

FINANCE AND MANAGEMENT COMMITTEE

25th July 2002

PRESENT:-

Labour Group

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

Conservative Group

Councillors Harrison, Lemmon, Shaw and Mrs. Wheeler.

In Attendance

Councillors Bell and Stone (Labour Group).

APOLOGY

An apology for absence from the Meeting was received from Councillor Carroll (Labour Group).

FM/14. **MINUTES**

The Open Minutes of the Meeting held on 13th June 2002 and the Special Meeting held on 16th May 2002 were taken as read, approved as true records and signed by the Chair.

FM/15. **MEMBERS' QUESTIONS AND REPORTS**

Disability Grants

Councillor Lemmon expressed concern that Disability Grants for care in an individual's own home were difficult to obtain unless the particular individual had a terminal illness. He stated that there was a shortage of occupational health therapists within the Social Services Department of the County Council to authorise the District Council to carry out works paid for by disability grants. Currently, there was a five month delay in receiving occupational health therapist approval and then a four month delay for the work to be carried out. There was currently only one occupational therapist for the whole South Derbyshire and Derbyshire Dales area. Councillor Lemmon stated that the Primary Care Trust could not assist in this matter because Derbyshire County Council would not allow Primary Care Trust Health Occupational Therapists to assess individuals for Disability Grants. Councillor Lemmon was concerned that expenditure was not being "unlocked" due to delays in the system. He asked that the Council did not reduce the budget for Disability Grants being under the misapprehension that the need was not there. He also asked if the Council could recognise the national shortage of Occupational Therapists and queried what the Council could do to assist with the management of occupational therapists in the District.

Councillor Southern thanked Councillor Lemmon for raising this matter. He stated that Officers of the District Council received much criticism due to the delay caused by the Social Services department of the County Council.

RESOLVED:-

That the Head of Community Services discusses the matter with Councillor Lemmon and takes the appropriate action accordingly.

MATTERS DELEGATED TO COMMITTEEFM/16. **REVIEW OF POLLING DISTRICTS**

It was reported that a Boundary Commission review took place in 1998 and a subsequent Order was made in 1999. The results of the Review were to be implemented on 1st May 2003. Currently, the Council had nineteen wards and thirty-four Councillors. The Review proposed seventeen wards and thirty-six Councillors. A review of the Polling Districts had been undertaken and all wards were affected. Hatton had been warded into seven wards and Elvaston into two.

Plans outlining the new Polling Districts for the urban core were available at the Meeting and approval for the polling districts in the urban core were sought.

RESOLVED:-

That the revised Polling Districts for the Urban Core be approved.

FM/17. **DISCRETIONARY RATE RELIEF, RURAL RATE RELIEF AND HARDSHIP RELIEF**

Members were advised that the main provisions conferring the discretionary power on billing authorities to grant rate relief were contained in Section 47 of the Local Government Finance Act 1988. Authorities had discretion to grant relief from all, or part of the amount of non-domestic rate payable. Billing authorities should first consider whether an institution or organisation applying for rate relief was eligible for the mandatory relief. Generally, properties used wholly or mainly for charitable purposes were eligible for 80% mandatory relief. This relief could be topped-up to 100% at the discretion of the local authority.

Where mandatory relief was not available, authorities could consider the awarding of discretionary rate relief. Authorities had discretion to grant up to 100% to certain non-profit making bodies.

A document was circulated providing general guidance to authorities on the need to keep ratepayers informed about their decisions on applications for discretionary rate relief. This included procedures, acknowledgements, notifications to successful and unsuccessful applications and the right of appeal against a decision to reject or restrict the award of discretionary rate relief, rural rate relief or hardship relief.

Following a request by the Committee, details of schemes operated by other authorities had been obtained. These varied but a suggested scheme made up from components of other schemes was circulated for Members' comments.

The terms of the legislation did not allow for a scheme to be put in place for rural rate relief and hardship applications as each case had to be considered on its merits.

The mechanics of the procedure were outlined as follows:-

- The application form for discretionary rate would be redesigned to collect the information required to enable decisions to be taken in accordance with the scheme.
- A report of delegated decisions was to be submitted to the Finance and Management Committee.
- Appeals from delegated powers or Committee decisions (for cases not covered by the scheme, for rural rate relief cases and for hardship relief cases) to be made within 14 days of the notification of the decision.
- Appeals to be on specific points i.e. those that were outlined in the decision to reject or restrict the award.
- All appeals to be submitted to the Licensing and Appeals Committee.

Members were advised that all existing discretionary claims would be reviewed. The legislation provided that notice must be served in a financial year to have effect at the end of the following financial year. Therefore, notice would be served this financial year and new applications invited with effect from 1st April 2004.

