

FINANCE AND MANAGEMENT COMMITTEE

17th October 2002

PRESENT:-

Labour Group

Councillor Wilkins (Chair), Councillor Pabla (Vice-Chair) and Councillors Carroll, Dunn (substitute for Councillor Southerd), Evens, Knight, Richards, Southern and Whyman.

Conservative Group

Councillors Harrison, Shaw, Mrs. Walton (substitute for Councillor Lemmon) and Mrs. Wheeler.

In Attendance

Councillors Bell, Rose, Mrs. Rose and Stone (Labour Group) and Councillor Bale (Conservative Group).

APOLOGIES

Apologies for absence from the Meeting were received from Councillor Southerd (Labour Group) and Councillor Lemmon (Conservative Group).

FM/47. **MINUTES**

The Open Minutes of the Meeting held on 5th September 2002 were taken as read, approved as a true record and signed by the Chair.

FM/48. **MEMBERS QUESTIONS AND REPORTS**

(a) **Review of Lottery Funding**

The Committee received a report prepared by Councillors Dunn and Southerd advising that the Coalfield Communities Campaign (CCC) had taken a close interest in lottery funding particularly since the Government's Coalfield Task Force highlighted the underfunding in coalfield areas. The CCC first submitted proposals to the Department of Culture, Media and Sport (DCMS) in January 2002 when the following main four proposals were put forward:-

- Indicative financial allocations of lottery funding should be made to each part of the country as a regional allocation based on population levels and levels of deprivation.
- The establishment of a single point of entry (one stop shops in effect) to simplify the lottery process in favour of the applicant.
- Development support to provide free technical support where appropriate via such one stop shops and development workers.
- Endowment funding as a means of providing longer term revenue funding to support projects once established in order to allow them to have a "fighting chance" of becoming self supporting.

It was noted that all these principles had been included in the options offered for consideration in the DCMS consultation paper on the Review of Lottery Funding. The CCC had submitted a further draft response to reinforce these points, a copy of which was circulated. The CCC had requested Member authorities to write to the Culture Secretary to reinforce these proposals.

RESOLVED:-

That the Committee supports the Coalfield Communities Campaign's submission on the Government's review of Lottery Funding to the Secretary of State for the Department of Culture, Media and Sport and that a letter be sent to the Culture Secretary to that effect.

(b) War Memorials in the District

Councillor Rose highlighted the poor condition of some of the war memorials within the District and emphasised the need to include the people who died in the last conflict on these memorials.

RESOLVED:-

That the request for the maintenance and preservation of war memorials in the District be included as a budget proposal and be scored accordingly during the budget process.

(b) Derby and South Derbyshire Partnership Against Racial Harassment

Councillor Rose advised that the above organisation was experiencing some financial difficulties and were in need of a short-term contribution of between £8,000 and £10,000 to survive and approximately £30,000 for continuation over the next three years.

RESOLVED:-

That the request for a financial contribution towards the Derby and South Derbyshire Partnership Against Racial Harassment be included as a budget proposal and be scored accordingly during the budget process.

MATTERS DELEGATED TO COMMITTEE

FM/49. **IMPLEMENTING ELECTRONIC GOVERNMENT STATEMENT 2**

The Committee was advised that last year, the Government had asked all Councils to prepare an Implementing Electronic Government (IEG) statement setting out their plans for delivering 100% of their services electronically by December 2005 where this was possible. The Council had submitted its first statement in July 2001 which was considered satisfactory. The Council was ultimately awarded £200,000 of Government finance in the year 2002/03 to contribute towards its plans. Having produced a national strategy for E-Government in March 2003, the Government had now requested all Councils to review their strategies against this clearer template.

A copy of the first draft of the South Derbyshire strategy was circulated for consideration. It was intended that the strategy would be submitted to the Office of the Deputy Prime Minister by the end of October 2002 subject to any final changes Members might wish to make at the Council Meeting to be held on 7th November 2002.

RESOLVED:-

That the Council's IEG 2 Statement be agreed in principle.

FM/50. **BUDGET PROCESS 2003/04**

The Committee was reminded that as part of the financial strategy the Council had committed itself to ensuring that balances did not fall below £500,000 over the three year planning period. Members received a detailed report providing the most up to date projection at the start of the budget process which rolled forward Council spending plans by a further year. The basis of the projection was outlined in detail. It showed that whilst balances were currently at a healthy level of £1.5m, they could fall as low as £340,000 on the basis of known spending commitments over the next three years. This meant, that as part of the budget process the Council would need to consider what action it was going to take to ensure that balances did not fall below £500,000 over the three years financial planning cycle.

