

FINANCE AND MANAGEMENT COMMITTEE

22nd November 2001

PRESENT:-

Labour Group

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

Conservative Group

Councillors Harrison, Lemmon, Shaw and Mrs. Wheeler.

In Attendance

Councillors Harrington and Richards (Labour Group).

FM/53. **COUNCILLOR C. MOULSON**

The Chair reported the recent death of past District and County Councillor Cliff Moulson and Members stood in silence as a mark of respect.

FM/54. **MINUTES**

The Open Minutes of the Meeting held on 11th October 2001 were taken as read, approved as a true record and signed by the Chair.

FM/55. **REPORT OF MEMBER**

Quarry Operated by Biffa Waste at Shardlow

Councillor Harrison referred to the constant smell in Shardlow emanating from the nearby quarry operated by Biffa Waste which had been raised vociferously by residents at the recent Melbourne Area Meeting held in Shardlow. He advised that a public meeting on the matter was now to be held at Shardlow Village Hall on Tuesday, 11th December 2001 and suggested that a representative of this Council should attend this meeting. The Head of Community Services confirmed that she was aware of the Meeting and expected a formal invitation shortly. Councillor Brooks understood that those attending would include representatives of the Environment Agency and the County Council.

FM/56. **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee received a detailed report from Councillor Harrington on Central Establishment Charges which was duly noted. Councillor Harrington thanked staff for their assistance in preparing the report.

MATTERS DELEGATED TO COMMITTEE

FM/57. **REVIEW OF CAPITAL PROGRAMME**

George Holmes Way, Swadlincote

Members were advised that the approved Capital Programme for this year contained £10,500 to carry out the required works to complete the surfacing of the roads and footways to adoption standards at George Holmes Way.

Three quotations for this work had been received and the lowest was £14,500.

Completion of the adoption works was essential so that its future maintenance could be passed to the County Council and until this was done the road remained a liability on the District Council which would continue to have to carry out maintenance and repairs. Members were asked therefore to approve the increased expenditure required so that works could be undertaken prior to the end of the year.

Water Course at Scropton

It was reported that during the floods of November 2000, several properties at Scropton were affected. Investigations had shown that one of the causes was an inadequate culvert on the main watercourse running adjacent to Watery Lane and connecting, under the railway into Foston Brook. Quotations had been obtained to carry out the necessary works to enlarge this culvert and the lowest was £8,250. This would enable a much larger culvert to be provided and for water to disperse more quickly. The culvert was situated under land owned by Foston and Scropton Parish Council who had agreed to meet one half of the cost of the improvements in partnership with the Council. Accordingly, Members were asked to approve these works as an addition to the Capital Programme so that the improvements could be carried out at the end of November and the flooding risk reduced.

Willington Reservoir

Members were advised that in 1990 the Council entered into negotiations with Severn Trent Water Limited (STWL) for the grant of a Deed of Easement over some land in their ownership in Willington. The aim was to improve and construct drainage works pursuant to Section 98 of the Land Drainage Act 1976. In accordance with statutory procedures it was agreed that this Council would pay compensation in the sum of £30,000 to STWL. In 1997, 90% of that figure was paid to them. The Council was liable to pay interest on the balance of £3,000 from 23 October 1995 until its payment on completion of the easement plus STWL's legal fees amounting to £450.00. Interest had been calculated to 15 November 2001 in the sum £823.20. STWL's legal representative had confirmed that provided completion took place by no later than 1 December 2001, the interest might remain as calculated to that date. Therefore the total amount payable was £4,273.20.

Members were advised that the resources outlined could be accommodated within the Council's Capital Programme for 2001/2 by a combination of additional receipts and uncommitted resources from existing schemes.

RESOLVED:-

That an amendment to the Capital Programme for the adoption of work at George Holmes Way be approved and additions to the Programme for land drainage works in Scropton and payment of the compensation claim for the Willington Reservoir be authorised.

FM/58. **ASSET MANAGEMENT**

Members received a detailed report outlining progress made to date on the Asset Management Best Value Review and progress on implementing actions arising from the Asset Management Plan 2001. It was noted that good progress had been made on the Best Value Review. The baseline assessment was at a draft stage and the 4 C's (Challenge, Consultation, Competition and Comparison) had been considered. The Review Team was to produce and consult shortly upon options for the way forward prior to completing the review report and implementation plan. Work was progressing on the action points emanating from the Asset Management Plan (AMP). It was noted that several sections of the baseline assessment required amending or updating.

