

FINANCE AND MANAGEMENT COMMITTEE

8th September 2011

PRESENT:-

Conservative Group

Councillor Wheeler (Chairman), Councillor Mrs. Watson (Vice-Chairman) and Councillors Jones, Lemmon, Murray, Smith and Watson.

Labour Group

Councillors Dunn (substitute for Councillor Southerd), Frost, Mrs. Heath (substitute for Councillor Rhind), Richards, Tilley (substitute for Councillor Taylor) and Wilkins.

In attendance

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

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Rhind, Southerd and Taylor (Labour Group).

FM/25. MINUTES

The Open Minutes of the Meeting held on 23rd June and of the Special Meeting held on 30th June 2011 were submitted. With regard to the Minutes of the Meeting held on 23rd June, the Chairman proposed an amendment to the second paragraph of Minute No. FM/11 to read as follows:-

"Consultation had been undertaken with Members, resulting in a minority expressing that they would or might be interested in joining the LGPS. The financial implications reported a maximum possible cost of £69,000 per year for the Council's contributions to pension costs. Based on an estimate of the number of Members likely to join, the cost was forecast at a maximum of £20,000 per annum."

Subject to this amendment, which was approved by the Committee, the Minutes of both Meetings were approved as true records and signed by the Chairman.

FM/26. DECLARATIONS OF INTEREST

Councillor Wheeler declared a prejudicial interest in respect of the report on land at Newhall, as an acquaintance of the applicant and Councillor Wilkins declared a prejudicial interest in respect of the item on premises at Newhall.

MATTERS DELEGATED TO COMMITTEE**FM/27. AUDIT SUB-COMMITTEE**

In receiving the Minutes, the Chairman highlighted Minute No. AS/5 and the recommendations made with regard to the Annual Governance Statement.

RESOLVED:-

That the Minutes of the Audit Sub-Committee Meeting held on 23rd June 2011 are received and any recommendations contained therein are approved and adopted.

FM/28. MORTGAGE INTEREST RATE

It was reported 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. This was the rate charged to borrowers and was the higher of the standard national rate and the Council's local average rate. Borrowers would be charged the Council's local average rate at 5.13%.

RESOLVED:-

That the Local Average Rate of interest for the period October 2011 to March 2012 is declared at 5.13%.

FM/29. ANNUAL TRAINING REPORT 2010/11 AND PRIORITIES FOR 2011/12

A report was submitted to provide an overview of corporate training, learning and development activities completed during 2010/11. In line with previous years, the assessment of priorities came from a number of different sources, details of which were provided. A variety of learning interventions had been provided. During 2010/11, the focus had been on leadership and management development, health and safety training, supporting employees through academic study relevant to their roles and the introduction of the "My-view" self-service system. The in-house "management toolkit" of training courses had been extended and the Council had continued to provide alternative forms of learning through the development of e-learning resources. All learning interventions were assessed through the completion of evaluation forms, which were reviewed and any issues arising were considered.

The detail of the report provided a summary of training for 2010/11 in graphical form. It included sections on the review of training activity for 2010/11, training for front line staff and National Vocational Qualifications. It expanded on e-learning, modern apprenticeships and work experience. Next the report looked at key outcomes for each of the reported areas. The priorities for 2011/12 were reported, comprising leadership and management development, equality and fairness training and health and safety training. Further areas covered were employment policy, e-learning resources and soft skills, together with training for elected Members.

There was discussion about the East Midlands Regional Councillor Development Charter and related to this, the importance of Members attending training sessions and involving Member Champions when arranging training. It was questioned whether the training provided was job specific and this was confirmed, whilst highlighting the need to train people for example, moving into more strategic management roles. It was also questioned what proportion of funding was provided for senior manager training as compared to other officers, which would be researched and a response provided. Other areas covered were training to deal with asbestos within the Civic Offices and modern apprenticeships, with reference being made to the Burton and South Derbyshire College, including its plans for a new centre at Tetro Point. Provision of media training for Councillors was also felt to be important.

RESOLVED:-

- (1) ***That the Committee approves the priority areas for training and development during 2011/12, which are linked to the delivery of the key priorities of the Council's Corporate Plan 2009/14.***
- (2) ***That Members note the range of training activities and actions provided during 2010/11.***

FM/30. **CORPORATE COMMUNICATIONS STRATEGY ANNUAL REPORT 2010/11 AND ACTION PLAN 2011/12**

The Committee was informed of the outcomes achieved in external and internal communications during 2010/11 and considered the action plan for 2011/12. A refreshed Corporate Communications Strategy had been approved in September 2010. This annual report detailed the achievements and effectiveness of the 2010/11 corporate campaigns. The Communications Team worked through strengthening brand and corporate identity guidelines and advances in e-communications had increased the awareness of South Derbyshire District Council across the District, regionally and nationally.

