

FINANCE AND MANAGEMENT COMMITTEE

30th August 2001

PRESENT:-

Labour Group

Councillor Wilkins (Chair), Councillor Pabla (Vice-Chair) and Councillors Brooks, Carroll, Evens and Whyman.

Conservative Group

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

In Attendance

Councillors Dunn and Harrington (Labour Group).

APOLOGY

An apology for absence from the Meeting was received from Councillor Harrison (Conservative Group).

FM/23. **MINUTES**

The Open Minutes of the Meeting held on 19th July 2001 were taken as read, approved as a true record and signed by the Chair.

FM/24. **MEMBERS' QUESTIONS AND REPORTS**

(a) Sheltered Housing Service

Councillor Whyman advised at the Community Services Committee Meeting held on 23rd August 2001 it had been agreed to withdraw the item on the Sheltered Housing Service in order to delay consideration of the matter until the consultation process had been completed. Accordingly, it was agreed to withdraw the item from the Finance and Management Committee Agenda and consider the matter at a future Meeting.

(b) Proposed Airport near Doncaster

Councillor Whyman referred to a proposed airport to be built near Doncaster and the consequential knock-on effect this would have on the economy of South Derbyshire. On 25th September 2001 there was to be a public enquiry into the development of an airport at Finningly near Doncaster. Councillor Whyman advised that he did not see the need for another airport in that particular area. There had been an identified growth in passenger numbers but airports in the surrounding areas had the capacity to take on this growth. Councillor Whyman asked for cross party support to register an objection on planning grounds to this proposed airport.

RESOLVED:-

That the Leader writes a letter in consultation with the Chief Executive and the Head of Planning to register the Council's objection to this airport on planning grounds.

MATTERS DELEGATED TO COMMITTEE**FM/25. MORTGAGE INTEREST RATE**

Members were 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.

RESOLVED:-

That the local average rate of interest for the period October 2001 to March 2002 be declared at 7.82%.

FM/26. DRAFT PASTORAL SCHEME

Members received a Draft Pastoral Scheme affecting the areas of Walton-on-Trent with Croxall-cum-Oakley, Coton-in-the-Elms with Rosliston, Linton and Castle Gresley, Seale and Lullington.

RESOLVED:-

That no comment be made on this Draft Pastoral Scheme.

FM/27. ON TRENT INITIATIVE

Members were advised that the “On Trent” was a long term initiative intended to benefit local people and the natural and cultural heritage in the parishes along the River Trent from the Humber to Stoke-on-Trent. A cross-regional initiative, it was administered by Nottinghamshire County Council. Derbyshire County Council was represented on the steering group that now sought broader endorsement for the Vision Statement (which was circulated).

The organisations involved in the partnership would use existing mechanisms where possible and develop new ones where necessary in order to deliver the initiative. Various projects would be undertaken and a landfill tax grant of £15,000 had been received to provide “seed corn funding” for applications. However, it might be necessary to approach partners to provide limited third party funding to enable grants to be accessed to host events or enable local initiatives to contribute to the aim. Participation would be purely on a voluntary basis.

Members expressed support for the initiative but stressed that the initiative should be complimentary to the parishes not within the heart of the National Forest.

RESOLVED:-

That the Vision Statement for the On Trent Initiative be supported subject to care being taken to ensure local priorities such as branding South Derbyshire as “at the heart of the Forest” and initiatives such as the local landscape character work with the County Council are not undermined or overshadowed and allowing for the initiative to be complementary for parishes not within the heart of the National Forest.

FM/28. ASSET MANAGEMENT BEST VALUE REVIEW

Members were advised that the council's asset management services would be reviewed during this financial year. The Review covered the strategic management of all the council's land and property assets (except houses, garages and sheltered accommodation). The Review complemented the work undertaken on the annual Asset Management Plan (AMP).

Unlike many of the reviews within the five year programme, this Review did not deal with one particular service area but crossed a number of service areas.

The Review Team was led by the Economic Development Manager (Corporate Property Officer) and included representatives from many services mentioned above together with colleagues acting in a challenging or supporting role. The team also included officers from Derbyshire County Council, who were currently undertaking a property services review, and Erewash Borough Council. Unison were also represented and Councillors Southerd, Brooks and Lemmon would now be joining the team as member representatives.