Councillor Brooks paid tribute to officers involved in the Best Value Review (including officers of Derbyshire County Council and Erewash Borough Council). However, he expressed concern that some departments were not co-operating with the Review but this had improved lately.

Councillor Whyman expressed a wish to see a report on the utilisation of accommodation within the Civic Offices as he suspected that such a study would reveal spare capacity of office space. He hoped that the Council would need growth in resources shortly and referred to the assistance offered by the granting of office accommodation to the Citizens' Advice Bureau and the Neighbourhood Watch Scheme.

Councillor Lemmon endorsed the comments made by Councillor Brooks regarding the co-operation of staff and referred to the anomalies highlighted in the report in certain areas. He felt that there was a need for a centralised register of assets indicating their status.

Councillor Mrs. Wheeler considered that rent collection should be undertaken on a bi-weekly basis rather than monthly.

RESOLVED:-

That the comments on the Asset Management Best Value Review Draft Baseline Assessment, the work undertaken on challenge, consultation, comparison and competition together with the progress made on implementing the action points emanating from the Asset Management Plan be noted, together with the comments of Members.

FM/59. **SINGLE STATUS JOB EVALUATION – PROJECT PLAN**

Members were reminded that the Committee had previously delegated powers to enable the Single Status Job Evaluation Group to be implemented. Key tasks had now been translated with timescales into a project plan which was presented for Members' approval. The preparatory task continued until the end of April 2002 taking the process to the benchmarking and evaluation stage. Allowing time to agree conventions, develop the IT software, agree the help text and determine the evaluation process on how it would work and who was to be involved, details on these matters would be submitted to the Finance and Management Committee on 18 April 2002. Training would take place for all Steering Group Members and for those involved in the analysis process. Members were advised that the plan identified periods of time

where the Group would progress the project but would not require any involvement from other Members or employees outside of the Group. Therefore, communication was very important with both employees and Members. To ensure effective communication, the Group would distribute progress reports every 3 months or at key stages. In addition, alongside the work being undertaken on evaluations, existing policies on pay related benefits and opportunities for savings to contribute to funding, the scheme would be reviewed and considered by the Group so that the final package to achieve the Single Status Scheme would be complete by April 2004.

Members were advised that the Group had prepared an initial leaflet to market the implementation of the scheme and this was to be sent to all employees following the approval of the project plan. Future articles were to appear in the employee newsletter as information became available.

It was noted that Councillor Wilkins and Mr. Mason (Unison) had recently attended the National Joint Council Job Evaluation seminar and arising from this seminar were many key points. Three key words to remember were planning (it was important to have a clear view and a timescale that was realistic), communication (everyone involved should be aware of what is happening and when) and transparency (openness at all stages).

It was reported that the Job Evaluation software to be purchased should be compatible with the current payroll/personnel database otherwise it would present problems. It was noted that many authorities were running the computerised and a paper system coterminously at the early benchmarking stages as there had been difficulty with inconsistency of results. It was recommended that a large sample be benchmarked to help address these issues and also to seek to reduce the possibility of a number of appeals which would add time later in the process. It was noted that there were positive messages from the delegates at the seminar. The key point emphasised was to spend time early in the process training all relevant parties, including trade union members, and utilise effective and continuous communication to all employees.

Members were advised that no extra budget provision had been made for implementing the Single Status Job Evaluation Scheme. Effectively this meant that any proposals were assumed to be cost neutral with any additional costs were covered by savings elsewhere in staff related budgets.

Councillor Whyman expressed support for the positive approach by all parties, particularly the unions for this scheme. He stated that the “cost neutral” stance may require some flexibility, but he hoped that the cost would be minimised.

RESOLVED:-

That the progress made to date by the Single Status Steering Group be noted and the project plan, as circulated, be approved.

FM/60. **SERVICE PLANS**

The Committee gave consideration to the Service Plans for Legal and Members’ Services, Personnel and Development, Economic Development (in respect of Asset Management), Financial Services, Revenue Services, Internal

Audit, IT and Customers Services and Policy and Best Value. Service Plans provided an important part of the Council's performance management framework and details were provided of those other elements of this framework. The form and content of Services Plans had been reviewed as part of the Best Value Review of Financial Planning and Control and work on the corporate plans. The aim had been to show clearly the scope and nature of the services provided by each division, how resources were used and how performance was to be monitored and measured. Details were provided of the sections contained within each Service Plan. All plans had been developed on the basis that there would no change in the level of resources devoted to that service area. Proposals for service developments or reductions would be considered through a separate mechanism and incorporated into the Service Plan at a later date.

