

FINANCE AND MANAGEMENT COMMITTEE

22nd March 2007

PRESENT:-

Labour Group

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

Conservative Group

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

In Attendance

Councillors Bell and Shepherd (Labour Group).

APOLOGY

An apology for absence from the Meeting was received from Councillor Taylor (Labour Group).

FM/121. **MINUTES**

The Open Minutes of the Special Meetings held on 18th January and 29th January 2007 and of the Meeting held on 19th February 2007 were taken as read, approved as true records and signed by the Chair.

FM/122. **QUESTION BY MEMBER PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

The Chief Executive advised the Committee that he had received a written question from Councillor Whyman M.B.E. on the progress of capital bids in respect of the Ideas into Action campaign. Councillor Whyman advised that his question related to bids in respect of off-street parking, particularly the current status of those bids relating to proposals to reduce vehicular congestion as this was a district-wide problem.

The Director of Community Services confirmed that a capital bid for investment in measures to reduce vehicle congestion had been submitted.

Councillor Whyman advised that he would be raising the issue of off street parking at the next Council Meeting on 19th April 2007.

MATTERS DELEGATED TO COMMITTEE

FM/123. **REPORT OF OVERVIEW AND SCRUTINY COMMITTEES:**
CORPORATE SCRUTINY COMMITTEE - "THE INFORMATION PROJECT"

The Committee considered a report from the Corporate Scrutiny Committee on the "Information Project". The purpose of the report was to:-

- Detail the findings of a review of the production, control and management of literature from and within the Council – the “Information Project”.
- Make recommendations in respect of the future management and sourcing of printed material.

The Corporate Scrutiny Committee, having received a report at its Meeting on 8th January 2007, concluded that there were three main aspects to the Information Project:-

- (1) District Council produced information.
- (2) Externally produced information for display within Council premises.
- (3) Control and management of displayed material.

The Scrutiny Committee decided to gain information on internally produced information by means of a questionnaire sent to all departments. The questions focused on the control and management of leaflets, and were as follows:-

- Is there a list register of leaflets produced?
- What leaflets are produced, and when are they issued?
- How many leaflets were produced and where were these distributed?
- Are leaflets available for downloading from the District Council website?
- Are leaflets distributed for partner organisations?

The conclusions of the Scrutiny Committee were as follows:-

- (1) The Committee considered that the present control and display of printed material within the Council offices was less than satisfactory.
- (2) The production of leaflets at the outset should be managed to ensure there is a real need for the information and a leaflet (together with other possible means) is the best vehicle to reach the target audience.
- (3) Restrictions on the display of externally generated leaflets need to apply as set out in this report.
- (4) All leaflets should be available on the Council’s website to facilitate downloading. (It was suggested by the Committee that given access to a computer and printer within the reception, internal leaflets could be printed on demand either directly by a member of the public or a receptionist).
- (5) Public areas are becoming cluttered with excessive amounts of information, which cannot fail to make a negative impact on visitors. The appearance of the main reception area is also adversely affected by the ‘planning desk’ and the copious amount of information on the wall in the area.
- (6) Covering tables with leaflets serves little purpose. It may be more appropriate to make available on a table the latest South Derbyshire News and/or documents such as the Corporate Plan or the Council’s Annual Report.

RESOLVED:-

- (1) That the Committee receives the Corporate Scrutiny Committee's report on its review of the production, control and management of literature available from and within the Council.***
- (2) That the leaflets displayed within the Council be limited to:***
 - South Derbyshire District Council Leaflets.***
 - Derbyshire County Council Leaflets.***
 - Leaflets from partner/voluntary organisations.***
- (3) That officers be requested to produce an 'Information Management Policy' with regard to in-house information, focussing on leaflet production and management as outlined in the Scrutiny Committee report, and that the policy be circulated to all Department Managers and made available on the intranet.***
- (4) That an officer be designated with responsibility and authority to control and arrange displays of leaflets, organised by topic and for internal leaflets, an index of material on display be provided together with appropriate display racks.***
- (5) That all requirements for printed material be sent to the Council's in-house print room.***
- (6) That all service information leaflets be made available on the Council's website.***

