

FINANCE AND MANAGEMENT COMMITTEE

4th September 2003

PRESENT:-

Labour Group

Councillor Pabla (Vice-Chair in the Chair) and Councillors Carroll, Lane, Lauro, (substitute for Councillor Southerd), Mrs. Mead (substitute for Councillor Wilkins), Richards, Southern and Taylor (substitute for Councillor Whyman, M.B.E.)

Conservative Group

Councillors Bladen (substitute for Councillor Nalty), Harrison, Lemmon, Mrs. Renwick and Mrs. Wheeler.

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Wilkins (Chair), Southerd and Whyman, MBE (Labour Group) and Councillor Nalty (Conservative Group).

FM/31. **MINUTES**

The Open Minutes of the Meeting held on 24th July 2003 were taken as read, approved as a true record and signed by the Chair

MATTERS DELEGATED TO COMMITTEE

FM/32. **REVISED EMPLOYEE CODE OF CONDUCT**

The Committee received a revised Employee Code of Conduct and was advised that this document had not been reviewed for four years. It had been considered by the Joint Negotiating Group, the Standards Committee (due its link with the Member/Employee Protocol) and the Joint Consultative Committee all of which had approved the document and had no outstanding issues to raise.

RESOLVED:-

That the revised Employee Code of Conduct be recommended to the Council for approval.

FM/33. **MEMBER/EMPLOYEE PROTOCOL**

The Committee received a revised Protocol for Member/employee relations and was advised that this document had not been reviewed corporately for a number of years. The Council did not have an independent written protocol that was made available to all Members and employees despite there being an expectation placed upon authorities to do so following the introduction of the modernisation legislation and the CPA regime.

The document had been considered by the Joint Negotiating Group, the Standards Committee and the Joint Consultative Committee all of which had approved the document. The Standards Committee had suggested that it be made clearer what action would be followed if there was an alleged breach of the Protocol by either a Member or an employee and the document had been revised to reflect this matter.

RECOMMENDED:-

That the Member/Employee Protocol be recommended to the Council for approval.

FM/34. **CONTRACT FOR THE SUPPLY OF TEMPORARY STAFF**

The Committee was advised that the Technical Services Division employed temporary staff from recruitment agencies in order to maintain service levels during periods of holiday, sickness and work peaks. A number of suppliers were used in order to meet demand on an “as required” basis. Therefore, tenders were being sought for suppliers in accordance with the Council’s Financial Procedure Rules.

The Committee was advised that as part of the process, tenderers would be required to submit prices to the Council together with the following information:-

- ❑ Details of the rates of pay to staff
- ❑ Financial references
- ❑ Company history
- ❑ References from other organisations to whom they supplied staff
- ❑ Recruitment and selection procedure
- ❑ Health and Safety policy and procedure
- ❑ Training procedure
- ❑ Details of contacts and availability outside normal working hours

Tenderers must satisfy all of the above criteria to be considered suitable.

Councillor Southern expressed concern that some of the agencies involved took a large percentage of the fees paid by the Council and that the actual employee received only a fraction of the overall cost. He asked to receive details of the number of agency staff currently used, for how long they had been employed and which department of the Council they were employed in. Councillor Taylor advised that he wished to see a time limit placed on the appointment of agency staff and it was agreed that this was a matter which would be pursued.

RESOLVED:-

That the procurement arrangements outlined and the selection of the tenders which are suitable for the supply of temporary staff be approved.

FM/35. **HUMAN RESOURCE MANAGEMENT – BEST VALUE REVIEW FINAL REPORT**

The Committee was advised that the terms of reference for this Review required a review of the whole service to ensure effective and efficient delivery

of quality Personnel and Development Services to the authority which also provided value for money (to include a review of the policies and systems that supported performance management and the management of change throughout the Authority). A Review had been completed in accordance with due process and had been approved by the Corporate Scrutiny Committee. There had, however, been significant delays that had been outside the Review Team's control.

The Action Plan arising from the Review recommended how the key issues identified in the base-line assessment were to be improved. This Plan was for the organisation as a whole and required the commitment of Corporate Management Team, all managers, supervisors and team leaders in many areas for it to succeed.

Members were advised that due to the delay in completing the Review many of the key actions had already been completed and were identified in the achievement section of the report. The Action Plan had therefore been reduced considerably and also covered suggestions made in recent feedback from Focus Groups held during July 2003.

It was recommended that the work already undertaken be continued to develop suitable partnership arrangements on projects/areas of work as an appropriate way forward as opposed to wholesale outsourcing.

