

FINANCE AND MANAGEMENT COMMITTEE

6th December 2012

PRESENT:-

Conservative Group

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

Labour Group

Councillors Frost, Rhind, Richards, Southerd, Taylor and Wilkins.

In Attendance

Councillor Mrs. Plenderleith (Conservative Group) and Councillor Bell (Labour Group).

FM/57. **APOLOGIES**

Apologies for absence from the Meeting were received from Councillors Jones, Murray and Watson (Conservative Group).

FM/58. **DECLARATIONS OF INTEREST**

Councillor Mrs. Hall declared a personal interest in respect of the item on Netherseal Village Hall and Councillor Rhind declared a personal interest in respect of the Exempt Report on Land at Swadlincote.

MATTERS DELEGATED TO COMMITTEE

FM/59. **CORPORATE PLAN 2009 TO 2014: PERFORMANCE MANAGEMENT REPORT (1st APRIL TO 30th SEPTEMBER 2012)**

A report was submitted on performance for the period in relation to the Council's Corporate Plan 2009-14. The report and appendices gave detail on the progress against Corporate Plan Key projects and performance measures. The Corporate Plan consisted of four main themes or priorities and it was refreshed in March 2012. Each theme contained a number of outcomes. This Committee was responsible for the delivery of four outcomes within the Value for Money theme. Details were provided in the report and appendices of the key projects, performance measures and on managing risks.

RESOLVED:-

- (1) That the Committee notes the progress and achievements during the period 1st April to 30th September 2012, in relation to the Council's Corporate Plan.***

- (2) *That where progress has failed to achieve the specified target, the Committee accepts the adequacy of the remedial action taken.*
- (3) *That the Committee receives the quarterly review of the number of accidents, as part of the Council's Health and Safety Performance Management Framework.*

FM/60. **BUDGET AND FINANCIAL MONITORING 2012/13 – 2nd QUARTER TO SEPTEMBER 2012**

The latest budget and financial monitoring report was presented for the Committee's consideration. Initially, this focussed on the General Fund Revenue Account with tables showing the approved budget for 2012/13, the confirmed savings and the revised budget position. In line with normal monitoring arrangements, the position on net expenditure on services was the main area that was subject to on-going review. The latest monitoring figures were provided with tables showing performance against budget by Committee and by main service area. A further table then showed the main variances and additional commentary was provided on the cost of temporary accommodation, insurance premiums, motor vehicle claims and contingent sums.

The report included sections on the Housing Revenue Account and Capital Expenditure and Financing. A table was included summarising the position on council house improvements, private sector housing, leisure and community development, environmental schemes and property maintenance. Further commentary was provided for each of these areas, together with an update on progress on other schemes. The report reminded of the self-financing framework and Council's policy regarding the reinvestment of receipts, together with the government guarantee agreement regarding retention of receipts. A table gave an analysis of Council house sales and details were also provided of the rules regarding land sale receipts. Finally, the report considered Treasury Management, with an analysis of the debt outstanding, short term investments and other financial indicators.

RESOLVED:-

- (1) *That the latest budget and financial monitoring figures for 2012/13 are approved.*
- (2) *That the amount of £25,000 remaining from the Housing Capital Programme in 2011/12 be transferred to the Disabled Facilities Grants' Budget for 2012/13.*

FM/61. **COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS – 1ST APRIL TO 30TH SEPTEMBER 2012**

An informative report was submitted to summarise the official comments, compliments and complaints received by the Authority, together with Freedom of Information requests.

RESOLVED:-

That the report is noted.

FM/62. **ASSETS OF COMMUNITY VALUE/COMMUNITY RIGHT TO BID**

A report was submitted on the Community Right to Bid for assets of community value, introduced through the Localism Act 2011. Approval was sought to the proposed consultation and decision-making processes upon receipt of an application. As the Council had to determine whether to list a nominated asset within 8 weeks of receipt, seeking Committee approval appeared impractical. The report therefore proposed the granting of delegated authority to officers, in consultation with nominated Members, with the outcome of these decisions being reported within the Annual Asset Management Plan. The detail of the report set out the process the Council had to follow, when a nomination was submitted and the implications both for property owners and the Authority. Questions were submitted by Members about the valuation of losses incurred by property owners, affected by the legislation and the time periods community groups had for raising funds.

