

FINANCE AND MANAGEMENT COMMITTEE

30th November 2006

PRESENT:-

Labour Group

Councillor Wilkins (Chair), Councillor Pabla (Vice-Chair) and Councillors Carroll, Harrington, Southerd, Southern, Taylor and Whyman, M.B.E.

Conservative Group

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

APOLOGY

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

FM/80. **MINUTES**

The Open Minutes of the Meeting held on 19th October 2006 were taken as read, approved as a true record and signed by the Chair.

MATTERS DELEGATED TO COMMITTEE

FM/81. **SICKNESS ABSENCE MANAGEMENT**

The Committee considered a report on the recommendations of the Corporate Scrutiny Committee in respect of Sickness Absence.

The Committee was reminded of its decision from its Meeting on 19th October 2006 when it approved the recommendations of the Corporate Scrutiny Committee in respect of Sickness Absence. The Finance and Management Committee at that Meeting had resolved as follows:-

- (1) That, given the financial and other impacts of long term sickness and recognising that each case is unique, consideration be given to defining the timescale for certain actions to take place in resolving long-term absence.
- (2) That the Head of Human Resources continues to monitor the reporting of sickness absences and completion of Return to Work interview forms and that senior management be advised of any failings in their area of responsibility.
- (3) That sickness absence performance be reported regularly, not only to senior staff, but throughout the Council to raise awareness of the impact absences can have and to make staff aware of performance against targets.

- (4) That a programme of work be determined and costed for improvements to corridors, offices and work areas to provide a healthier working environment at the Council's Civic Offices.
- (5) That the Human Resources Division review, and when appropriate, bring forward proposed amendments to the Sickness Absence Management Policy.

RESOLVED:-

That, the following comments be forwarded to the Corporate Scrutiny Committee as this Committee's formal response to the report on Sickness Absence:-

Recommendation 1 – Long Term Absences

The Council's Sickness Absence Management Policy (Section 13) identifies clear timescales to adhere to in the management of long-term sickness absence. These are indicative timescales and enable each case to be managed on an individual basis.

As with most policies, there is a need to raise awareness on a regular basis as to the responsibilities of Managers. This is covered during induction with further advice and support provided by Human Resources. Following a review of the current Policy, training will be undertaken with all Managers.

Recommendation 2 – Monitoring Information

That the recommendation on Monitoring Information be noted.

Recommendation 3 – Performance Reporting

Sickness absence is reported on a quarterly basis to all Heads of Service in respect of their individual areas and to the Corporate Management Team for information and action. Council wide sickness is reported to the Improvement Panel and the Finance and Management Committee as part of the Quarterly Performance Monitoring Reports.

The Chief Executive has recently undertaken a series of meetings with all staff to thank them for the Council's improved performance and to highlight those areas where there is a need for further improvement. This includes sickness absence and in particular the impact of sickness absence on colleagues' workloads and on budgets. Key performance measures, which include sickness absence levels will be recorded on notice boards throughout the Civic Offices to raise awareness amongst staff.

Recommendation 4 – Decoration and Improvement Works

A one-off capital budget of £50,000 was agreed for 2006/7 to undertake further decoration and improvement works throughout the general areas within the Civic Offices. This involved the painting and re-carpeting of stairwells and corridors. This work commenced on November 6th and was due to be completed before Christmas. A

number of offices have been painted and re-carpeted in the last two years as part of office relocations. There is a small sum, approximately £11,000 available from this year's budget for further painting of offices. The Contractor has been requested to provide a price for the remaining offices and this work will be undertaken on a priority basis, subject to the remaining budget.

The above works were designed to bring the decoration up to standard and any future works of this nature will be included in the general programme of maintenance for all the Council's public buildings.

Recommendation 5 – Review of Sickness Absence Policy

With the support of all the Trades Unions, the Sickness Absence Management Policy has been reviewed. A number of changes to the existing Policy have been agreed and will become effective from 1st January 2007. This includes the management of short-term sickness absences, longer review periods to help sustain improvement and the commencement of formal action.

The current procedure is outlined in Appendix B attached to the report. The changes are to the trigger points in section 12.2 (a) and (b) effective from 1st January 2007 and will read:-

- (a) Ten (previously twelve) or more days of self or medically certificated absence and/or
- (b) at least five (previously six) separate periods of self or medically certified absence.

Training will be provided to all Officers who have responsibility for applying this Policy.