The proposed terms of reference for the review were also outlined as follows:-

- The Best Value Performance Plan identified this review as being justified in terms of improving performance, providing high quality, value for money services, involving the community and protecting the environment.
- A Value for Money study of Asset Management within the authority, undertaken by District Audit, made a number of recommendations for improving the service.
- There was now a national requirement for authorities to produce annual Asset Management Plans and the review therefore came at an opportune time.
- Asset Management was a cross-service issue (with most departments having a role). It was therefore appropriate to deal with strategic issues, rather than the detail of the management of particular properties.
- Officers and Members recognised the need to review property holdings, particularly to try and generate capital receipts, but also to ensure that property was being managed in the most efficient manner.

The proposed Scope of the Review was divided into four sections and was outlined as follows:-

Assets as a corporate resource - including

- Contribution to meeting the Council's corporate objectives;
- Linkages to other Council strategies; and
- Relationship with other services, other organisations and the public.

Corporate Property Issues – including

- The need to develop a comprehensive strategy, with objectives for holding property and the procedure for identifying surplus or underused properties;
- Why the Council holds the properties and land that it has;
- Whether they are fully utilised; and
- What opportunities there are for property sharing/letting of space/disposal.

Management Responsibilities – including

- The way the Council manages its properties;
- The option of having a Central Property Services Department looking after all aspect of property management;
- Clarity of management roles and responsibilities;
- Alternatives options for delivery of the various property services;
- The competitiveness of the property management function, in terms of price and quality;
- The level of Member involvement in property issues and the current committee structure as it relates to property;
- Repairs and maintenance strategy.

Civic Office Usage – including

- Competitiveness of revenue costs and alternative provision;
- Incentives to encourage building users to reduce space and costs, such as introducing asset rents and devolving revenue cost management to budget holders;
- Imposition of space standards and letting of surplus space;
- Potential impact of changes in service delivery such as hot desking and home working and whether the Council should encourage them.

A Project Plan to monitor progress of the review over the coming months was also circulated.

RESOLVED:-

That the proposed Terms of Reference, Scope and Project Plan as submitted for the Asset Management Best Value Review be agreed.

FM/29. **BUDGET OUT-TURN 2000/01**

Members were advised that the council's statement of accounts would be submitted to the Council Meeting on 20th September 2001 (within the statutory guidelines).

It was reported that actual net spending 2000/1 was £6,593,865 compared to the probable estimate of £7,370,260. This was equivalent to savings of £776,395. Predominantly, the savings arose from staff savings, rent allowances, the result of an ongoing dispute over charges from the council's telecom supplier and actual savings from the D.S.O.

After taking into account transfers to earmarked reserves, general reserves increased by £546,797 to £1,135,897 compared to the anticipated level of

reserves of £589,000. In accordance with the agreed budget for 2001/02 the council had agreed to reduce general reserves by £122,000 to address the commutation adjustment.

The original three year forecast was summarised. It was reported that the council was committed to fazing out its reliance on the commutation adjustment over the next two financial years. Essentially the council had agreed to make contributions of £321,000 and £266,000 in each of the next two financial years to the commutation reserve. This policy would contribute to a reduction in reserves of £729,000 over the three year period. This was regardless of any new spending pressures the council sought to address. Accordingly, the council was now embarking on an exercise to refocus and reprioritise its spending as a means of identifying savings to contribute to longer-term stability and also to identify resources to be redirected to new spending priorities. This projection had been revised to take account some of the known changes stemming from the out-turn. It showed that the council would need to withdraw a total of £460,000 during the current and following three years. This took balances from their current level of £1,135,000 down to £675,000 by the end of 2004/05. This was above the minimum level recommended by the council's external auditors.

Members were reminded that the Council's Housing Revenue Account began the financial year 2000/01 with a working balance of £204,540. The Council's external auditors had expressed concern over the level of balances in relation to the number of council properties. However this position had improved and the overall revenue account achieved a surplus of £724,000 which was some £568,000 above the level anticipated to begin to build reserves. The overall position was that working balances now stood at £929,000 with a further £97,000 earmarked within the covenant repayment reserves.