Referring to the proposed delegated scheme for discretionary rate relief, Councillor Harrison advised that he wished to see organisations providing additional supporting documents such as a budget for the ensuing year and a business plan. Councillor Wilkins felt that such requests might be onerous on small organisations.

RESOLVED:-

- (1) That the Scheme of Delegation for dealing with applications for Discretionary Rate Relief, as circulated be approved.***
- (2) That the criteria to be taken into account when considering applications for discretionary relief be approved and the granting of relief in such cases be delegated to the Chief Finance Officer.***
- (3) That the introduction of an appeal mechanism be approved. All appeals against a decision to reject or restrict the award of discretionary rate relief, rural rate relief and hardship relief (whether under the delegated scheme for discretionary rate relief or decisions on all reliefs by Members of the Committee) be considered by the Licensing and Appeals Committee.***

FM/18. **BUDGET OUT-TURN 2001/2**RevenueBudget Out-turn 2001/02: General Fund

Members were advised that the actual net revenue expenditure for 2001/02 was £6,789,490 compared to the probable estimate of £7,185,030. This was equivalent to savings of £395,540. Details of this revenue expenditure were circulated along with the impact on reserves and the three-year projection. Members was advised that predominantly the savings arose from staff savings, benefit subsidy, soft-split DSO (more detailed trading accounts introduced for the DSO) and interest payments and bank deposits.

Earmarked Reserves

During the account close-down process it had become evident that some of the savings would need to be set aside to meet future known commitments originally envisaged to be met from 2001/02 budgets. Therefore, in line with requests, earmarked reserves of £73,842 to provide resources for future spending commitments had been set aside and these were outlined in detail. (After taking into account transfers from and to earmarked reserves, general (usable) reserves then increased by £386,726 to £1,922,186 as at 31st March 2002, compared to an anticipated level of reserves of £1,535,460.

Looking Forward to 2002/03 and Beyond

The original three-year forecast was summarised to the Committee. The Council was committed to phasing out its reliance on the commutation adjustment over the next three financial years. Essentially, the Council had agreed to make total contributions of £763,000 over the next three financial years to the commutation reserve. The policy accounted for a planned reduction in general reserves of £608,000 over the three-year period. This was regardless of any new spending pressures that the Council sought to address. This projection had now been revised to take account of some of the known changes stemming from the out-turn and the situation was summarised to the Committee. The revised projection detailed took into account the final out-turn budget position for 2001/02. However, the overall three-year projection now also took into account new spending pressures that would have an impact on the Council's budgets over the next few years which included the National Pay Award, National Insurance costs, additional staffing costs (previously agreed) and travel concessions.

Members were advised that any projection should be viewed with a degree of caution. Although every effort had been made to take into account known spending pressures, some were less predictable. There were a number of factors which would affect this current projection and these were outlined. Nevertheless, the three-year projection for costs provided considerable reassurance that the Council's finances were stable.

Addressing New Revenue Spending Pressures

Members were advised that the Service and Financial Planning Working Group met on 26th June 2002 to consider bids for additional revenue funding. Some of these bids had already been considered at the time of the last budget round, but did not proceed due to limited Council resources.

Other bids reflected new pressures that the Council was facing. All bids had previously been scored against agreed assessment criteria by a Member/Officer Evaluation Panel and the results of the scoring were outlined. The Working Group considered these bids and proposed that the following schemes totalling £169, 200 should proceed for funding:-

One-off Schemes

Gresley Common – play equipment
Leisure Centre car park (CCTV linked cameras)
Council Offices (repair and refurbishment)
Crime reduction in parks
Derby and Sandiacre Canal Trust
Environmental Health (work to capture property details for new computer system)

Ongoing Schemes

Elections and Administrative Assistant
Continuation of recycling centres
Land Searches (additional administrative support to deal with increased complexity and volume of Con.29 searches)
Refuse collection (collection of side refuse and maintain service at Bank Holidays)

Housing Revenue Account (HRA)

Members were reminded that the financial stability of the Council's Housing Revenue Account improved last year with balances at a more prudent level. This had continued in 2001/02 and placed the Council in a good position to address some of the key challenges that the Housing Service faced over the next two years. Overall, the Housing Revenue Account achieved a surplus of £312,000 compared to that budgeted of £129,000, an increase of approximately £183,000. The overall position was that working balances now stood at over £1.2million with a further £97,000 earmarked within the Covenant repayments reserves. The current HRA balances position together with an updated three-year projection was circulated.

Overall, the projection indicated HRA balances at approximately £627,000 at the end of the overall three-year forecasting period. This was comfortably above the minimum requirement of £500,000. However, pressures on the HRA such as Right to Buys, the potential effects of rent restructuring and the stock options review meant that caution was still required.