It has been agreed that an assessment of the revised Sickness Absence Management Policy will be completed after 6 months. This review will be undertaken with the Trades Unions.

It is accepted that the Council will also need to recognise good attendance and the method of undertaking this is currently being considered.

FM/82. “ACHIEVING MORE” – PERFORMANCE MANAGEMENT FRAMEWORK SERVICE REPORTS - SECOND QUARTER 2006/07

Members considered a report on the current performance levels in relation to the Committee's contribution to the Council's Corporate and Improvement Plans, the Community Strategy Action Plan and the Best Value Performance Indicators for which it was responsible.

The tables attached to the report at Annexe 'A' provided information on performance at the end of the second quarter (30th September 2006). The report contained detailed information on the following service areas:-

- Finance and Property Services
- Human Resources
- Information Technology and Customer Services

- Legal and Democratic Services
- Policy and Economic Regeneration
- Revenues

The report enabled the Committee to review the performance information presented and provided an opportunity for Members to discuss service issues with the relevant Heads of Service.

Members were informed that it was important that Corporate and Service Plans were included within the Council's performance management arrangements with a regular report to each policy committee. The reporting arrangements for policy committees assisted Members in undertaking their key role in managing performance across the Council. The corporate and service level performance was extremely promising and indicated that strong improvements in performance were continuing.

RESOLVED:-

That the content of the "Achieving More" Performance Management Framework Service reports for the second quarter of 2006/07 be noted.

FM/83. **"ACHIEVING MORE" – PERFORMANCE MANAGEMENT FRAMEWORK OVERALL PERFORMANCE OF FINANCE AND MANAGEMENT COMMITTEE**

Members considered a report on the current performance levels in relation to the Committee's contribution to the Council's Corporate and Improvement Plans, the Community Strategy Action Plan and Best Value Performance Indicators for which it was responsible. Performance had previously been considered by the Improvement Panel and where appropriate, its comments and requests had been included in the report.

The report contained tables detailing the current performance levels which assessed whether targets would be achieved. The report summarised the position in relation to the Committee's responsibilities and provided an opportunity for Members to note performance levels and review those areas that were not "on track" to achieve the target agreed by the end of the year. The report contained detailed information on the following matters:-

- Corporate Plan
- Improvement Plan
- Community Strategy Action Plan
- Best Value Performance Indicators

The Committee's performance levels on the Corporate Plan, Improvement Plan and Community Strategy Action Plan actions were aligned with the overall Council performance. However, performance and achieving targets for the Best Value Performance Indicators, particularly the Committee's priorities fell behind the corporate average and the levels achieved in previous years but were improving over the last quarter.

RESOLVED:-

That the Committee:-

- (1) Notes the continuously improving performance within its area of responsibility.**
- (2) Notes those areas where performance is not on track and agrees the remedial measures proposed in those cases.**
- (3) Agrees that a report be submitted to the Improvement Panel to confirm the actions being taken.**

FM/84. **DRAFT DISABILITIES EQUALITY SCHEME**

The Committee considered a report on the Council's Draft Disabilities Equality Scheme and considered proposals for wider stakeholder consultation in early 2007. The Disabilities Discrimination Act 2005 placed a duty on public sector authorities from December 2006 to promote equality of opportunity amongst people with disabilities. A key aspect of the Act was to develop and publish the details of a Council's arrangements and proposals for fulfilling the statutory duty imposed upon it. This was to be done through a Disabilities Equality Scheme (DES) which would be produced and published. To comply with the Act, a statutory Code of Practice had been produced which set out the key stages of developing and publishing a DES and what specific components were required for inclusion in it. The statutory code acknowledged that Councils needed to be realistic about what could be achieved in their Scheme and that the focus of the first Scheme would be to plan to "have a plan" in order for the authority to achieve effective outcomes in the future.

The Committee was advised that the Scheme would be the subject of a second round of consultation with people with disabilities, employees and other key stakeholders and partner organisations. The consultation would commence in January 2007.

RESOLVED:-

That the South Derbyshire District Council Draft Disabilities Equality Scheme as set out in the report be approved and published for consultation.

FM/85. **REVIEW OF COMPENSATION POLICIES IN CASES OF EARLY TERMINATION OF EMPLOYMENT**

The Committee considered a report which set out a review of the Council's policies concerning redundancy and early termination of employment on the grounds of voluntary early retirement or the efficiency of the service.