Members were also invited to highlight issues stemming from Service Plans that might need to be included in the budget process or other proposals for savings or growth on revenue or capital schemes. A special meeting would be convened to consider all those proposals submitted and to prioritise them in accordance with the available resources. Members could also bring further proposals and ideas to the attention of the relevant Divisional Manager as part of this process.

Councillor Harrison indicated his disappointment that all Service Plans had been prepared on the basis that there would be no change in the level of resources devoted to that service area. He recalled that the Service and Financial Planning Working Panel had agreed to move to a position where Members would have greater influence over the allocation of resources based on electorate needs. He urged that this matter be reviewed. In response, Councillor Whyman outlined the timetable for Members to be fully involved in a process to address the point raised.

With regard to the Local Performance Indicators (P.I.) for the Legal and Members' Services Division and the percentage Member attendance at Meetings targeted at 95% for 2002/3, Councillor Mrs. Wheeler queried why this figure had been included when the Council did not have a clawback clause in its allowance scheme. The Legal and Members' Services Manager advised that there was a library of suggested performance indicators on the Council's public folders and this had been devised as information that the public would be interested in. He also referred to a problem with the legality of a clawback clause in the Members' allowances scheme.

With regard to the percentage increase in press/media coverage of the services/functions undertaken by the Council with the target being 20% for 2002/3, Councillor Whyman considered that the Council was being modest with this target and could aim for a more ambitious target with the imminent appointment of a new Public Relations Officer.

With regard to the Personnel and Development Division's Service Plan and the sickness absence management policy, Councillor Harrison reminded the Committee that he had previously requested a report on this matter. The Personnel and Development Manager advised that she was hoping to bring a report to the January Committee Meeting based on a six month assessment period. She also indicated that based on current information, the levels of sickness absence had decreased.

With regard to the critical success factor to improve staff morale, Councillor Whyman queried what this factor entailed and was advised that staff consultation mechanisms were to be engaged to identify issues affecting staff morale. With regard to the development of family friendly employment policies and improved working conditions for employees, Councillor Richards felt that in light of the recent announcements made by the Government, these measures should be introduced prior to 2002. The Personnel and Development Manager advised that this matter was being discussed with the trade unions to identify the Council's priorities and the Council would deal with statutory matters as necessary.

With regard to the critical success factor on ensuring that people were treated fairly and equally, Councillor Carroll considered that this should include the issue of sexual harassment. The Personnel and Development Manager advised that the existing policy covered the whole spectrum and therefore included this issue. Councillor Harrison advised that he wished there to be a reference to bullying and also that the subject of disability discrimination should be included. The Personnel and Development Manager advised that this section would be expanded to identify the range of areas covered under the general heading of 'Equal Opportunities'.

With regard to the absence management/stress management service development task, Councillor Whyman advised that he understood that the Council had a practice of 'Return to Work' interviews. He understood that the Council did not implement this procedure rigorously and felt that an opportunity to address issues was being missed. The Personnel and Development Manager advised that managers were still being trained on conducting these interviews properly, which should be completed by the end of November 2001. Many managers were reluctant to undertake such interviews until this training had been completed and this action had been accepted by the trade union representatives. Following this training, statistics available would be reported to the Corporate Management Team and Divisional Managers on trigger points and subsequent action. Councillor Whyman felt that there was a need to address absence management/stress management in a more sensible way and Councillor Lemmon felt that there needed to be a cultural change to accommodate individuals' needs. The Chief Executive advised that the inclusion of this matter in the Service Plan was indicative that a system was being introduced.

With regard to the Best Value Performance Indicator on the percentage of senior management posts filled by women, Councillor Whyman hoped that whilst taking into account the Government target, the Council would continue to fill senior management positions with the best person for that position, regardless of the candidate's gender.

With regard to the proportion of working days/shifts lost to sickness absence, Councillor Whyman was concerned that this Council still seemed to underachieve against the Government's target. The Personnel and Development Manager advised that the Council was being cautious at the moment as the process for managing absence would not be implemented until half way through the year. However, this matter should improve as time passed.