Councillor Wheeler advised that Bromsgrove District Council had recently spent £400,000 on its stock options review.

Capital Spending

It was reported that total capital spending at the end of last year was £5,257,541. This was divided between the Housing Investment Programme (£3,099,203) and General Fund schemes (£2,158,338). Details of this capital spending were circulated. Included within this spending, a considerable amount of housing investment was funded through the major repairs allowance. Actual spending against the allowance of £1,937,660 was £1,649,957 in 2001/02. In accordance with government guidelines, it was

proposed that the balance of £287,703 be carried forward in the major repairs allowance to be spent in the current financial year.

Capital Resources

Details of the current usable capital receipts were circulated. These were split between Housing and General Fund receipts and other contributions (mainly Section 106 Agreements). Councillor Harrison sought a more detailed breakdown of these usable capital receipts and it was agreed to supply this information to him. It was noted that the bulk of capital receipts received came from the sale of land at Coronation Street and Swadlincote Lane, Swadlincote.

Members were advised that the Service and Financial Planning Working Group had also taken the opportunity to consider new capital spending pressures. Again, these were based on bids submitted by both Members and Officers and had been evaluated against said criteria by a Member/Officer Panel. The schemes and the results of the evaluation process were circulated. Members of the Service and Financial Planning Working Group had recommended drawing a total of £257,000 from capital resources for the following schemes:-

Lifeline

Sheltered Accommodation (upgrade and improve internal fire doors)
Rosliston Forestry Centre (landscaping works to car park and log cabins)
Community Partnerships Scheme
Hatton water courses
Housing Grants (additional funds for disabled facilities grants)
Heritage Economic Regeneration

RESOLVED:-

- (1) That the out-turn position for the General Fund 2001/2002, the Housing Revenue Account 2001/2002 and the position for Capital 2001/2002 be noted.***
- (2) That the proposed revenue contributions to earmarked reserves, proposed capital schemes to be carried forward, additional revenue spending items and additional capital spending items as outlined be approved.***

FM/19. **BEST VALUE REVIEW: FINANCIAL SERVICES PROGRESS REPORT**

Members were reminded that the review of Financial Services covered Revenues And Benefits, Internal Audit, Exchequer Services and Accountancy. Documents were circulated to members setting out the actual text of the baseline assessment for Audit, Exchequer and Accountancy and the baseline assessment for Revenues and Benefits. A document was also circulated outlining the key issues arising for Audit, Exchequer and Accountancy and suggestions of the Review Group. Members were advised that following the Review Group's initial discussions on the baseline in particular, for Audit, Exchequer and Accountancy the Review Group had immediately commissioned an internal survey of service users as a follow-up to an internal focus group held during the baseline review. This was to help understand what the users of Financial Services needed in terms of the

nature and type of services required to deliver their services effectively and efficiently and to match these with what it was possible to provide. The results of the survey backed-up what had come out of the baseline assessment and were summarised as below:-

- Quicker updates on spending required including commitments where applicable.
- Simplified/more flexible procedures but balanced against probity.
- Training and awareness of finance.
- More user friendly financial reports
- Clear framework of service standards and what the internal service user receives for the cost recharged (service level agreements).
- Review of documentation and how it is processed.
- Review of the current methodology for monthly monitoring of budgets.
- More inter-action between financial services and other departments.

Financial Management System

It was noted that one of the objectives approved in the scope of the review was “Can better use be made of new technology to deliver the services?”. In addition, it was clear from the baseline that IT was seen as a current weakness in delivering financial services. This had not been identified as a separate issue as action was already underway to address this.

Members were reminded that a separate project with its own Terms of Reference had commenced, to replace the Council’s core financial systems with a target implementation date of June 2003. The project would continue to run concurrently with this Best Value Review. Issues highlighted in the baseline such as lack of real time integration, flexibility and user-friendliness were being addressed by the procurement of a new Financial Management System, and these were some of the prime aims for a replacement system.

Revenues and Benefits

It was reported that work had continued on the Revenue and Benefits part of the Review, the main area of work being carried out in the securing of funding from the Invest to Save Bid. A draft baseline assessment had been developed and the latest version was circulated. Members noted that there were some areas which required expansion and this would be carried out when the results of the Staff Focus Group, Customer Focus Group and Service Focus Group meetings had been held during April, July and August 2002. Furthermore, the results of the above focus groups would be fed into the key issues portion of the baseline assessment. The focus groups would provide a reality check on those key issues identified so far and would provide an opportunity for other issues to be identified.

RESOLVED:-

That the baseline assessment and initial work of the review group be noted.