The report detailed the Council's current provisions and proposed changes to the following:-

- Voluntary Redundancy Scheme
- Voluntary Early Retirement Scheme
- Premature retirement on efficiency of the service

Members were advised that the Council's current policies in relation to voluntary early retirement and premature retirement on grounds of efficiency of the service enabled entitlements to compensation payments that were

either in line with statutory requirements and/or within the provisions of the Local Government Pension Scheme. Following the introduction of the Age Discrimination Act in October 2006, a review of the Local Government Pension Scheme and its provisions had been undertaken. It was appropriate that the Council put measures in place to review the existing policies, especially in relation to any reference to age criteria.

RESOLVED:-

- (1) That the revised Voluntary Redundancy Scheme as detailed in Appendix 1 of the report be adopted.**
- (2) That the revised Premature Retirement on Efficient Exercise Grounds as detailed in Appendix 1 of the report be adopted.**
- (3) That the current Voluntary Early Retirement Scheme as detailed in Appendix 2 of the report be withdrawn.**
- (4) That the Redundancy Selection Policy & Procedure be amended to reflect the above decisions.**
- (5) That a single compensation policy be developed following the introduction of new regulations relating to the Local Government Pension Scheme.**
- (6) That the Council continues not to exercise its discretion to use augmentation powers provided by the existing Local Government Pension Regulations.**

FM/86. **AGE RETIREMENT PROCEDURE**

The Committee considered a report on the introduction of a retirement procedure that would meet the requirements of the Employment Equality (Age) Regulations 2006.

Members were advised that from 1st October 2006, the Employment Equality (Age) Regulations made it unlawful to discriminate against workers, employees, jobseekers and trainees because of their age. In addition to the discrimination, the Regulations also made it unlawful to subject someone to harassment or to victimisation on grounds of age. The Regulations related to the following areas:-

- Recruitment, selection and promotion
- Service-related pay and benefits
- Retirement
- Unfair dismissal
- Dismissals for reasons other than retirement
- Redundancy
- Occupational Pensions

RESOLVED:-

That the Committee approves the Age Retirement Procedure as submitted.

FM/87. **ASSET MANAGEMENT PLAN 2006/07**

The Committee considered a report on the Council's Asset Management Plan. The Committee was asked to consider a review of the arrangements for managing the Council's assets prior to the 2006/07 budget cycle.

The Asset Management Plan set out the Council's property related requirements and its vision for the proactive management of its non-housing related property portfolios over the coming year. The Council had the following assets at its disposal:-

Asset	Number
Town Hall	1
Civic Offices	1
Depot and Workshops	1
Leisure Centres	2
Forestry Centres	1
Off Street Car Parks	20
Public Conveniences	10
Pavilions and Changing Rooms	15
Cemeteries	7
Allotment Sites	9
Industrial Sites	2
Shops	19
Bus Station	1
Market	1
Craft Workshops	7
Other properties	9

In addition, the Council owned 370 acres of parks and open space and 13 acres of land awaiting development. Asset management was considered to be underperforming compared to expected standards. However, during the last 12 months, significant progress had been made to improve the position and additional resources had been applied to support this process.

RESOLVED:-

- (1) That the Council's Asset Management Plan for 2006/07 be approved.**
- (2) That the Council's Asset Management Plan be reviewed and updated as necessary at least on a yearly basis.**

FM/88. **RISK MANAGEMENT – REVIEW AND MONITORING UPDATE**

The Committee considered a report which provided information on the quarterly update of risk management, which was designed to assist the Council in its day-to-day business by identifying and minimising key risks.

Risk management was considered to be a key component of the Council's corporate governance framework. Arrangements for risk management were subject to regular review through the use of resources work by the Audit Commission.

The Council maintained an overall risk register, which set out the main risks which it faced in delivering services. These risks had been identified in individual service plans and by the Council's Corporate Management Team. The individual risks were reviewed and moderated by the Council's Risk Management Working Group, which assessed the risk in the light of the Council's overall priorities and service deliveries. Risks had been identified on a basis of high, probable, low and extremely low. The high risks were those that could have quite a significant effect on the Council being able to deliver its services across the board where there would be serious implications affecting the Council and the local community. Of the fifty risks identified, two were still considered to be high but the probability of them occurring was very low, although their potential impact could have serious consequences on the delivery of Council services.

RESOLVED:-

That the updated Risk Register and associated analysis be noted.

FM/89. **BUDGET AND FINANCIAL MONITORING 2006/07**

The Committee considered a report on the latest budget monitoring information for the financial year 2006/07. The Council monitored income and expenditure against its base budget on a regular basis throughout the year, which was undertaken generally on a monthly basis and weekly in respect of some of the more volatile and high risk budgets.