RESOLVED:-

- (1) That the implementation of the Community Right to Bid be noted.***
- (2) That the Director of Operations, in consultation with the Vice-Chairman of Finance and Management Committee and Councillor Bell, be granted delegated authority to determine any applications.***
- (3) That the Chief Executive, in consultation with the Chairman of Finance and Management Committee and Councillor Richards, be granted delegated authority to determine any requested review of the original decision.***
- (4) That details of the successful and unsuccessful nominations be reported within the annual Asset Management Plan.***

FM/63. **NETHERSEAL VILLAGE HALL**

It was noted that urgent and significant repairs were required to the Netherseal Village Hall. Capital monies to undertake such works were originally set aside within the Capital Programme, dependent on the Parish Council signing up to a full repairing lease. The Parish Council was unable to accept this responsibility, but the works were still required. The Committee's authority was sought to utilise the capital, to properly maintain and secure the future of the building and therefore meet the Council's obligations, whilst continuing with the existing lease arrangements.

Background was provided on a review of leases in 2003 and the recommendations made at that time. The detail of the report explained the process undertaken to identify these urgent repairs to Netherseal Village Hall, which were the Council's responsibility. It was suggested that periodic reports

be submitted to the Housing and Community Services Committee on the condition of these premises.

RESOLVED:-

That expenditure of up to £25,000 be approved on roof repairs and other critical works to Netherseal Village Hall.

FM/64. **WORK PROGRAMME**

The Committee was asked to review its work programme.

RESOLVED:-

That the updated work programme be approved.

FM/65. **LOCAL COUNCIL TAX SUPPORT SCHEME – FINAL PROPOSALS**

A report was presented to establish final proposals to implement a Local Council Tax Support Scheme for South Derbyshire. This followed the Government's proposal to abolish the national benefits scheme, replacing it by a new system of local support on 1st April 2013. The report provided an update and further analysis following the previous deliberations. Consultation feedback was also provided.

Members were reminded of the outline proposals as follows:

- To protect all Pensioners in the new scheme at their current level of support; this being a legislative requirement.
- To protect people with disabilities in the new scheme at their current level of support.
- To protect war widows and war disabled pensioners in the new scheme at their current level of support (***under the Armed Forces Covenant this will now also provide full disregard for military compensation payments in calculating benefit***).
- To extend the current tapering scheme for those moving off benefit and into employment as a means of encouraging people back into work.
- To work closer with partners to support single parent families with childcare arrangements and to access financial support in employment.
- To charge a Council Tax premium on long term empty properties (2 years) and to charge Council Tax on empty properties after 3 months.
- The net cost of the new scheme after generating additional funding would be allocated as a straight line reduction in current benefit across all unprotected working age claimants.

Effectively, this would produce a local scheme based on the key features of the current national scheme.

A section was provided on funding and the previously identified shortfall of £1/2m, due to the reduction in national resources being allocated for the Council Tax benefit. Each of the proposals above had been costed and compared against the estimated funding and a table showed that the potential shortfall was just over £300,000. This sum equated to 15% of the benefit currently paid to unprotected working age claimants.

Next, the report focussed on further parameters and a transitional grant being provided by the Government. The Council had a degree of flexibility in formulating the local scheme for working age claimants. The Government had announced additional support to councils in the form of a transitional grant for one year only, the criteria for which were set out within the report. However, applications could not be made for this grant until February 2013, after the statutory deadline for approving the local scheme. The key criteria was limiting any decrease in support to a maximum of 8.5% for those currently receiving 100% benefit. A further table was included showing the indicative effect of the 8.5% cap. This showed that a reduction of £61,447 would be required from the remaining unprotected groups should the Council wish to apply for the transitional grant. An appendix highlighted that this would require 10% reduction in current benefit for all remaining working age claimants who currently paid some Council Tax.

