

FINANCE AND MANAGEMENT COMMITTEE

1st September 2005

PRESENT:-

Labour Group

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

Conservative Group

Councillors Harrison, Nalty, Mrs. Renwick and Mrs. Wheeler.

In Attendance

Councillor Mrs. Littlejohn (Conservative Group).

FM/35. **MINUTES**

The Open Minutes of the Meeting held on 21st July and of the Special Meeting held on 28th July 2005 were taken as read, approved as a true records and signed by the Chair.

FM/36. **MEMBERS QUESTIONS AND REPORTS - LICENSING**

Councillor Mrs. Wheeler had given notice of a question about implementing the new licensing laws. The Local Government Association (LGA) was reportedly conducting a survey of local authorities, in order to identify the shortfall between licence fees and the additional costs of servicing this new responsibility. Information was sought, based on the experience to date of the estimated shortfall in costs for 2005/06 and 2006/07, together with how this would be recovered and the impact on Council Tax payers.

A response had been prepared and provided to Councillor Mrs. Wheeler, from which the Chair read. The Leader of the Council questioned the source of the press report and expressed his views on the financial implications. The Chair wondered whether the LGA might have prejudged this matter. From discussions with staff, there appeared to be little evidence of a problem across the Country. Councillor Harrison referred to the press article and the request for local authorities to respond to the LGA, so it could lobby the Government for additional funding to meet any shortfall. Councillor Mrs. Wheeler asked for the survey reports to be monitored and to see if this was a matter which affected "fourth option" local authorities like South Derbyshire. The Leader concluded that the new process would be cost effective, with fees being passed to the trade and for this Council, he felt there was likely to be a break-even position.

MATTERS DELEGATED TO COMMITTEEFM/37. **IMPROVEMENT PANEL**

Councillor Mrs. Wheeler asked when the next meeting of the Improvement Panel would take place and details would be provided to Members.

RESOLVED:

That the Minutes of the Improvement Panel Meeting held on 25th May 2005 be received.

FM/38. **MORTGAGE INTEREST RATE**

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 had been calculated at 5.13%. Borrowers were actually charged the higher of the standard national rate declared by the Secretary of State and the local average rate. The standard national rate, based on rates charged by banks and building societies was currently 6.28%.

RESOLVED:

That a Local Average Rate of Interest be declared at 5.13% for the period September 2005 to March 2006 and that the Council's mortgage rate remain unchanged at 6.28%.

FM/39. **HARASSMENT POLICY**

The Committee's approval was sought to a new policy that provided a procedure for handling allegations of harassment, bullying and victimisation. The current position was reported and the Council had no specific policy for dealing with allegations of harassment. The most applicable procedure presently was the grievance procedure, but this was not totally satisfactory as it lacked some features that ACAS recommended. There was a European Commission Code which highlighted the need for employers to develop and implement policies to prevent harassment and this was reinforced by ACAS.

Employment legislation placed responsibilities on employers to protect employees at work. The report set out a number of harassment related issues under the headings of discrimination and harassment, unfair dismissal and health and safety. It explained new regulations and those planned to deal with harassment. With regard to the issue of stress at work, the HSE had developed management standards, one of which was identified as relationships. The Council had recently been accepted onto a pilot programme to implement these management standards and this would enable further attention to be given to this matter.

It was intended that the proposed policy would support the Council's current Equal Opportunity and Diversity Policy and the report explained how it took on board the ACAS guidance. The proposed policy also recognised that employees could potentially be victims of harassment in the workplace from individuals other than colleagues. Consultation had been undertaken through the Joint Negotiating Group and it had agreed the proposed policy and procedure for adoption by the Council.

The Chair commented that harassment issues were often about perception. Councillor Harrison praised the document, but highlighted a number of areas which gave him some cause for concern. He proposed amendments to the section of the report that gave examples of harassment and bullying and commented on the section that concerned harassment of employees by service users or other members of the public. In this regard, he suggested that each case should be treated on its own merits. The Leader questioned the origins of the document and presumed that it was in use elsewhere. Councillor Southerd responded to the points raised by Councillor Harrison and spoke particularly of the need for such policies to be followed totally, making reference to the potential implications at employment tribunals.

The Head of Human Resources provided further clarification and agreed to take on board the amendments to the examples of harassment and bullying. He confirmed the origins of this document and accepted the point about the treatment of each case on its own merits.

RESOLVED:

That the Harassment Policy be amended in line with Members' comments and be adopted by the Council.