The report detailed financial information in respect of the following matters:-

- General Fund Revenue Account
- Housing Revenue Account
- Capital Expenditure and Finance
- Cash Flow

General Fund Revenue Account

The position as at September 2006 in respect of the Council's main revenue account was as stated in the table set out below:-

Analysis of Expenditure (By Main Service Area)	Approved Estimate £	Projected Out-turn £	Probable Variance £
Environmental Services	7,743,650	7,721,150	-22,500
Management, Financial and Property	3,776,480	3,736,680	-39,800
Housing and Public Buildings	2,067,710	2,053,060	-14,650
Human Resources	666,430	665,730	-700
IT and Customer Services	2,536,990	2,559,240	+22,250
Legal and Democratic Services	1,998,160	1,992,770	-5,390
Leisure and Community Services	4,126,170	4,183,070	+56,900
Planning Services	2,120,070	2,044,840	-75,230
Policy and Economic Regeneration	685,710	686,010	+300
Revenues and Benefit Services	2,755,670	2,730,250	-25,420
TOTAL EXPENDITURE	28,477,040	28,372,800	-104,240

Members were advised of both the favourable and adverse variances in respect of the General Fund Revenue Account. Overall projected expenditure was estimated to be approximately £104,000 below that budgeted across all revenue fund services.

The latest position in respect of the overall efficiency savings was detailed in Appendix 1 of the report. The Council was on target to achieve its planned efficiencies for 2006/07 and would still be above the Government cumulative target set out in the Gershon agenda by March 2007.

Housing Revenue Account

The position as at September 2006 in respect of the Council's Housing Revenue Account was as set out in the table below:-

Analysis of Expenditure (By Main Service Area)	Approved Estimate 2005/06 £	Projected Out-turn 2005/06 £	Probable Variance £
Housing Repairs	2,932,730	2,932,730	0
General Management	757,400	783,749	+26,349
Sheltered and Other Services	878,010	832,751	-45,259
Council Tax on Void Properties	5,110	5,000	-110
Provision for Bad Debts	7,500	7,500	0
Capital Financing Charges	277,500	277,500	0
Payment to Government Pool	4,157,200	4,157,200	0
Cost of Rebates Remaining in HRA	60,000	60,000	0
Rent and Other Income	(9,398,200)	(9,393,142)	-5,058
Net SURPLUS	(322,750)	(336,712)	+13,962

Capital Expenditure and Financing

The Committee was advised that the overall position as at August 2006 was as summarised in the table set out below:-

Analysis of Spending by Main Service/Project Area	Approved Estimate £	Spent at August 06 £	Projected Out-turn £	Projected Variance £
Council House Improvements	2,319,400	665,600	2,319,400	0
Disabled Facility Grants	527,900	166,800	527,900	0
Other Housing Investment	1,051,500	174,400	1,084,500	+33,000
Community Projects	1,175,550	229,600	1,267,400	+91,850
Environmental Schemes	73,100	13,540	73,100	0
Property and Other Assets	618,000	30,200	422,600	-195,400
Total Expenditure	5,765,450	1,280,140	5,694,900	-70,550

Cash Flow

The Committee was advised that an analysis of the Council's borrowing and short-term investment/bank deposits was as set out in the following tables:-

Borrowing	01/04/06	31/10/06
<ul style="list-style-type: none"> • Long Term Debt Outstanding • Temporary Borrowings 	£1,000,000 £171,000	£1,000,000 £237,700
Total Debt Outstanding	£1,171,000	£1,237,700
<u>AVERAGE INTEREST RATE – LONG TERM</u>	4.875%	4.875%
<ul style="list-style-type: none"> • Average Interest Rate – Temporary • Base Rate 	3.5% 4.5%	3.75% 4.75%
Investments - Short Term Deposits	£850,000	£9,166,000
<u>AVERAGE INTEREST RATE EARNED</u>	4.50%	4.77%
Target – Average 7-Day Rate (for comparison)	4.44%	4.78%

Analysis of Interest Paid/Received	Estimate for the Year £	Actual as at October 2006 £	Projected for the Year £
Short term Deposits	140,000	138,974	200,000
Less Temporary Loans	-23,650	-4,441	-12,000
Total – Net Interest Receivable	116,350	134,533	188,000

Members were informed that the Council continued to benefit from a positive cash-flow position. It was projected this would generate additional finance of approximately £71,000 compared to that estimated for 2006/07.

