

URGENT ACTION 16/07 Issued 13 06 07

EXECUTIVE MEMBER: Councillor N Williams
LEAD OFFICER: H Mitchell, Head of Policy & Performance
REPORT AUTHOR: Len Gleed, Human Resources Manager

Summary and Recommendation: Executive members are asked to note this report, and that a further report will be presented when the final position is clear.

1. INTRODUCTION

- 1.1 Urgent Action 16/07 was required in order to respond to a “computation of liability” submitted on 24 May 2007 by HM Revenue & Customs in relation to PAYE and National Insurance contributions which they maintain are due in relation to severance payments under the heading of “pay in lieu of notice”, made to a total of 24 employees between 2002/3 and 2006/7. Action was taken under the Urgent Action procedure as a precaution in cases of this sort to prevent further accrual of interest on the amounts the Revenue & Customs say are due. This is the prudent practice, even when there is scope for further dispute about the amounts involved.

2. BACKGROUND

- 2.1 The 24 cases which the Revenue are taking an interest in are made up of a variety of situations, including ill-health incapability dismissals and redundancies.

3. CONCLUSIONS

- 3.1 Discussions are continuing with the Revenue & Customs, and the final picture is not yet clear. When the final liability is agreed, a fuller report will be presented explaining the details.

Please say if this report will require the making of a Key Decision

NO