Councillor Whyman praised the Management Team, in particular the Chief Finance Officer, staff and Union representatives for their support during the financial difficulties faced in the past by the council. Councillor Whyman also praised his fellow colleagues for their approach during this time.

RESOLVED:-

That the out-turn position for the General Fund and the Housing Revenue Account be noted on the financial projection for 2002/05 be approved.

FM/30. **IMPLEMENTING ELECTRONIC GOVERNMENT AT SOUTH DERBYSHIRE DISTRICT COUNCIL**

(Councillor Evens declared an interest in this matter).

Members were advised that the Government's stated objective was that all Government services (including local government) should be able to deliver 100% of their services electronically by the year 2005. In pursuing this objective, the Government had required every local authority across England to submit an 'Implementing Electronic Government' (IEG) statement setting out how it intended to achieve the target.

The Council's IEG statement, produced within the guidelines received from the Department of Transport and Local Government Regions (DTLR) outlined the following:-

- The challenge for the Authority
- The Council's vision for a modernised service delivery
- The Council's present situation
- The transition processes required to meet the Government's targets of electronic service delivery by 2005
- Estimates of the funding and resources required to achieve it

Members were advised that it was important to consider that the IEG statement was not simply focused on finding new and better ways of making use of emerging technology. The statement was much more about how the Council could change the way it delivered services to respond to the changing needs amongst its customers. Another key strand of the document was how the Council worked in partnership with other Councils and providers to deliver electronic services. Authorities were being encouraged to demonstrate partnership working as a means of gaining funding for implementing new E-Government initiatives.

RESOLVED:-

- (1) That the Council's IEG statement, as submitted be approved.***
- (2) That the appointment of Councillor K. Harrington, Vice-Chair of the Corporate Scrutiny Committee as the Council's Member E-champion be confirmed.***

FM/31. **TREASURY MANAGEMENT REPORT 2000/2001**

Members received a detailed document showing the Council's borrowing during 2000/2001. Lending during the year was limited to temporary surpluses which were invested in a reserve account of the Co-operative Bank. Also a deposit of £260,000 was currently being held on behalf of Derbyshire County Council with the Alliance and Leicester plc.

Details of the Council's short-term and long-term borrowing were outlined and in accordance with the Council's Treasury Management Policy, the statement had been reviewed and amended to reflect the recent restructuring and operational changes and was submitted to Members for consideration.

A general debate took place on the detailed figures involved in the Council's short-term and long-term borrowing over the period. Arising out of some of the queries raised by Members it was agreed to produce a guide for Members on the borrowing process and its relationship with the budget process as a whole.

RESOLVED:-

That the Treasury Management Report 2000/2001 be received and the revised Treasury Management Policy, as submitted, be accepted.

FM/32. **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 Minutes of the Meeting held on 19th July 2001 were received.

FINANCIAL REGULATIONS 18(C) – WRITE-OFFS (Paragraph 7)

The Committee agreed to write off an amount outlined in the report under the provisions of Financial Regulation 18(c).

DISCRETIONARY RATE RELIEF (Paragraph 7)

The Committee refused an application for additional discretionary relief from a Village Hall within the District of South Derbyshire.

NON-DOMESTIC RATE RELIEF – FOOT AND MOUTH (Paragraph 7)

The Committee made various decisions on applications for Non-Domestic Rate Relief (Foot and Mouth).

STAFFING – MEMBERS’ SERVICES SECTION (Paragraph 1)

This item was withdrawn from the agenda.

SHELTERED HOUSING REVIEW (Paragraph 8/11)

In accordance with Minute No. FM/24(a) this item was withdrawn from the agenda.

USE OF MOBILE PHONES – A GUIDE FOR USERS (Paragraph 1)

The Committee agreed that the ‘Use Of Mobile Phones – A Guide for Users’ document be implemented subject to the following:-

- (1) That employees using personal mobile phones for business purposes be risk assessed and where required, employees be issued with mobile phones.*
- (2) That the implementation of the User Guide not be delayed by the completion of the required risk assessments as detailed in (1) above.*

TEMPORARY PROCEDURE FOR REGRADING APPLICATIONS AND FOR GRADING NEW POSTS (Paragraph 1)

The Committee agreed a temporary procedure for re-grading applications and for grading new posts.

P. J. WILKINS

CHAIR