RESOLVED:-

That the latest budget monitoring figures and associated information be noted.

FM/90. **IDEAS INTO ACTION**

Members considered a report on the responses to the “Ideas into Action” campaign in respect of actions the Committee may wish to progress in the current financial year. The Council, at its Meeting on 9th November 2006 had considered this matter and a copy of that report was submitted as an Annexe to the report. This detailed the ideas submitted and grouped them into key issues with proposals which could be progressed relatively quickly. The Council had resolved that the Policy Committees consider the ideas submitted and make recommendations to this Committee on the proposals they wished to bring forward in the short and longer-term. There was a possibility that a limited amount of funding could be made available by this Committee for short-term proposals that required one-off or low level funding.

RESOLVED:-

That the Committee notes the ideas submitted during the recent “Ideas into Action” Campaign.

FM/91. **IDEAS INTO ACTION – PROPOSALS FOR 2006/07**

The Committee received a report which enabled it to consider the views of the Environmental and Development Services and Housing and Community Services Committees on proposals for delivering “Ideas into Action” and determine any actions it wished to progress in the current financial year.

Previously on the agenda for this Meeting, the Committee had considered a report concerning the ideas submitted to the Council as a result of the recent “Ideas into Action” initiative. The report detailed an analysis of the comments and set out proposals within the key issues that emerged from the full list of items. The Policy Committees had indicated they were broadly supportive of the ideas submitted by the public and of the particular proposals included at Annexe 1 of the report to Council. Neither Policy Committee had suggested any ideas that they wished to propose at this time. Further work on the list of proposals had been undertaken by Officers in consultation with the Chairs of the two Policy Committees. A revised list of potential proposals that could be progressed in the current financial year was attached as Appendix 1 to the report. The Committee was requested to consider the proposals at Appendix 1 that could be delivered in 2006/07 and determine those they wished to action immediately. It was confirmed that other proposals would be considered in the budget process for the Council plans for 2007/10. The cost of each proposal was detailed in Annexe 1. The total three year cost of all the 2006/07 proposals would be £45,000 in 2006/07 and £60,000 over the period 2007/10, providing a total cost of £105,000 to March 2010.

RESOLVED:-

- (1) That the “Ideas into Action” proposals detailed at Annexe 1 of the report be approved.***
- (2) That the Deputy Chief Executive be requested to submit a report on those “Ideas into Action” bids which are not included in Annexe 1 of the report for consideration by the Council.***

FM/92. **IMPROVEMENT PANEL – 8TH NOVEMBER 2006**

The Committee considered the Minutes of the Improvement Panel from its Meeting on 8th November 2006.

RESOLVED:-

That the Minutes of the Improvement Panel from its Meeting held on 8th November 2006 be received.

FM/93. **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 19th October 2006 were received.

BENEFIT FRAUD INVESTIGATION (Paragraph 7)

The Committee noted the contents of a half-yearly report on the Benefit Investigations Unit.

ICT REVIEW – CONSULTATION FEEDBACK (Paragraph 4)

The Committee approved proposals in respect of a review of the Council's ICT Service.

REVENUES AND BENEFITS COMPUTER SYSTEM AND DELIVERY OF REVENUE SERVICES (Paragraph 3)

The Committee considered a report and approved proposals in respect of the Council's Revenue and Benefits Computer System and the delivery of Revenue Services.

RESHAPING OF LICENSING SECTION (Paragraphs 1 and 3)

The Committee considered a report and approved proposals in respect of the restructuring of the Council's Licensing Section within its Environmental Health Division.

LEISURE AND COMMUNITY DEVELOPMENT RESTRUCTURE (Paragraph 1)

The Committee considered a report and approved proposals in respect of the restructuring of the Council's Leisure and Community Development Division.

LAND AT REPTON (Paragraph 3)

The Committee considered a report and approved proposals in respect of the disposal sale of Council-owned land at Repton.

PROPERTY AT SUTTON-ON-THE-HILL (Paragraph 3)

The Committee considered a report and approved proposals in principle in respect of the sale of the Sutton-on-the-Hill Village Hall.

HILTON FOOTBALL PAVILION PROJECT FUNDING AND CASH FLOW
(Paragraph 3)

The Committee considered a report and approved a proposal in respect of a loan to Hilton Parish Council.

P.J. WILKINS

CHAIR