FM/124.REVIEW OF BUDGET PROPOSALS

The Committee considered a report which responded to the recommendations made by the Corporate Scrutiny Committee on the Consolidated Budget Proposal and the Medium Term Financial Plan to 2010. The conclusions of the Corporate Scrutiny Committee at its meeting on 12th February 2007 were:-

- The Council's financial position over the next three years was sound. However, given that the projections relied on allocation from reserves and there could be a reduction in real terms in government grants in future years, the situation would need to be closely monitored.
- New spending which was proposed outside of the budget-setting process was not subject to the rigorous 'scoring' process and, it could be argued, should be subject to more rigorous scrutiny as budget allocations would not have been made to cover this new spend. When 'existing resources' were cited to be available to cover new or additional spending, there was no indication of the resources to be used.
- The commutation reserve was not required for its original purpose and could be renamed or rolled into the general reserves.
- Capital receipts were likely to accrue from the disposal of surplus assets identified through the work of Property Services.
- The Housing Revenue Account (HRA) over the next ten years was considered to be sustainable. There were, however, too many variables at this time of year to be able to predict with any certainty the position of the HRA in three years.

The recommendations of the Corporate Scrutiny Committee were:-

- That the new spending proposals brought forward outside the annual bidding process be subject to the same level of scrutiny as proposals within the bidding process before proceeding to the appropriate policy committee.
- That new spending proposals clearly explain how those proposals are to be financed, i.e. if 'existing resources' are to be utilised then those resources are identified.
- That reserves are used only to finance one off/short-term projects or to balance out shortfalls as, over the longer-term, spending reserves to finance ongoing expenditure is unsustainable.
- That Officers continue to monitor income levels and build in realistic assessments within the budget, as recently evidenced by an increase in the budgeted planning fees income.

RESOLVED:-

That the comments set out below be agreed as this Committee's formal response to the recommendations made by the Corporate Scrutiny Committee on the review of the budget proposals:-

Recommendation 1

That this be agreed, and be incorporated into the Financial Strategy to be considered in the Summer of 2007.

Recommendation 2

That this be agreed with immediate effect.

Recommendation 3

That this point be taken into account as part of the overall review of the Financial Strategy.

Recommendation 4

That, as evidenced, the 2007/08 budget and Medium Term Plan has taken into account more realistic projections of income levels and officers continue to monitor all levels of income and make realistic assessments.

FM/125. **RISK MANAGEMENT – REVIEW AND MONITORING UPDATE**

The Committee considered a report which provided an update on risk management, this was designed to assist the Council in its day to day business by identifying and minimising key risks. Risk management was a key component of the Council's corporate governance framework, the arrangements for it were subject to regular review and assessment by the Audit Commission. The Council maintained an overall risk register that detailed the main risks it faced in delivering services. The risks were those contained within individual service plans and those identified by the Corporate Management Team. Risk Management was a process which sought to ensure that risks for managers were managed as far as reasonably practicable, kept under review and monitored accordingly to mitigate the risk of them occurring and their consequences.

The Committee was advised that the Council's risk register presently showed 54 key risk areas of varying degrees and this had not changed significantly since the previous review in November 2006. All of the main risks facing the Council (identified for each main Division) were shown in Appendix 1 of the report.

RESOLVED:-

That the updated risk register and associated analysis be noted.