FM/20. **CAPITAL STRATEGY**

Members received a copy of the third Annual Capital Strategy. It was noted that good progress had been made against the action set out within the

original Capital Strategy document. The revised strategy provided a sound basis for managing and prioritising capital projects. The Council now needed to look further at how it would involve partners and local residents in identifying capital priorities for South Derbyshire and implementing them and the Capital Strategy provided a sound framework for doing this.

RESOLVED:-

That the Capital Strategy, as circulated be approved.

FM/21. **ASSET MANAGEMENT PLAN**

Members received a copy of the third Annual Asset Management Plan for approval. A great deal of progress had been made during the last twelve months, mainly through the Best Value Review and the collation of performance data. It was noted that the Asset Management and Monitoring Group must work corporately to address the many issues which needed to be pursued, including the delivery and monitoring of the Best Value Review Improvement Plan. The final report of this review would be submitted to the Committee for approval shortly.

A general discussion took place regarding the complexity of the issue of Asset Management and Members requested that a half day seminar be arranged to train, educate and increase Members' awareness on the whole issue of asset management.

RESOLVED:-

(1) That the Asset Management Plan, as circulated, be approved.

(2) That a training session on the issue of asset management be organised for Members.

FM/22. **CHARGES FOR BUILDING REGULATION ENQUIRIES**

(At 7.15 p.m. Councillor Lemmon left the Meeting).

Members were advised that the Local Land Charges Act 1975 placed a statutory obligation on local authorities to make information maintained on the Land Charges Register available to the public and/or their legal representatives. The Local Land Charges Rules 1977 placed further obligations on authorities.

Requests for information were received using an LLC1 form (produced by the Law Society) and a form known as Con 29. Charges were currently levied by authorities for the provision of information using these forms.

The Con 29 form contained an agreed set of questions drawn up by the Law Society and the Local Government Association (LGA). The form had recently been revised and recommendations on how the revision should be implemented had been received from the LGA.

One of the changes related to the provision of information related to Building Regulations as they affected properties. The type of records held (microfiche or computer based) determined the ease or otherwise with which they could

be accessed. The LGA circular suggested that where records had to be search manually an additional charge might be made.

Members were advised that comprehensive computerised Building Regulation records extended back to April 1999. Manual searches on microfiche records would have to be made prior to this date. Most of the relevant information related to properties was held on microfiche. In order to obtain a full response to Building Regulation matters, a manual search of these records would have to be made in the majority of cases. Some enquiries however might be satisfied with a response which did not necessitate a manual search, in which case the only charge which would apply would be that which was normally levied by the Land Charges Service.

It was estimated that manual searches for Building Regulations records together with an evaluation of information found might take on average up to two hours per search by professional and administrative staff, from the receipt of the request to the formulation of the written response. A charge of £50 per manual search would therefore reflect officer time taken together with oncosts. Follow up enquiries together with general enquiries relating to Building Regulation records would attract a pro-rata charge of £30. Due to the increased workload which was anticipated, it was suggested that the appointment of temporary staff be delegated to the Chief Executive. In the medium term a review of these proposals could be made and permanent staffing arrangements considered at a future Meeting of the Committee. This proposal was based on the premise that income generated by the charges would equate to costs incurred with no net increase in expenditure by the Authority.

RESOLVED:-

- (1) That the following charges be levied for the supply of manually researched information relating to the Building Regulations:-**

**Land Charge and Personal Searches £50
Follow-up and general enquiries £30**

- (2) That the Chief Executive be authorised to appoint temporary or agency staff to cater for additional workloads generated if required.**

FM/23. **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 13th June 2002 and the Special Meeting held on 16th May 2002 were received.

MEMBERS' QUESTIONS AND REPORTS

Credit Approval Checks

Councillor Southerd gave a report on credit approval checks.

REDUCTION OR REMISSION OF THE NON-DOMESTIC RATE (Paragraph 5)

(a) The Committee refused the first application from the individual outlined in the report.

(b) The Committee approved an application from the individuals outlined in the report and agreed that 30% relief be granted.

FINANCIAL REGULATIONS D2.4(b) – WRITE-OFFS (Paragraph 7)

The Committee agreed that the sums outlined in the report be approved for write-off under the provisions of Financial Regulation D2.4(b).

IT AND CUSTOMER SERVICES RESTRUCTURING PROPOSALS (Paragraph 11)

The Committee approved a revised staffing structure for the IT and Customer Services Division.

SINGLE STATUS – JOB EVALUATION PROCEDURE (Paragraph 11)

The Committee approved the Job Evaluation procedure as outlined and provided the Single Status Steering Group with delegated powers to make minor adjustments to the procedure once the benchmarking stage was complete.

P.J. WILKINS

CHAIR