports will be available at the meeting
3 Corporate property	To look at the Corporate Asset Management Plan 2009. Report on the effectiveness of the partnerships with Jacobs and others To examine the corporate strategy for land disposals to secure the appropriate neighbourhood development priorities. To include use of land for park and ride sites.	Councillor Priest	Richard Paver Helen Jones	See Minute RG/09/16 (23 February 2009)
4 Corporate Communications	To look at the outcome of the review of corporate communications and future proposals. Including how we could get a good response to the Budget Consultation.	Councillor Leese	Geoff Little Sara Tomkins	

5 Section 106 Agreements	To look at changes to arrangements for administering and managing s.106 agreements, including how money raised is spent.	Councillor Cowell	Peter Babb	
6 Information and Overview Report	Council Tax age-debt analysis - To inform the Committee how well the Council is doing in collecting Council Tax owed from previous financial years.	Councillor Priest	Julie Price	Requested at the meeting in May 2009.

3 September 2009 – report deadline Monday 24 August

Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 Quarterly Performance Report 1	To receive the first quarter Local Area Agreement performance indicators	Councillor J Battle	Forid Meah	
2 Use of External Consultants and Agency Staff	To look at the gateway process for controlling expenditure on external consultants and agency staff. To include details of the levels of spend on consultants and agency staff over time.	Councillor Priest	Richard Paver Ian Brown	See Minute RG/09/16 (23 February 2009)
3 Manchester Working	To review the organisation's governance, performance and financial strategy.	Councillor Andrews	Richard Paver	A representative from the governance and finance section of Manchester Working will be invited.

4 Northwards Housing	To review the organisation's governance, performance and financial strategy.	Councillor Andrews	Paul Beardmore	A representative from the governance and finance section of Northwards Housing will be invited.
5 Business Plans	To receive an overview of the business planning process and select a handful of Business Plans in their early stages to look at in the next meeting. To include a business planning template information on the cross cutting priority themes across all directorates e.g. business continuity and risk management	Councillor Priest	Forid Meah	
6 Information and Overview Report				

15 October 2009 – report deadline Monday 5 October

Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 Business Plans	To look at the Business Plans selected in September.	Councillor Priest	Forid Meah	To include the Business Plan of the Directorate of Transformation.
2 Local Area Agreement: Commissioning	To look at what commissioning is and what value the process is to residents. To look at real life examples of the commissioning process where the value to residents can be demonstrated	Councillor Leese	Carole Pattison	See minute RG/09/27: (21 May 2009)

3 Neighbourhood Funding Strategy – Quarterly Exception Reports	To track the development of NFS proposals (by exception)	Councillor Priest	Carole Pattison	
4 Investment in Culture	To respond to the matters raised in the budget consultation relating to investment in culture.	Councillor Amesbury	Virginia Tandy	See Minute RG/09/16 (23 February 2009) Invitation to Cllr Flanagan.
5 Information and Overview Report				

12 November 2009 – report deadline Monday 2 November

Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 Outcomes from the Comprehensive Area Assessment	To look at how the Audit Commission has rated the ability of public services to work together and what actions will be taken as a result of this.	Councillor Leese	Carole Pattison	
2 Improvement and Efficiency	To look at how partners' efficiency programmes are releasing savings and the role of the AGMA Improvement and Efficiency Commission.	Councillor Priest	Carole Pattison	See minute RG/09/23
3				
4 Information and Overview Report				

10 December 2009 – report deadline Monday 30 November

Item	Purpose	Lead Executive Member	Lead Officer	Comments

1 Quarterly Performance Report 2	To receive the second quarter Local Area Agreement performance indicators	Councillor J Battle	Forid Meah	
2 Business Plans	To select a couple of Business Plans for scrutiny at the next meeting.	Councillor Priest	Courtney Brightwell	
3 Partners' Risk Management Arrangements	To look at the risk management arrangements of the Manchester Partnership, and risk registers of the PCT, the Policy Authority, Fire Authority, Waste Disposal Authority.	Councillor Priest	Carole Pattison Andrew Ballantyne Jane Abdullah John Gill	
4 Use of Resources Results	To look at the Use of Resources Inspection results of the Councils partners including NHS Manchester,			
5 Information and Overview Report				

7 January 2010 – report deadline Thursday 17 December

Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 Business Plans	To look at the Business Plans selected in December. To focus on how the business plans have developed since October and how they plan for business continuity.	Various	Various	
2 Information and Communication Technology (ICT)	To look at the long-term impact on services of the ICT disruption in February / March 2009. To include detailed information on the installation of Wyse terminals and the associated costs.	Councillor Priest	Steve Park, MIP Fiona Worrall	

3				
4 Information and Overview Report				

4 February 2010 – report deadline Monday 25 January

Item	Purpose	Lead Executive Member	Lead Officer	Comments
1 Draft Treasury Management Strategy	To look at the draft Strategy.	Councillor Priest	Richard Paver	See minutes from June 2009
2				
3				
4 Information and Overview Report				

22 February 2010 – report deadline Thursday 10 February

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Budget	To look at the Executive's budget proposals to Council, the opposition amendment, the Housing Revenue account and Scrutiny's involvement / public involvement in the budget setting process.	Councillor Priest	Richard Paver	

4 March 2010 – report deadline Monday 22 February

Item	Purpose	Lead Executive Member	Lead Officer	Comments
------	---------	-----------------------	--------------	----------

1 Quarterly Performance Report 3	To receive the third quarter Local Area Agreement performance indicators	Councillor J Battle	Forid Meah	Timing TBC
2				
3				
4 Information and Overview Report				

ITEMS TO BE SCHEDULED

Sportcity and Eastlands	Proposals for the development of a destination leisure complex, and the financial implications for the Council	Councillor Leese	Richard Paver Eddie Smith	
Sportcity	Outcome of rental renegotiations	Councillor Amesbury	Richard Paver Eammon O'Rourke	
Expenditure on MIP projects	To tell the Committee how much of the increased capital expenditure was spent on the Customer Relationship Management (CRM) system roll out, the implementation of the Information Strategy, aspects of the SAP software system and the creation of the Corporate Contact Centre.	Councillor Priest	Elaine Bowker Theresa Grant	For information See minute RG/09/29: (21 May 2009)
Customer Relationship Management and Document Management systems implementation	To look at and comment on the implementation of the CRM system and the document management system.	Councillor Priest	Elaine Bowker Theresa Grant	See minute RG/09/27: (21 May 2009)