FM/126. **BUDGET AND FINANCIAL MONITORING 2006/07**

The Committee considered a report which detailed the latest budgetary information for the financial year 2006/07 as at 31st January 2007. The Council in accordance with the use of Resources Assessment, monitored income and expenditure against its base budget on a regular basis throughout the year, which was undertaken on a monthly basis, but weekly for 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 Financing
- Cash Flow

General Fund Revenue Account

The position as at January 2007 in respect of the Council's main revenue account was summarised in the table set out below:-

ANALYSIS OF EXPENDITURE (BY MAIN SERVICE AREA)	APPROVED BUDGET 2006/07 £	PROJECTED OUT-TURN 2006/07 £	PROJECTED VARIANCE 2006/07 £
Environmental Services	8,410,500	8,402,460	(8,040)
Management, Finance and Property	3,517,220	3,499,610	(17,610)
Housing and Public Building Maintenance	2,078,300	2,083,580	5,280
Human Resources	664,820	664,820	0
IT and Customer Services	2,649,200	2,649,200	0
Legal and Democratic Services	2,047,690	2,067,690	20,000
Leisure and Community Services	4,544,840	4,574,830	29,990
Planning Services	2,375,750	2,324,720	(51,030)
Policy & Economic Regeneration	684,500	679,080	(5,420)
Revenue and Benefit Services	3,183,690	3,183,690	0
TOTAL EXPENDITURE	30,156,510	30,129,680	(26,830)

Note – variance figures in brackets denotes less expenditure or more income

Overall, the projected out-turn was estimated to be £26,830 less than that budgeted overall across all general fund services. The main reasons for the individual variances were detailed in the report.

Housing Revenue Account

The financial position as at January 2007 in respect of the Council's Housing Revenue Account was detailed in the table set out below:-

ANALYSIS OF EXPENDITURE (BY MAIN SERVICE AREA)	APPROVED ESTIMATE 2006/07 £	PROJECTED OUT-TURN 2006/07 £	PROJECTED VARIANCE 2006/07 £
Housing Repairs	2,900,800	2,829,452	(71,348)
Capitalisation of Planned Maintenance	(335,000)	(335,000)	0
General Management	838,490	834,380	(4,110)
Sheltered or other Service	823,160	811,093	(12,067)
Council Tax on Void Properties	330	330	0
Provision for Bad Debt	7,500	7,500	0
Capital Charges	284,300	284,300	0
Payment to Government Pool	4,032,600	4,032,600	0
Cost of Rebates Remaining in HRA	96,460	96,460	0
Rent and Other Income	(9,092,920)	(9,100,822)	(7,902)
Net SURPLUS	(444,280)	(538,707)	(95,427)

Members were advised that the above table showed that the net surplus on the Housing Revenue Account was projected to be approximately £95,000 higher than the approved estimate as at January 2007.

Capital Expenditure and Financing

The Committee was advised that the overall position on gross expenditure (before financing) as at January 2007 was summarised in the table set out below:-

ANALYSIS OF SPENDING BY MAIN SERVICE/PROJECT AREA	APPROVED ESTIMATE £	SPENT AS AT JANUARY 07 £	PROJECTED OUT-TURN £	PROJECTED VARIANCE £
Council House Improvements	2,331,400	1,367,500	2,474,200	142,800
Disabled Facility Grant (DFG's)	527,900	518,900	627,900	100,000
Other Housing Investment	1,061,500	394,400	835,000	(226,500)
Community Projects	1,153,300	797,500	1,112,800	(40,500)
Environmental Schemes	73,100	87,600	149,300	76,200
Property and Other Assets	322,600	89,700	322,600	0
Repayment of Covenants**	415,000	0	415,000	0
Contribution to Renewals Fund**	225,000	0	225,000	0
Total Expenditure	6,109,800	3,255,600	6,161,800	52,000

**** Note – Expenditure is not incurred until the year-end.**

Cash Flow

The Committee received a detailed analysis of the Council's borrowing and short-term investment/bank deposits.

Members were advised that the Council continued to benefit from a positive cash flow position. It was projected that this would generate additional finance of £81,000 compared to that estimated for 2006/07.

RESOLVED:-

- (1) That the latest budget and financial monitoring figures and associated information be noted.***
- (2) That the projected variances on the General Fund and the corresponding budgets be updated.***
- (3) That the variances reported on capital investment be noted and the corresponding budgets within the programme (where required) be updated.***

FM/127. EQUALITIES AND DIVERSITY MONITORING CATEGORIES

The Committee considered a report on the revised set of Equalities and Diversity monitoring categories which was submitted for its consideration, formal adoption and approval.