FM/40. **COMPLAINTS PROCEDURE**

It was reported that the existing Complaints Procedure was based on a four tier system and details were given of each of the stages involved. There were a number of issues with the current system, including the fact that the procedure did not encourage positive feedback or informal comments. There was the potential for progress with complaints to be slow if the relevant Officer was not available to respond. Monitoring progress with the complaint was also difficult and there was inconsistency into the level of investigation and the standard of response. Further issues were the 'bottle neck' where the Chief Executive had to handle and investigate numerous complaints and the current procedure did not meet the recommendations of the Local Government Ombudsman.

In line with recommendations from the Ombudsman, a revised procedure was proposed, utilising the current first and second stages, with the exception that responses at this stage should be co-ordinated by the Complaints Administrator and sent from the Head of IT and Customer Services. Stage three would remain the same, except the complaint would be referred to a Corporate Director, independent of the service department, acting on behalf of the Chief Executive. It was proposed that co-ordination of the Complaints Procedure remain within Customer Services and be administered by the Complaints Administrator. Discretion would be exercised about the stage at which complaints started to be considered, with very serious complaints being referred for example straight to the third stage. It was proposed to rename the Procedure 'Comments, Compliments and Complaints' and informal feedback should also be encouraged. At the conclusion of a complaint a satisfaction form would be sent to the complainant, to seek feedback and enable continuous improvement. At the same time a form will be sent to the Head of Service, to ascertain the actions undertaken as a result of the complaint. An improvement report would be produced on a quarterly basis and presented to the Corporate Improvement

Group. This would also be included in the bi-annual report to the Finance and Management Committee.

Councillor Taylor sought an assurance that all Officers would be trained on the revised policy and this point was acknowledged. Councillor Harrison was not happy about the removal of the Member panel phase, before reference to the Ombudsman, but he recognised the reasons for the proposed approach. He sought further information about the amendments to the second and third stages of the process. In particular, there was a discussion about the investigation of complaints by an independent Corporate Director, with responses being sent from the Chief Executive and it was determined that the responses should be sent on behalf of the Chief Executive, for consistency. The Chair was not against to the removal of the Member panel, as he could not recall it meeting. The Leader questioned the removal of the Member panel and asked whether the trade unions had been involved in this review. The Director of Corporate Services offered to consult with unions and she confirmed that the use of a councillor panel was not in accordance with Ombudsman guidance on best practice. Members would continue to be informed of complaints in their respective ward and this review was also about expediency. The Chief Executive added that if Members were involved in complaints at an earlier stage, it might have implications later in the process if an Ombudsman report was issued. The Chair added that this could be considered as prejudging a case and viewed possibly as a slight taint on the process. Councillor Mrs. Wheeler recalled that historically, individuals had to seek a Member's support before submitting a complaint to the Ombudsman. She also commented on the process. Councillor Harrison questioned the need to involve the unions in the review of this Policy.

RESOLVED:

That, subject to the involvement of UNISON and to the amendments outlined above, the Council approves the proposals to:

- (1) Change the existing Complaints Procedure to include comments and complements.***
- (2) Change from a four tier process to a three tier process, in line with the recommendations from the Local Government Ombudsman.***
- (3) Agree the changes to the way that complaints are investigated.***
- (4) Dissolve the Councillor Complaints Panel in favour of an earlier referral to the Ombudsman.***

FM/41. **FINANCIAL MONITORING 2005/06**

A report was submitted to update on the financial news affecting the Council and to report budget monitoring figures for 2005/06, together with performance against the Council's main financial indicators.

Current issues comprised the Government's spending review, which had been delayed until 2007 and a planned comprehensive spending review during 2006/07. The report explained plans for three year financial settlements and current progress with this. With regard to grant distribution, the Government had issued a consultation paper on changing

the methodology and data for distributing grant to Councils. An outline was given of the proposals and they were approximately fifty changes overall, although some of these would not affect District Councils. It was not clear what affect a combination of changes would have on each authority. In addition, the overall level of resources would be finite, so inevitably there would be the usual “winners” and “losers” and some phasing arrangement would most likely remain. The consultation period ran until mid October and further updates would be provided.

The report then focused on budget monitoring for 2005/06. Tables were provided to give an analysis of expenditure by main service area and the General Fund projected variances for 2005/06.

As reported to the Committee in July, it was proposed to use additional income from planning fees to offset the reduction of planning delivery grant and additional costs associated with implementing the new planning framework. There were some cashable savings that would be held in the mainstream budget, as it was assumed that it would be diverted and reutilised in accordance with ‘Gershon’. The position on the Housing Revenue Account (HRA) at July 2005 was also reported, with particular reference made to assumptions on housing repairs. A table was provided on Capital expenditure and financing and particular issues highlighted were capital receipts and the position on Council house sales. An additional allocation had been provided for Disabled Facilities Grants (DFGs), which the Council was required to “top up” from its own resources and this would provide extra resources overall of approximately £83,000 for 2005/06.

