

FINANCE AND MANAGEMENT COMMITTEE

26th April 2012

PRESENT:-

Conservative Group

Councillor Wheeler (Chairman), Councillor Mrs. Watson (Vice-Chairman) and Councillors Mrs. Hood (substitute for Councillor Murray), Jones, Lemmon, Smith and Watson.

Labour Group

Councillors Dunn (substitute for Councillor Rhind), Frost, Richards, Southerd, Taylor and Wilkins.

In Attendance

Councillors Atkin, Harrison and Mrs. Plenderleith (Conservative Group).

FM/111. **APOLOGIES**

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

FM/112. **MINUTES**

The Open Minutes of the Meeting held on 15th March 2012, were taken as read, approved as a true record and signed by the Chairman.

MATTERS DELEGATED TO COMMITTEE

FM/113. **AUDIT SUB-COMMITTEE**

RESOLVED:-

That the Open Minutes of the Audit Sub-Committee Meeting held on 4th April 2012 be received and any recommendations contained therein be approved and adopted.

FM/114. **CUSTOMER ACCESS STRATEGY**

The Committee was asked to consider a proposed Customer Access Strategy that would set down the Council's approach for providing a flexible service, capable of meeting the needs of customers for the next 5 – 10 years. This built on the work first initiated by the Customer First Project, the enhancements through the Council's partnership with Northgate Public Services, technology advances and the changing requirements of customers.

The detail of the report reminded of the Customer First initiative, with a customer contact centre being opened in 2004. The report explained the progress made since August 2010, when Northgate Public Services began

managing the Customer Services Team. This included percentage statistics on the increased daily contact with customers, changes in working patterns and the percentage of queries resolved at the first point of contact. Sections of the report then looked at reviewing customer access arrangements across the Council, including research undertaken to gather information about the holistic picture of customer contact. A summary was provided of the research findings. From Government research, details were provided of what customers expected from their contact with the Authority. The Council was committed to improving access to services for all customers and the Customer Access Strategy should define the Council's objectives for customer contact. A proposed Strategy was submitted for the Committee's consideration.

The report set out the strategic objectives to be achieved through the Customer Access Strategy and a series of diagrams and further commentary explained the desired shift that would be needed to deliver against these strategic objectives.

Members took the opportunity to submit questions and make observations on the customer contact arrangements. In particular, there was reference to the automated call filtering system, the issues for those without access to the internet and a suggestion was made about extended opening hours, for example when evening Meetings were taking place, on a cost neutral basis. Other comments were made regarding the report's content, which were duly responded to. Consideration was given to the recommendations. It was proposed that the two ICT Member Champions be appointed to the Project Board and felt that the Trade Union should be invited to be represented at all Board Meetings.

RESOLVED:-

- (1) That the proposed new Customer Access Strategy be approved.***
- (2) That approval is given to the establishment of a Project Board and Delivery Group led by the Director of Operations to oversee the implementation of the Customer Access Strategy.***
- (3) That the two ICT Member Champions be nominated to be part of the Project Board and that the trade union be invited to be represented at every meeting.***
- (4) That the high level improvement plan for the first year, 2012/13 be approved and managed through the Project Board and Delivery Group.***

FM/115. **UPDATE OF SECURITY AND FRAUD POLICIES**

A report was submitted proposing updates to the Constitution in the areas that dealt with financial procedures and security in respect of procurement, fraud and corruption. In particular the following polices required updating:-

- ICT Security Policy and Procedures.
- Debit/Credit Card Security Policy and Procedures.
- Anti-Fraud and Corruption Policy

It was reported that Part 4 of the Constitution set out the detailed arrangements in respect of Risk Management, particularly with regard to fraud and corruption, together with systems integrity and security. In view of recent changes to legislation and an increase in procurement and payment electronically, it was considered that a number of variations were necessary to bring the Constitution up to date. The report set out the proposed changes for the ICT Security Policy and Procedures, Credit/Debit Card Security Policy and Procedures and the Anti-Fraud and Corruption Policy. Further sections reported on the Bribery Act 2010, which was quite onerous and details were also provided of the Council's responsibilities. A Member commented that some of the new legislative areas were quite complex and it was felt that Member training should be provided. Additionally, it was felt that training should be provided on the new Standards regime. A further point was the stringent financial penalties within the Welfare Reform Act, relating to fraudulent activities.

RESOLVED:-

That the Committee approves the relevant amendments to the Constitution, as detailed in the report.

FM/116. **ASSOCIATION OF RETAINED COUNCIL HOUSING**

It was reported that the Association of Retained Council Housing (ARCH) had been in existence since 2006. Since this time, ARCH had become a national organisation with over 60 member authorities representing over 1 million tenants. However, as the organisation continued to grow, the risk and liabilities of the volunteer executive board members were not clear and were potentially extensive, even though the input given was voluntary and without financial recompense.

Consequently, for the last few months, ARCH had been working on a different governance and secretariat structure. This meant that a third party organisation would run the daily secretariat activities of the Association, organise its finances, be the first line of response to government and others, organise meetings and conferences and disseminate information to seek views from the wider membership. Costs of such a third party service would be met from the £2,000 membership fee, given the fact that membership had been growing steadily for a number of years. It had also been agreed that ARCH moved from a partnership arrangement, to a company limited by guarantee. The Executive Board of Directors of the company would provide the strategic and policy direction, direct and oversee the work of the secretariat, and undertake the formal treasury function etc.