A further section of the report looked at the potential need for additional consultation, but it was noted that extensive consultation had already been undertaken on the options. The level of main grant funding was still to be determined on or around 20th December 2012. There were several risks and issues that would need to be managed in the local scheme, including the collection of low level debt and potentially, the affordability of some households to pay. Further sections of the report covered debt collection and affordability, demand and payments by working age claimants. There was commentary on options for calculating actual reductions and the estimated impact for working age claimants who paid some Council Tax.

At the last Committee, some discussion took place on the option of implementing a banded support scheme, and further detail was provided on this, together with the illustrative financial implications of a banded scheme. Subsequent sections covered the Council's Collection Fund, the need for regular review and the adequacy of computer systems. Next, the report looked at the consultation feedback, with the analysis being detailed in an appendix to the report and main themes included as a series of bullet points. The report concluded with an equality impact assessment and details of the next steps, with a report to a Special Meeting of the Committee on 10th January and then to Full Council on 24th January 2013.

Finance staff were commended for the work completed. A proposal was submitted to meet the perceived shortfall of £61,000 from the General Fund. Officers explained that this amount related to the transitional grant and the total amount, which would have to be met by the Collection Fund was actually £300,000. Also, this amount was not met totally by this Council, but would be disaggregated across all precepting authorities.

Reference was then made to the cumulative effect of not being able to collect small sums of money from individuals and the associated costs of debt recovery. A response was provided about the pragmatic approach taken towards debt recovery in most cases. However, this was a statutory debt, which had to be pursued. Members appreciated this explanation and spoke also about the difficulties being faced by individuals, other welfare reform proposals and the impact for those affected. There was further discussion about bad debt provision and would be the opportunity in future to review collection rates. Another option discussed was imposing a council tax increase to meet the £300,000 shortfall. As this equated to approximately a 6% rise, it would also trigger the requirement for a referendum, the implications of which, the Chief Executive would respond to Members on.

RESOLVED:-

(1) That a Local Council Tax Support Scheme for South Derbyshire be approved in principle, as set out below and subject to the Local Government Financial Settlement for 2013/14:

- **To protect all Pensioners in the new scheme at their current level of support; this is a legislative requirement.**
- **To protect people with disabilities in the new scheme at their current level of support.**
- **To protect war widows and war disabled pensioners in the new scheme at their current level of support (under the Armed Forces Covenant this will now also provide full disregard for military compensation payments in calculating benefit)**
- **To extend the current tapering scheme for those moving off benefit and into employment from four weeks to eight weeks as a means of encouraging people back into work.**
- **To work closer with partners to support single parent families with childcare arrangements and to access financial support in employment.**
- **To charge a Council Tax premium of 50% on properties empty for longer than two years and to charge full Council Tax on empty properties after 3 months.**
- **The net cost of the new scheme after generating additional funding would be allocated as a straight line reduction in current benefit across all unprotected working age claimants, except that no claimant currently receiving 100% relief should have their benefit reduced by more than 8.5%.**

- ***That the Council applies for the Government's Transitional Grant Scheme.***

(2) That the final Scheme with the detailed parameters laid under regulations, is approved and recommended to Full Council at a Special Meeting of the Committee on 10th January 2013.

Note: Members of the Labour Group wished it to be recorded that they had voted against this decision.

FM/66. **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.

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

The Committee approved the write-off of sums due to the Council in accordance with Financial Regulations.

PROCUREMENT OF PITCH DRAINAGE SERVICES FOR IMPROVEMENTS TO COCKSHUT LANE PLAYING FIELDS, MELBOURNE (Paragraph 3)

The Committee approved proposals for the award of a contract for pitch drainage services.

LAND AT SWADLINCOTE (Paragraph 3)

The Committee approved terms for the disposal for an area of Council-owned land for residential development.

HOUSING SERVICES – STAFFING RESTRUCTURE (Paragraphs 1, 2 & 4)

The Committee approved in principle an amended staffing structure for the Housing Services Division, subject to a period of consultation.

R. WHEELER

CHAIRMAN