The Council had, in October 2003, adopted an Equalities and Diversity Policy Statement to help drive forward its equalities and diversity programme. The revised Equalities and Diversity categories identified in the report would bring the Council's monitoring procedures in line with the requirements such as the disability and gender equality duties. A consistent and standard approach to the collection of data would support the Council in driving forward its equalities and diversity agenda and in particular would assist in implementing the local government equalities standard.

RESOLVED:-

That the Equalities and Diversity Monitoring Categories as set out in the report be adopted and form part of the Corporate Equality and Diversity Policy.

FM/128. EQUALITIES AND DIVERSITY POLICY STATEMENT

The Committee considered a report on the Council's revised Equalities and Diversity Policy Statement for its approval and formal adoption. Following the Council's adoption of the Equalities and Diversity Policy Statement in October 2003, it was now necessary to drive forward its equalities and diversity programme. The Council was progressively implementing the local government equality standard and a corporate equalities standard was necessary as a fundamental requirement before it could progress through the various levels. It was important that the policy reflected current requirements and was in accordance with the statutory framework. Members were advised that since the statement was adopted originally, a number of changes had been made, particularly in terms of legislation and compliance. The statutory duties on public sector bodies had increased and now included areas such as disabilities, gender and age. The policy statement had been revised to reflect the key legislative changes and had been consulted upon with the Values and Attitudes Group, the Corporate Management Team and advice had also been obtained from the Council's Legal Services Section.

Councillor Harrison requested that page six of the appendix to the report should include reference to any relevant age discrimination legislation. There was general support from the Committee to this proposal.

RESOLVED:-

- (1) That the revised Equalities and Diversity Policy Statement be adopted and published as detailed in the report.***
- (2) That page six of the Equality and Diversity Policy Statement include reference to all relevant age discrimination legislation.***

FM/129. **DISABILITIES EQUALITY SCHEME**

The Committee considered a report which set out the Council's final Disabilities Equality Scheme for formal adoption. The Disabilities Discrimination Act 2005 imposed on public sector authorities a statutory duty to promote equality of opportunity for people with disabilities. Public authorities must do whatever they could to eliminate harassment and discrimination to people with disabilities in the course of their activities as an employer, service provider and community leader. Public authorities were required to set out their arrangements on how they would meet the general and specific duties as detailed in the Disabilities Equalities Scheme (DES), which were required to have been developed in collaboration with disabled people and other stakeholders.

The DES had been developed in draft through a consultative engagement process with disabled people and with other stakeholders. The Committee had approved a draft for further consultation at its meeting on 30th November 2006. A list of the stakeholders who were involved in the discussion and development of the DES was set out in the appendix attached to the report. The scheme, once adopted, would be published widely and be available in both hard copy and electronic download formats.

RESOLVED:-

That the South Derbyshire District Council Disabilities Equality Scheme be adopted and published as detailed in the report.

FM/130. **AUDIT SUB-COMMITTEE – 28TH FEBRUARY 2007**

The Committee considered the Minutes of the Audit Sub-Committee from its meeting held on 28th February 2007. The Minutes were presented to Members by the Chair of the Audit Sub-Committee, Councillor Shepherd.

RESOLVED:-

- (1) That the Minutes of the Audit Sub-Committee from its Meeting held on 28th February 2007, a copy of which is attached at Annex 'A' to these Minutes, be received and noted.***
- (2) That the Improvement Panel be requested to take further positive action in respect of the arrangements for staff Performance and Development reviews.***

(3) That the Council be recommended as follows:-

- (a) That the progress made so far on achieving the Action Points set out in the Self Assessment of Performance, Local Code of Corporate Governance be noted.**
- (b) That based on any available and relevant guidance an annual report be produced which explains clearly the work of the Council and its performance.**

FM/131. DISTRICT AND PARISH ELECTIONS – 3RD MAY 2007

The Committee considered a report which detailed a list of designated polling premises and outlined staffing implications for the District and Parish Elections to be held on 3rd May 2007. In preparation for the District and Parish Council Elections, a review of polling places had been undertaken and a proposed list of venues prepared. The counting of votes would be undertaken on 4th May 2007 at the Green Bank Leisure Centre, Swadlincote and in accordance with previous elections, Members were requested to consider granting staff working at polling stations on 3rd May 2007 and those involved in counting votes on 4th May 2007 leave with pay on those days.