Further tables were provided on borrowing and short term investments, performance to date for the revenues and benefits service and other financial indicators, comprising the payment of undisputed invoices within thirty days and sundry debtors.

The Chair referred to the reduction in Council house ‘Right to Buy’ sales, the impact on the capital programme and increased income to the HRA. Councillor Harrison sought an assurance that reports on the HRA would be submitted to each committee meeting. He submitted questions about covenant financing and sought further information on the additional allocation required for DFGs. The Head of Finance and Property Services confirmed that these resources would be met from available Capital Receipts.

Councillor Southern referred to property adaptations and the additional resources provided previously. The Leader of the Council sought clarification about the three year settlement, recalling that information was usually received in November each year. He sought further information about the potential for variance in the Council’s settlement and this was confirmed. However, it was hoped that the three year approach was more robust and there was less chance for variance.

The Council had not yet responded to the consultation exercise. Typically, expert groups tended to respond on behalf of like authorities. There were about twenty changes affecting this Council presently. The majority of these could have a favourable outcome, but there were some with a potentially significant negative affect. If these were implemented, it was hoped that some phasing would take place. Members would be kept informed through

future monitoring reports. The Officer also confirmed that the final decision on this issue would be made in late November or early December.

In response to a question from the Chair, Officers provided further information about the formula approach. There were a significant number of variables and this could cause some nervousness, but Members would be kept informed. Councillor Mrs. Wheeler recalled that under the previous system, the Council did not receive its full allocation and this provided an excellent opportunity to make representations on this issue. Overall, she felt that the resources available would reduce in real terms. She sought a copy of the consultation reply from the expert group responding on behalf of this Council, which it was agreed to provide. In response to a question from Councillor Harrison, it was confirmed that the Council had no right of appeal on this issue, but it could make representations through the consultation process.

At the last Meeting, the Committee deferred a request to vire resources from the Festival of Leisure budget to fund flooding feasibility works. A proposal was made to utilise resources from planning fees, to provide the £6,000 needed. Councillor Southern felt that the Festival of Leisure funding should be rolled forward to provide resources for a launch of the Maurice Lee Memorial Park once the current improvements were completed. The Chair sought a decision from Members in principle.

RESOLVED:

- (1) That the monitoring and performance information be noted.***
- (2) That the Committee accepts the principle of the virement of resources for the flood alleviation works in Ticknall.***

FM/42. **PERFORMANCE MANAGEMENT REPORT – QUARTER ENDING 30TH JUNE 2005**

A performance monitoring report was submitted to present performance data for Corporate Services, together with the expected forecast for the current year. The targets reported against, included Best Value Performance Indicators (BVPs) and local targets, which comprised Corporate Plan milestones, relevant action points from the Corporate Governance Review and Service Plans. Overall there were sixty-three indicators and at the end of the first quarter it was forecasted that 87% would hit targets, by the end of the year. Wherever possible, and with resources permitting, action plans had been instigated to correct falling performance. The report would be developed, with other Council services added over time. The intention was to submit a balanced set of indicators for monitoring performance in all areas and to ensure a robust methodology for managing performance in the future. It was proposed that the next report to Committee would identify the top, medium and bottom quartiles for all BVPs, to enable a comparison to other districts and identify areas for further improvement.

Councillor Mrs. Wheeler commended the style and content of the report. Councillor Carroll did not share this view and felt the report should start by highlighting problem areas and proposed actions to remedy them. The Chair supported this view by reference to a particular example. The Director of Corporate Services was happy to take on-board Members' comments in

changing the style of presentation. For example, a Powerpoint presentation could be made or information could be sent to Members to look at on their lap top computers. A summary report would be provided for the next Meeting. The Chair and Leader of the Council felt that the format could be altered, to make it easier to digest. The Leader felt that there was too much information, that key problems should be summarised and that performance management was about outcomes and how these affected the communities of South Derbyshire. Officers agreed to review the way in which the document was presented. Councillor Bell commented that there were far more local performance indicators than BVPIs. Performance against the local indicators seemed better than that for the prime national indicators and maybe the two sets of indicators should be separated. Officers considered that the local indicators were important, as these were Corporate Milestones. Councillor Harrison didn't wish for the information to be diminished, as he considered it all to be crucial. Members needed to be informed where targets were being achieved and this would be of benefit for the CPA process. The Chief Executive felt that the report provided a strong base and that information was being captured in real time. He accepted Members points and further reports could be provided showing the action required. This was the first performance report and Members' views would be taken on board.