The detail of the report first covered external communications, reporting on media coverage and increases in press releases. A graph was included showing coverage each month over the previous year. Next, the report focused on the corporate campaigns as follows:-

- Better Council
- Better Community
- Better Recycling
- Better Lifestyles
- Better Opportunities
- Better Services
- Better Care
- Better Future

The report then expanded on internal communications, before looking ahead to 2011/12 and the associated action plan, which was appended to the report.

The Communications Champion commended this report, speaking of the improvements in media activity and giving examples of some of the campaigns undertaken, over the previous year. It was noted that the Council had again been recognised in the Sunday Times list of best companies to work for. A Member requested further information about the percentage increase in employee satisfaction levels and this would be provided.

RESOLVED:-

- (1) ***That the Communications Action Plan and the Corporate Campaigns are approved as submitted.***
- (2) ***That Members note the key communication achievements for the year ending 31st March 2011.***

FM/31. **WORKFORCE DEVELOPMENT STRATEGY ANNUAL REPORT 2010/11 AND ACTION PLAN 2010/14**

An update was provided on progress and achievements from the Workforce Development Strategy. The Strategy and action plan, which were appended to the report, represented the over-arching strategic workforce development framework, to ensure a direct link between the Council's vision, values and objectives, with the development and deployment of the workforce.

Faced with the challenges from the Government's review of public sector finance, it was important to have a structured approach to the allocation and deployment of the workforce and a longer-term plan to skill and develop the workforce. The Strategy addressed the five priority areas set out in the Local Government Workforce Strategy.

The detail of the report expanded on these five strategic priorities covering:-

- Organisational development
- Leadership development
- Skills development
- Recruitment and retention
- Pay and rewards

The Strategy had been developed using the Council's evidence base, demographic information and outcomes from other actions completed. Details were provided of the achievements to date, before considering the key priorities for 2011/12, which were also shown in the appended action plan. The report also covered the partnership working with Northgate for the delivery of Corporate Services.

There was recognition of the success in workforce development in the current climate. In response to a Member's question, information was provided on the proportion of management to staff and the recent management re-structure. Other issues discussed were flexible retirements and the achievement of the Investors in People Silver Award.

RESOLVED:-

- (1) ***That the refreshed Workforce Development Strategy 2009/14 and Action Plan are approved as submitted.***
- (2) ***That Members note the key achievements and progress made on the Action Plan for the year ending 31st March 2011.***

FM/32. **ICT STRATEGY 2011 TO 2014**

A report was submitted to provide details of the key actions arising from the review and update of the Information and Communication Technology (ICT) Strategy. The Corporate Services Partnership contained an action to develop and publish an updated ICT Strategy every two years. The purpose and scope of the Strategy were reported and this detailed Strategy encompassed the full range of the ICT service. The Strategy supported the objectives of the Council and the wider community. Key areas of the Strategy, which had been the subject of consultation, were reported. It would evolve and develop in response to new ICT opportunities and developments and would therefore be reviewed on a regular basis and at least bi-annually. Authority was sought for the Head of Corporate Services to deal with any minor updates required. Further sections of the report referred to the Member ICT Champion and the key issues and action plan, which was appended to the report. There were three detailed actions within the Strategy for the upgrade of Microsoft Office, the procurement of an email management/archiving solution and an upgrade of the Council's remote access link. Other issues covered were performance monitoring and the Northgate Partnership's regional business centre.

In response to an enquiry about the action plan, details were provided of the supporting mechanisms available to monitor performance. A number of Members referred to the advent of new technology, the use of social media and the need for a strategic rather than piecemeal approach in providing ICT. Issues were raised with regard to software compatibility and stability and an example was given of how a holistic approach to ICT could achieve savings. The importance of consultation with Members at the right technical level and need for out-of-hours service support, as well as replacing current systems were further issues raised. Finally, it was suggested that in addition to the current Controlling Group Member Champion for this area, a proposal be submitted for a Member Champion from the Opposition Group.

RESOLVED:-

- (1) ***That the updated Information and Communication Technology Strategy for 2011/14 and associated Action Plan are approved as submitted.***
- (2) ***That the Committee delegates responsibility to the Head of Corporate Services to ensure that the ICT Strategy is kept up to date with any necessary minor amendments.***

FM/33. CORPORATE PLAN 2009 TO 2014: PERFORMANCE MANAGEMENT REPORT (1ST APRIL – 30TH JUNE 2011)

A report was submitted detailing progress and achievements for the quarter ending 30th June 2011, in relation to the Council's Corporate Plan 2009-14. Attached to the report was a performance report, showing progress against Corporate Plan key projects and performance measures under the remit of the Committee.