Councillor Lane referred to the Investors in People Award and queried what arrangements had been put in place to promote the achievement. The Personnel and Development Manager advised that the plaque had not yet been affixed to the exterior of the Council Offices. The certificates had been issued to all departments and the logo had been placed on the Council's website. The IIP logo now needed to be incorporated into the Council's letterheads etc.

Councillor Harrison queried whether the Council had adopted the Commission for Racial Equality (CRE) standards and was advised by the Personnel and Development Manager that the Council had not yet been assessed but was working in accordance with the standards. She advised that she was confident of the Council achieving Level 1 and possibly Level 2 of the standards. Councillor Harrison also queried what Member development training courses could be offered and was advised that the Personnel and Development Team felt that they had provided as much general training for Members as possible. Also, the Council's Training Officer had received a limited response from Members following an offer to provide specific training courses on request.

The Chief Executive and Members of the Council thanked Joy Willoughby, the Personnel and Development Manager for her excellent services to the Council and wished her well in her new position of employment.

RESOLVED:-

That the report be received and the Action Plan approved.

FM/36. **MORTGAGE INTEREST RATE**

The Committee was advised that under Section 438 of the Housing Act 1985, the Council was required to declare the local average rate of interest on its

mortgages at six monthly intervals. The calculated interest rate of 7.74% had only reduced by 0.02% from the current rate of 7.76%. It was therefore suggested that the rate charged to borrowers remain unchanged at 7.76%.

RESOLVED:-

That the local average rate of interest for the period October 2003 to March 2004 be declared at 7.76%.

FM/37. **TREASURY MANAGEMENT REPORT**

Annual Report 2002/03

The Committee received details of the Council's borrowing and investments during 2002/03. As expected, cash flow remained in surplus during the year albeit at a higher level than that originally forecast. This was due in part to higher than anticipated Council house sales together with the retention of usable capital receipts. A net surplus in interest on short-term borrowing and investments of £186,827 was therefore produced.

It was reported that long-term borrowing was undertaken to finance capital expenditure. The Council had a quota which it could take up from the Public Works Loan Board (PWLb). This was made up of the credit approvals for the year plus the amount of principal repayable on existing loans with a PWLB.

In line with the Council's Treasury Management Strategy, the PWLB quota for 2002/03 on £1.2 million was not taken up.

The low level of interest rates during the year meant that there continued to be a wide margin with rates on existing debts. Therefore, no rescheduling of long-term debt took place as it was deemed that the cost of early termination penalties would outweigh savings on interest accrued from rescheduling loans.

Members were advised however that the Government had now introduced an amendment to the treatment of premiums and discounts arising upon the repayment of debt for the purposes of calculating housing subsidy for local authorities. This was effective from the 1st April 2003 and, as a consequence could bring benefits to the General Fund as the pressure would be eased in terms of financing premiums attributable to the General Fund. In the light of this development, the feasibility of rescheduling long-term debt would again be reviewed.

It was noted that the Council still had one long-term market loan of £1 million for which the interest rate had remained unchanged at 4.875%.

The average level of short-term borrowing during the year was £136,548 fluctuating between a high of £1.13 million at the beginning of April to a low of £0.13 million for the remainder of the year. The short-term loans retained throughout the year related to core monies held for parish councils which totalled £131,069 at the year end.

The Committee was advised that the average level of short-term lending during the year was £4.9 million, which briefly reached a high of £8.55 million in February 2003. All investments were made in accordance with the List of Approved Institutions and Limits as previously agreed by the

Committee. It was reported that the Base Rate started the year at 4.00 % and remained unchanged until 6th February 2003 when it fell to 3.75% where it remained for the remainder of the year. PWLB long-term, higher quota rates (25 maturity) remained low during the year, fluctuating between about 4.50% and 5.75%. In comparison, the Council's average short-term borrowing interest rate for the year was 3.00% whilst its average long-term rate was 7.55%. The average short-term interest received and investments in the Money Market during the year was 3.73%.

Treasury Management Policy Statement and Practices

The Committee was advised that the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Code of Practice on Treasury Management in 1992 which was subsequently revised in 1996. It also published sector specific versions between those dates for the NHS, Housing Associations and the Higher Education Institutions. The Code required every local authority to adopt a Treasury Management Policy Statement (TMPS) which set out the overarching principles and policies involved at authority level in managing its treasury activities. During 2002, CIPFA issued a substantial revision to this guidance in a document entitled "Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes". The revised document consolidated the previously sector-specific versions into one generic volume.

The new version of the Code placed greater emphasis on Risk Management, Performance Measurement and Corporate Governance. It made four key recommendations which were outlined to the Committee as follows:-

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk were prime objectives of their treasury management activities.
- They should acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, were valid and important tools for responsible organisations to employ in support of their business and support objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.
- In order to achieve the above, organisations should adopt the recommendations of this report, adopt a TMPS and follow the recommendations concerning the creation of TMP's.