RESOLVED:

That the Committee notes the performance of Corporate Services for the first quarter of 2005/06.

FM/43. **CORPORATE PLAN**

It was reported that the Council's Corporate Plan detailed its Vision, Guiding Principles, Key Aims and Underlying Themes. These elements shaped the Council's direction and the services delivered to the community. The document detailed milestones and planned outcomes over a three-year period. In this sense it was the medium-term business plan for the Council. The Majority Group had indicated to Officers that development of its next manifesto provided an opportunity to review the Corporate Plan in the context of its vision and aspirations for the community. Whilst the Corporate Plan required approval by the Council, the development of any proposals was within the terms of reference of the Finance and Management Committee.

It would be appropriate to consult stakeholders about significant changes to the Plan and therefore was suggested that a revised draft Plan be produced before the next round of Area Meetings. It would be convenient if a draft for consultation could be approved at the next Finance and Management Committee, before the November round of Area Meetings.

There was a range of options available for the development of the new Plan involving joint working between Members and Officers, with external support and facilitation, if required. Members' views were sought on the development process and the desired level of support for Members both from Officers and external agencies.

Councillor Carroll thanked Officers for the report and confirmed that the Community Scrutiny Committee would be asked to look at consultation, to ensure a wide process. The Chair commented on the links between expenditure and the Corporate Plan. Councillor Mrs. Wheeler sought further

information about the planned pre-meetings with the majority group only, the involvement of an Inlogov consultant and associated expenditure. The Leader replied that these proposals were no different to any other working group approach, where proposals were subsequently brought before a Policy Committee or the Council for approval.

RESOLVED:

That the Committee approves the proposals outlined to develop the Council's Vision and Key Aims, together with the process to develop the Corporate Plan 2006/09.

FM/44. **IEG 4.5 STATEMENT**

The Committee was reminded of the background to Implementing Electronic Government (IEG) and the statements submitted to Government since 2001. As part of the process, the Office of the Deputy Prime Minister (ODPM) had requested all Councils to report on progress and to review their strategies against the baseline of priority service and national strategy transformation outcomes for local e-government, in December 2005. This review was designed to plan how Councils would achieve their target for delivering 100% of services electronically by December 2005. A report was submitted that set out South Derbyshire's IEG 4.5 Statement and it had had to be submitted to the ODPM prior to Members' consideration of it.

The detail of the report reminded of the importance of the IEG 4.5 Statement. This statement was not just about use of the internet, but new technology to make the services delivered as wide as possible. Customers' needs were also changing and the Council needed to think how technology could be harnessed to meet customer needs. The baseline document gave the first clear indication of the ODPM requirements and expectations from its E-government programme. The ODPM had stated that if targets were not met, the IEG funding might have to be returned and there was a close correlation between CPA results and E-government. The target date would be challenging and difficult to meet. The ODPM was providing substantial resources to enable the Council to meet its targets and these were explained in the financial implications of the report. The IEG statements provided an important means of planning how new technology could be used to improve service delivery. A summary was provided of the South Derbyshire IEG 4.5 Statement within the report and the full document was appended.

Councillor Taylor referred to Members' web pages and asked whether this facility was yet available or when it would be rolled out. Work was being undertaken with Councillor Harrington (the E Champion) and Councillor Mrs. Walton, who already had their own web pages. This would be rolled out to all Members shortly. Councillor Harrison referred to the priority outcome section of the document and particularly online school placements. Officers explained that whilst this was a County Council function, this Authority's web site provided a link to that for the County Council.

RESOLVED:

That the Council's Implementing Electronic Government 4.5 Statement be approved as submitted.

FM/45. **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 21st July 2005 were received.

MEMBERS QUESTIONS AND REPORTS (Paragraph 7)

A Member provided a report about the Bretby Crematorium.

CONTINUATION OF IEG PROGRAMME (Paragraph 1)

The Committee approved staffing recommendations to enable delivery of the IEG Programme.

SINGLE STATUS STEERING GROUP – CHOICE OF JOB EVALUATION SCHEME (Paragraph 11)

The Committee selected a Job Evaluation Scheme to support the pay and grading review required by the 2004 pay settlement.

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

The Committee approved the write-off of sums due to the Council in accordance with the above Financial Regulation.

P. J. WILKINS

CHAIR