The Corporate Plan Action Plan consisted of four main themes or priorities. In March 2011, the Corporate Plan was refreshed with an emphasis placed on how actions would make a difference to residents and stakeholders. Performance would be measured against a reduced number of actions or "key projects" and performance measures. Each theme contained a number of outcomes and in order to tell whether these were being delivered, a number of key projects and performance measures had been allocated to each outcome that would be monitored on either a quarterly or annual basis. The Committee was responsible for the delivery of four outcomes, which were listed within the report. Details were then given of progress to 30th June 2011 against the key projects and the performance measures.

There was recognition of the continued performance levels and the Chief Executive was asked to pass on Members' thanks to staff.

RESOLVED:-

That the Committee notes the progress for the period 1st April to 30th June 2011 in relation to the Council's Corporate Plan 2009-14.

FM/34. BUDGET AND FINANCIAL MONITORING 2011/12

The latest Budget and Financial Monitoring report was presented for the Committee's consideration. Initially, this focused on the General Fund Revenue Account and a table summarised the estimated budget deficit for 2011/12. In line with normal monitoring arrangements, the position on the revised net expenditure on services continued to be reviewed. A full analysis of each cost centre with variances across each policy committee was detailed in appendices to the report. Further tables showed performance against budget for 2011/12 as at June 2011 for each Committee and by main service area. The tables showed that there would be an overall increase in net expenditure on services of approximately £54,000 and the main variances were summarised in a further table. Additional commentary was provided on specific areas, including the cost of fuel, income and other potential cost pressures.

Next, the report focused on the Housing Revenue Account (HRA). Performance on the HRA was shown in a further appendix and no variances were anticipated to date.

Capital expenditure and financing was reported and a further table gave an analysis of capital expenditure as at June 2011. This section included further information on private sector housing renewal and capital receipts. Finally, the

report considered treasury management, with an analysis of borrowing and short-term investments.

There were questions and discussion about fuel costs, costs associated with the use of agency staff to cover sickness absence and grant funding.

RESOLVED:-

That the latest budget and financial monitoring figures for 2011/12 are accepted.

FM/35. **A REVIEW OF THE COUNCIL'S CAPITAL INVESTMENT EVALUATION FRAMEWORK**

It was reported that to demonstrate good use of resources and to achieve value for money, it was considered best practice to have a framework to evaluate new capital investment proposals. The existing framework was last used during 2007/08.

The current investment position was reported and the Medium Term Financial Plan (MTFP) identified a shortfall in resources against known commitments of £1.51million. The report explained the receipts set aside and those accruing from the sale of the Bretby Crematorium. Potentially, this left nearly £1.8million available for new capital investment. The report also identified further monies of around £100,000 from the sale of Bretby Crematorium, which were recommended to be set aside as a contingency to protect the cap on future price increases.

With the opportunity to deliver some new capital investment, the existing evaluation framework had been reviewed and a table within the report showed the existing and proposed scores for evaluation criteria. The framework was designed to appraise a business case for each proposal. Appended to the report were a detailed business case model and the full scoring system. Other proposed changes to the framework were reported.

The Committee was asked to appoint a working panel to assess bids for new capital investment.

RESOLVED:-

- (1) ***That the updated Capital Investment Evaluation Framework is approved as submitted.***
- (2) ***That the Committee appoints a working group to assess bids for new capital investment and to report back to the Committee at its Meeting on 1st December 2011.***
- (3) ***That the Working Group comprises three Members, being Councillors Watson and Wheeler (Conservative Group) and Councillor Wilkins (Labour Group).***

FM/36. **WORK PROGRAMME**

The Committee was asked to review its work programme.

RESOLVED:-

That the Committee receives the updated work programme.

FM/37. **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 23rd June 2011 were received.

LAND AT NEWHALL (Paragraph 3)

The Committee approved the freehold disposal of an area of land and the acquisition of a drainage easement.

PREMISES AT NEWHALL (Paragraph 3)

The Committee approved the release of a restrictive covenant.

PROPOSED WRITE-OFF: HOUSING BENEFIT OVERPAYMENTS, SUNDRY DEBTOR, BUSINESS RATES AND COUNCIL TAX (Paragraph 1)

The Committee approved the write-off of sums considered irrecoverable in accordance with the Financial Procedure Rules.

REORGANISATION OF THE OPERATIONS DIRECTORATE (Paragraph 1)

The Committee approved proposals for the restructure of the Operations Directorate.

R. WHEELER

CHAIRMAN