With regard to the Economic Development Division Local Performance Indicators, Councillor Whyman indicated that this section provided an

opportunity to include the utilisation of office space at the Civic Offices as mentioned earlier in the Meeting. The Economic Development Manager advised that he would discuss this matter with the Building Maintenance Section to ascertain the most appropriate place to include this.

With regard to the Finance Services Division's Performance Indicators and Target, Councillor Harrison indicated that he was disappointed at the low performance in many areas. The Finance Services Manager advised that a report would be submitted to a forthcoming Meeting on the Division's Best Value Review which would cover these concerns.

With regard to the Revenue Division's Local Performance Indicators, Councillor Whyman suggested that it would be beneficial to have details of comparisons to previous years and was advised that this could be provided in a separate report. The Chief Finance Officer advised that most authorities were struggling to meet the Government targets for this particular area of work but this Council was well within the targets and aimed to become even more efficient.

With regard to the processing of new benefit claims, Councillor Whyman reminded Members that this section had struggled in the past but was now performing exceptionally well. The Revenue Services Manager advised that this Council was currently processing new applications within one day, although this would be difficult to maintain.

RESOLVED:-

That the Service Plans for Legal and Members' Services, Personnel and Development, Economic Development (in respect of Asset Management), Financial Services, Revenue Services, Internal Audit, IT and Customer Services and Policy and Best Value be approved as a basis for service delivery over the next 12/18 months, subject to the comments of Members as outlined above.

FM/61. **COMPLAINTS**

Members received a report summarising the official complaints received by the Council during the previous six month period.

With regards to complaints regarding the attitude of staff, Councillor Whyman advised that although it was difficult at all times, staff should treat members of the public in a caring, considerate and polite manner and suggested that staff within the appropriate Sections could be assisted in this by training and support. The Head of Community Services advised that staff were being encouraged to record complaints in a more efficient way.

RESOLVED:-

That the report be noted and a copy of the Complaints Procedure be submitted to all Members.

(At 8.30 p.m., it was agreed to continue the Meeting pursuant to Council Procedure Rule No. 9.)

FM/62. BEST VALUE REVIEW – FINANCIAL SERVICES (REVENUE AND BENEFITS)

Members were advised that the Financial Services Best Value Review was due for completion by September 2002. Revenue Services was part of that review and covered the provision of council tax and national non-domestic rate collection and housing and council tax benefit administration. Members received a detailed report outlining the progress made on the revenue services element of the Best Value Review.

Members were advised that the Review Team had debated the options available for taking the review forward and considered that Option 2 (as circulated) should be incorporated into the Best Value Review Implementation Plan. Option 2 was to improve existing services and progress on this part of the review would continue to be reported to the Review Team along with the terms of reference for the remainder of Finance Services.

It was reported that the Council was working with Bolsover, Derbyshire Dales, High Peak and North East Derbyshire Councils to develop consortium arrangements for the replacement of the Council's revenues and benefits systems. The Council already had joint working arrangements with Derbyshire Dales to maintain and support its existing 'aged' revenue and benefits systems.

The Consortium had already expressed an interest for an Invest to Save bid and had moved forward to the next bidding rounds. The aim was to secure Government funding in years 1 and 2 for the replacement of this system across these authorities - this funding would not be available to individual authorities.

It was noted that if successful, this bid could release funding of over £1 million across the 5 authorities and make a significant contribution to the cost of any new system. However, the bid was not just about replacing a computer system. It also identified ways that the system could be utilised as a "stepping stone" for these councils to work more closely together and improve and maintain already good performance on benefit processing. If successful, the bid envisaged a new system would be in place by 1 April 2003. The Invest to Save bid provided a platform for generating the funding and partnership working to address many of the issues outlined to date within the Best Value Review.

Members were advised that the financial implications arising from the adoption of Option 2 in the Implementation Plan were being investigated. Currently the cost of implementing a new revenues and benefits system were only indicative but they were outlined to Members illustrating the financial benefits anticipated by replacing the Council's revenue and benefits system in partnership with other Derbyshire districts.

Councillor Harrison queried whether the proposed new revenue and benefits system was already working satisfactorily in other authorities. It was advised that one of the next tasks for the Consortium was to determine the criteria for a system that was tried and tested and discussions were currently being held with potential suppliers regarding such systems.