It was reported that key factors that had an adverse impact on the projection were increased insurance costs (mainly as a result of the Council's poor claims history) and reduced income from planning fees. It was suggested that the Council would need to identify savings in excess of £50,000 per year over the three year planning period before identifying any further additional funds for new spending pressures. Officers emphasised that this placed the Council in a similar position to many other authorities. This Council was planning responsibly over a three year period which gave it sufficient advance warning to plan how it would address the need to make savings.

A three year projection for the Housing Revenue Account (HRA) was outlined. This projection assumed that housing rents would rise in line with Government assumptions and effectively produced an underlying deficit within the Council's HRA. The long-term impact of this was to reduce balances to around £200,000 over the three year planning period. Accordingly, it would be necessary to consider what steps needed to be taken so that balances could be maintained at a more prudent level of above £500,000. These figures did not take into account the impact of Supporting People and the Committee was advised that as this situation was clarified it would be reported to Members.

The budget timetable for 2003/04 was circulated for consideration.

The Committee was reminded that service plans formed an integral part of the budget process. Members were asked, when considering the plans to:-

- Highlight any revenue spending pressures that they wished to be addressed within the budget process.
- Identify areas where they would wish officers to look closely to identify savings within the revenue budget process.

- Propose any capital projects that they considered appropriate.

It was suggested that a special Service and Financial Planning Working Group be established to consider budget proposals and it was proposed that a Meeting should take place on 11th December 2002 following the Government Grant Announcement but prior to Policy Committees considering budget proposals. To assist this process it was proposed that all bids be scored based on existing criteria for scoring capital bids and the proposed criteria for scoring revenue bids which was circulated.

RESOLVED:-

- (1) That the financial projections outlined be noted.***
- (2) That the budget timetable outlined be approved.***
- (3) That a Service and Financial Planning Working Panel consisting of 7 Members, (Councillors Whyman, Carroll, Wilkins, Southerd, Southern, Wheeler and Harrison) be created.***

(At 6.40 p.m. Councillor Shaw arrived.)

FM/51. **PROPOSED CHANGES TO CONTROLLED AIR SPACE**

The Committee was advised that a consultation document entitled 'Proposed Changes to Controlled Airspace' had been received from East Midlands Airport.

RESOLVED:-

That the Task and Finish Working Panel approved at the Meeting of the Committee held on 5th September 2002 to consider the Future Development of Air Transport in the UK be authorised to respond to the above consultation document.

FM/52. **DRAFT PROCUREMENT STRATEGY 2003**

Members were advised that this strategy explained how the Council currently procured the goods, works and services and detailed proposals as to how it might be undertaken in the future. A copy was circulated for Members comments. Under Best Value, the Council had a duty to make continuous improvements to the services it provided. This duty could not be discharged fully without an effective procurement strategy. The Council also had to demonstrate competence in the management of procurement as part of the comprehensive performance assessment process. The strategy relied heavily on guidance contained in the report of the Local Government Procurement Task Force (The Byatt Report) published in June 2001. This report recommended that procurement strategies should include general procurement principles and methods as well as updated information on the Council's procurement activities.

The purpose of the strategy was outlined. It incorporated an action plan containing 26 items which would be implemented over the next 12 to 18 months. Key actions were outlined as follows:-

- Establishing a Corporate Procurement Working Group (led by the Deputy Chief Executive) to develop and implement the Strategy.
- Conducting a Best Value Review of procurement structures and processes.
- Amending the Terms of Reference of the Finance and Management Committee to provide a more strategic approach to procurement.
- Providing further guidance to Best Value Review Teams on the identification of service delivery options and partners.
- Providing training for Members and employees on procurement and related issues.
- Publish a guide on 'how to do business with the Council' alongside a schedule of current and planned contracts.

RESOLVED:-

That the Draft Procurement Strategy 2003 be approved as the basis of the Council's future approach to the procurement of goods, works and services.

FM/53. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

MINUTES

The Exempt Minutes of the Meeting held on 5th September 2002 were received.

REMUNERATION OF STAFF IN THE HOUSING DIVISION (Paragraph 1)

The Committee agreed a course of action with regard to the staff outlined in the report from the Housing Division.

TECHNICAL SERVICES DIVISION PHASE 2 REORGANISATION (Paragraph 1)

The Committee agreed to defer consideration of this item to a future Meeting and to include the financial implications arising from the item as a budget proposal during the budget process.

RECRUITMENT AND RETENTION PANEL (Paragraph 1)

The Committee agreed a course of action with regard to future Meetings of the Recruitment and Retention Panel.

DSO TRADING ACCOUNT SCHEDULE OF RATES (Paragraph 8)

This item was withdrawn from the agenda.

**PROCUREMENT OF FINANCIAL MANAGEMENT SYSTEM
(Paragraphs 8 & 9)**

The Committee noted the procurement action undertaken to date for the above contract.

P.J. WILKINS

CHAIR