Councillor Lemmon expressed his concern that a Polling Station within the site of the former Pastures Hospital, Mickleover was not included in the appendix to the report as this would be of assistance to a number of his constituents. Members considered that the Electoral Review Working Panel should be re-established in the new municipal year to provide advice and information to aid officers in the consideration of arrangements for future elections. There was general support from the Committee for this proposal.

RESOLVED:-

- (1) That, subject to any concerns expressed by Members to the Chief Executive, the Committee approves the list of designated polling places for the District and Parish Council Elections on 3rd May 2007.**
- (2) That the staff involved in the administration of polling stations on 3rd May 2007 and the counting the votes on 4th May 2007 be granted leave with pay on those days.**
- (3) That the Electoral Review Working Panel be re-established during the new municipal year 2007/08 and a report on this matter be submitted to a future Meeting of the Committee.**

SUPPLEMENTARY MINUTE**FM/131(a) REVIEW OF SUPPORT TO THE VOLUNTARY AND COMMUNITY SECTOR**

The Committee considered a report on proposals for a review of support to the voluntary and community sector. The Chair of the Committee had agreed to consider the report as urgent business as its recommendations required consideration in this financial year for possible inclusion in the financial year 2007/08.

The Housing and Community Services Committee, at its Meeting on 15th March 2007, considered a report on a review of support to the voluntary and community sector. It was agreed that the Finance and Management Committee be requested to recommend to the Council as follows:-

- (1) That an examination take place at the first opportunity into the level of increase in capital and revenue funding necessary for the support of core funding for the Voluntary and Community Sector.
- (2) That £100,000 over a period of three years be ring-fenced from existing reserves or future funding, from which the Voluntary and Community Sector can bid into, and that objective guidance, criteria and a systems protocol for the assessment of bids be worked up by Officers.

With regard to financial implications, Members were reminded that any projected shortfall against the minimum General Fund balance of £1 million would be covered by a transfer from the Commutation Reserve. £97,000 had been set aside for that purpose. The level of additional spending proposed by this item could only be funded by transferring resources from the Commutation Reserve. Accordingly, it was recommended that this reserve be rolled into the General Reserve balance. After taking into account the proposed spending in this report, it would leave a projected General Fund balance of approximately £1,062,000 by 2010, including the remaining Commutation Reserve.

RECOMMENDATIONS TO THE COUNCIL:

- (1) **That an examination take place at the first opportunity into the level of increase in capital and revenue funding necessary for the support of core funding for the Voluntary and Community Sector.**
- (2) **That £100,000, over a period of three years, be ring fenced from existing resources or future funding from which the Voluntary and Community Sector can bid into and that objective guidance, criteria and a systems protocol for the assessment of bids be worked up by Officers.**
- (3) **That the balance remaining in the Council's Commutation Reserve be rolled into the General Fund Balances**

FM/132. **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 the brackets after each item.

MINUTES

The Exempt Minutes of the Special Meeting held on 18th January 2007 and of the Meeting held on 19th February 2007 were received.

RECRUITMENT AND RETENTION IN BUILDING CONTROL (Paragraph 1)

The Committee approved proposals relating to the retention of a Market Supplement Package applicable to certain posts above PO1 within the Building Control Section.

RESTRUCTURING OF THE WASTE AND CLEANSING UNIT (Paragraph 2)

The Committee approved proposals for the restructuring of the Council's Waste and Cleansing Unit.

P. J. WILKINS

CHAIR