RESOLVED:-

- (1) That the preferred Option 2 as outlined in the Report be supported.***
- (2) That the Invest to Save bid submitted on behalf of the Derbyshire Consortium be supported.***
- (3) That the Chief Executive and Chief Finance Officer be authorised to pursue consortium arrangements further with the parties to the Invest to Save bid with a view to forming a joint committee for the procurement and future operation of a revenues and benefits system to be used by all members of the consortium.***

FM/63. **BUDGET PROCESS 2002/3**

Members were advised that this was the first year that the Council's budget would be set under the new modernised arrangements. Effectively, this introduced scrutiny arrangements into the budget process and meant that budget proposals would need to be considered by a Scrutiny Committee. The scrutiny arrangements also provided for public consultation on the Council's budget proposals and it was suggested that the Area Meetings be utilised for this purpose.

This year also saw the first Council Corporate Plan which provided the framework for producing service plans which would in turn provide invaluable information to assist with budget decisions.

The budget timetable for 2002/3 was circulated. It was suggested that a Service and Financial Planning Working Group be established to consider budget proposals at a reasonably early stage. It was proposed that a politically balanced group of 7 Members be established to consider revenue budget spending pressures, savings proposals and future capital schemes.

A scrutiny meeting would also be convened after the Service and Financial Planning Working Group had met to comment on any proposals stemming from the Working Group.

Members were advised that in order to assist the budget process it was proposed that all bids be scored based on existing criteria for scoring capital bids and proposed criteria for scoring revenue bids which was circulated. The scoring would be completed prior to the Service and Financial Planning Working Group Meeting and serve as a guide for assessing proposals.

RESOLVED:-

- (1) That the timetable, as circulated, be approved.***
- (2) That a Service and Financial Planning Group be established, as detailed in the report.***
- (3) That the appropriate Scrutiny Committee be authorised to comment on the proposals forwarded by the Service and Financial Planning Working Group.***

- (4) That the Overview Committee undertakes formal consultation with business groups.***
- (5) That the assessment criteria for revenue bids, as submitted, be approved.***
- (6) That the assessment criteria for capital bids, as submitted, be approved.***

FM/64. **SHARPE'S RESOURCE CENTRE**

Under Minute No. PR/6 of the Policy and Resources Committee Meeting held on 8th July 1999, it was agreed to fund the Sharpe's Resource Centre with £10,000 per annum revenue for the pre-operational phase and £20,000 per annum for 10 years thereafter. At that time, it was envisaged that the Resource Centre would be operational in the current financial year 2001/2. However, this would not be the case so only £10,000 had been paid.

The 5 tenders for the main contract at Sharpe's due to commence on 19 November 2001 came in substantially over budget and the Trust was having to fill a funding gap in the capital phase of the project. It would therefore assist the Trust if the current financial year was regarded as an operational year with payment of a further £10,000 as allowed for in the budget.

RESOLVED:-

That the Council pays the Sharpe's Trust £20,000 for 2001/2 in accordance with Minute No PR/6 of the Policy and Resources Committee Meeting held on 8 July 1999 instead of the agreed non-operational rate of £10,000 (even though the Sharpe's Resource Centre will not be operational in the current financial year).

FM/65. **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 11 October 2001 were received.

MEMBERS QUESTIONS AND REPORTS (Paragraph 1)

A detailed discussion took place with regard to the organisation of events and meetings involving Members of the Council.

PARLIAMENTARY ELECTION 2001 (Paragraph 1)

The Committee received a detailed report on current electoral arrangements and agreed to establish an Electoral Working Group to consider future arrangements in connection with the organisation of elections.

FINANCIAL REGULATION 18(c) – WRITE-OFFS (Paragraph 7)

The Committee agreed that the sum outlined in the report be written-off under the provision of Financial Regulation 18(c).

FINANCIAL REGULATIONS 18(b) AND 18(c) – WRITE-OFFS (Paragraph 5)

The Committee agreed that the sums outlined in the report be written-off under the provisions of Financial Regulations 18(b) and 18(c), but reinstated if the whereabouts of any individuals were subsequently traced.

DISCRETIONARY RATE RELIEF (Paragraph 5)

The Committee approved an application for Discretionary Rate Relief for a period of one year.

NON-DOMESTIC RATE RELIEF: FOOT AND MOUTH (Paragraph 5)

The Committee approved an application for a reduction or remission of the sum of national non-domestic rate (Foot and Mouth) for the period from 1 April 2001.

PAYMENT OF PRESERVED BENEFITS (Paragraph 1)

The Committee authorised the release of preserved benefits for a former member of staff based on the advice provided by the Authority's medical advisors.

P. J. WILKINS

CHAIR