The revised Treasury Management Policy Statement and Treasury Management Practices were circulated for consideration.

RESOLVED:-

- (1) That the Treasury Management Report 2002/03 be received.***

- (2) That the key recommendations of CIPFA'S 'Treasury Management in the Public Services: Code of Practice' be adopted.**
- (3) That the Council adopts and maintains for effective treasury management:-**
 - (a) The revised Treasury Management Policy Statement (as submitted).**
 - (b) The Treasury Management Practices (as submitted).**

FM/38. **PARTNERSHIP COMMUNITY ENGAGEMENT OFFICER**

The Committee was advised that the South Derbyshire Crime and Disorder Partnership had developed a project which would support Neighbourhood Watch Groups in the District and also increase the number and effectiveness of the Local Crime Reduction Group network across South Derbyshire. The support would be undertaken by a Community Engagement Officer, who could develop the capacity of communities to analyse their local problems and put into place work to reduce those problems. The postholder would take on the organisation of Liberation Day, which proved to be a highly successful event this year and was to be repeated in 2004. The Officer would also have an important role to play in helping to reduce the fear of crime within the community by supporting crime prevention campaigns and awareness events.

It was reported that the cost of this project and the salary of the Community Engagement Officer was funded by a combination of sources including the Police, the Home Office and the District Council. Their contributions had been provided to the Crime and Disorder Partnership and there would be no additional cost to the Council for the cost of the post and the project's activities.

Councillor Lane asked that the role of the Officer be expanded to facilitate holding more than one Liberation Day in the District and extending such a successful event to other areas within South Derbyshire. Councillor Southern supported this request and suggested holding Liberation Day at 2 to 3 venues within the District.

Councillor Wheeler, whilst supporting the employment of a Partnership Community Engagement Officer expressed concern regarding the duplication of particular roles and referred to there also being a Neighbourhood Watch Support Officer being employed by the Police.

RESOLVED:-

That on behalf of the South Derbyshire Crime and Disorder Partnership the Council recruits a Community Engagement Officer on a 21 hours per week, one year contract, scale 6 basis.

FM/39. **DEVELOPMENT OPTIONS FOR FORMER SHELTERED HOUSING UNITS AT BASS'S CRESCENT AND SMALLTHORNE PLACE**

The Committee was advised that the Housing and Community Services Committee at its Meeting held on 28th August 2003 had resolved the following:-

To approve a process for developing the former sheltered housing sites at Bass's Crescent, Castle Gresley and Smallthorne Place, Woodville namely:

- ❑ The existing properties at Bass's Crescent and Smallthorne Place be marketed on the open market until the end of the calendar year. Any expressions of interest to be reported and determined through the Committee process. The costs of marketing will be met from HRA balances.
- ❑ If no expressions of interest come forward that both properties be demolished and, subject to the approval of the Finance and Management Committee, costs be met from the Council's capital resources budget. Building works, resultant for the demolition, to an adjoining bungalow at Bass's Crescent also to be progressed on the same basis.
- ❑ That the redevelopment of the two areas be progressed and proposals to include new housing provision reflecting the housing needs of the District to be reported to the Committee as soon as possible.

The Committee received details of the development options proposed and gave consideration thereon.

RESOLVED:-

That the recommendations as amended by the Housing and Community Services Committee held on 28th August 2003, be supported and agreed.

FM/40. **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 24th July 2003 were received.

MEMBERS QUESTIONS AND REPORTS

A discussion took place regarding arrangements for a meeting of the Burton Hospital NHS Trust which had been held earlier that day at the Civic Offices.

A discussion took place regarding the adoption of Level 1 of the CRE Standards.

RENEWAL OF INSURANCE PREMIUMS 2003/04 (Paragraph 8 & 9)

The Committee agreed a course of action with regard to the Council's insurance premiums.

RECRUITING TO POSTS REQUIRING DISCLOSURE (Paragraph 11)

The Committee approved the following documents:-

- (a) Recruiting to Posts Requiring Disclosure***
- (b) Policy Statement on the Recruitment of Ex-Offenders***
- (c) Policy Statement on the Secure Storage, Handling, Use, Retention and Disposal of Disclosures and Disclosure Information***

APPLYING FOR A CHANGE IN WORKING ARRANGEMENTS (HOURS OF WORK/WORKING PATTERN) (Paragraph 11)

The Committee approved the Applying for a Change in Working Arrangements Policy Document and application form.

L. PABLA

CHAIR