It was proposed that both the Chairman of the Housing and Community Services Committee and the Head of Housing and Environmental Services would become directors of the company. The same arrangements were being mirrored in the other 9 current Executive Board member authorities, making 19 Directors of the Company. The election of Directors would be reviewed at the first AGM of the new company currently scheduled for September 2012.

Members were reminded of the background to this organisation, its initial purpose as a single interest group for those authorities with retained council housing and the broader issues it now provided support on. It was suggested that periodic reports be provided to the Council by the representatives. It was noted that all Members of the Council could gain access to the organisation's website and agreed to circulate login details to Members.

RESOLVED:-

- (1) That the Council becomes a member of the Association of Retained Council Housing (ARCH) Limited.***
- (2) That the Chairman of the Housing and Community Services Committee and the Head of Housing and Environmental Services become Directors of ARCH Limited.***
- (3) That in accordance with Section 323(1) of the Companies Act 2006 the Council authorises the Chairman of the Housing and Community Services Committee and the Head of Housing and Environmental Services, or their substitutes, to be the Council's representatives at any meeting of ARCH and execute voting rights on behalf of the Council.***
- (4) That the recommendation of the Housing and Community Services Committee on 19th April 2012 in relation to this matter be noted and that this proposal is submitted to full Council for approval.***

FM/117. **MEMBERSHIP OF EFFICIENCY EAST MIDLANDS LIMITED (PROCUREMENT CONSORTIUM)**

It was reported that until November 2011, the Council was a member of the Efficiency East Midlands (EEM) Consortium – a consortium of local authorities, ALMOs and housing associations. Since the formation of EEM, membership had expanded to 16 members, who managed over 134,000 properties within the region.

EEM Consortium and EEM Limited was a partnership which operated solely for the purpose of its Members. All of the Consortium's framework contracts had now been transferred to EEM Limited, a new not-for-profit company, limited by guarantee, which had been set up on behalf of the previous EEM Consortium. The company model was considered to be the most tax efficient model, and best method for the fair distribution of any potential surpluses generated by the Company, back to its members.

Further details on this organisation and the reasons for joining, including the value for money that would be achieved, were included within the report. It was also necessary for the Council to nominate a representative to attend meetings of EEM Limited. The representative would execute voting rights on behalf of the Council, although the Council would not be obliged to conform to any resolution which it had voted against, on the grounds as identified within the report.

Membership to EEM Limited was currently based on 50p per property maintained. Therefore the cost to the Council would be £1,525 per annum, which was accounted for in the HRA. However, cashable savings of £20,000 per annum had already been identified through the materials framework provided by EEM Limited.

RESOLVED:-

- (1) That the Council becomes a member of Efficiency East Midlands Limited (EEM Ltd).***
- (2) That in accordance with Section 323(1) of the Companies Act 2006, the Council authorises the Repairs and Improvements Manager or his substitute to be the Council's representative at any meeting of Efficiency East Midlands Limited and to execute voting rights on behalf of the Council.***
- (3) That the recommendations of the Housing and Community Services Committee of 19th April 2012 in relation to this matter be noted and that this proposal is submitted to full Council for approval.***

FM/118. **WORK PROGRAMME**

It was noted that the provisional Budget Out-turn report had been due to be submitted to this Committee. It was proposed to arrange a Special Meeting of the Finance and Management Committee for this purpose and that this be held on 22nd May 2012.

RESOLVED:-

- (1) That the Committee notes the updated work programme.***
- (2) That a Special Meeting of the Finance and Management Committee be held on 22nd May 2012, to consider the Provisional Budget Out-turn 2011/12.***

FM/119. **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 15th March 2012 were received.

AUDIT SUB-COMMITTEE (Paragraph 1)

The Committee received the Exempt Minutes of the Audit Sub-Committee Meeting held on 4th April 2012.

PROPOSED WRITE-OFFS: COUNCIL TAX, SUNDRY DEBTORS AND BUSINESS RATES (Paragraph 1)

The Committee approved the write-off of debts under the provisions of Financial Regulation D2.4(b) and referred one case back for further investigation.

SPORT AND HEALTH RESTRUCURE (Paragraph 1)

The Committee approved proposals for the reorganisation of this Service, following a period of consultation.

SERVICE REVISIONS IN ENVIRONMENTAL HEALTH – NEIGHBOURHOOD WARDEN SERVICE (Paragraph 1)

The Committee approved proposals to maximise the effectiveness of the Neighbourhood Warden Service operated by the Environmental Health Section.

REORGANSIATION OF DIRECT SERVICES SECTION WITHIN ENVIRONMENTAL SERVICES (Paragraph 1)

The Committee approved proposals for the reorganisation of the Direct Services (Waste and Cleansing) Team, following a period of consultation.

PAY AND GRADING REVIEW (Paragraphs 1 & 5)

The Committee received an update and agreed the way forward with the pay and grading review.

R. WHEELER

CHAIRMAN