

FINANCE AND MANAGEMENT COMMITTEE

19th July 2001

PRESENT:-

Labour Group

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

Conservative Group

Councillors Harrison, Lemmon, Shaw and Mrs. Wheeler.

In Attendance

Councillors Bell, Rose and Mrs. Rose (Labour Group) and Mrs. Robbins (Conservative Group).

APOLOGY

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

FM/1. **MINUTES**

The Open Minutes of the Policy and Resources Committee Meeting held on 26th April 2001 were taken as read, approved as a true record and signed by the Chair.

FM/2. **MEMBERS' QUESTIONS AND REPORTS**

(a) Southern Derbyshire Health and Social Care Partnership

Councillor Carroll presented a detailed report on the Southern Derbyshire Health and Social Care Partnership meeting held on 13th June 2001.

RESOLVED:-

That Officers investigate how the information received from this particular organisation is utilised, together with how the Council supports this Partnership.

(b) Sheltered Housing

Councillor Harrison advised that he had received a petition signed by eighty-five Sheltered Housing residents in Melbourne. The petition was presented to the Chair of the Committee in order that it be considered as part of the consultation process on the future of the sheltered housing service. A general discussion took place on the review of the sheltered housing service and the concerns expressed to Members by both users and staff involved in the service.

RESOLVED:-

That the petition be accepted and incorporated into the consultation process for the review of the sheltered housing service.

MATTERS DELEGATED TO COMMITTEEFM/3. **URGENCY SUB-COMMITTEE****RESOLVED:-**

That the Open Minutes of the Urgency Sub-Committee Meeting held on 25th June 2001 a copy of which is attached at Annexe 'A' be received

FM/4. **JOINT CONSULTATIVE COMMITTEE****RESOLVED:-**

That the following Members be appointed to the Joint Consultative Committee:-

Councillors Brooks, Wilkins and Whyman (Labour Group) and Councillors Bale and Hood (Conservative Group).

FM/5. **AUDIT OF BEST VALUE PERFORMANCE PLAN**

Members were advised that the Council's Best Value Performance Plan (BVPP) had been audited by the Council's external auditors and a copy of their report, statutory certificate, opinion and action plan were circulated. The District Auditor had issued an "unqualified opinion" on the Plan which meant that it complied in all significant respects with the legislation and statutory guidance. He had not recommended that the Audit Commission carry out a Best Value Inspection of the Authority or that the Secretary of State should give a direction under Section 15 of the Local Government Act 1999.

Members were advised that the District Auditors main findings included the following:-

- both the BVPP and the Summary provided a 'good example of honest performance reporting'.
- there had been some progress in the collection and management of performance information – the Council needed to ensure that the momentum was not lost.
- services needed to use performance indicators to plan work and inform priorities. Members also needed to receive relevant performance information.
- the application of Best Value principles had continued to improve as a result of guidance and training. However, many staff still did not connect Best Value with routine service delivery. Communication, therefore, needed to be improved.
- the review process had slipped to some extent, but was progressing due to enhancements to project management and accountability. *'However an inspection of the Sheltered Housing Service identified significant weaknesses in the service and the review process which needed addressing'*.
- arrangements for delivering 'challenge' under Best Value needed attention.

The District Auditor had produced a series of recommendations designed to tackle areas of weakness. These were outlined in the action plan and it was noted that the key statutory recommendations concerned the following:-

- the introduction of an integrated performance management system
- the introduction of detailed guidance on the 4 Cs (compare, challenge, consult and compete)
- accountability for performance indicators
- training for Members and Officers on applying 'challenge' to the review process
- the introduction of a mechanism for independent 'reality checks' on Best Value Reviews

It was noted that the Council had thirty working days in which to respond to these recommendations and a proposed response had been incorporated into the Action Plan circulated.

RESOLVED:-

That the District Auditor's report and the Council's second BVPP be received and the proposed response outlined in the Action Plan to the District Auditor's recommendations be agreed.

FM/6. **BEST VALUE REVIEW – FINANCIAL MANAGEMENT AND CONTROL**

The Committee received a copy of the Best Value Review for Financial Management and Control. It was reported that the review identified many good practices in managing the Council's finances together with areas where improvements could be made.

Essentially, they related to the following two key areas:-

- (1) Ensuring that financial plans linked closely to service plans – currently it was difficult to counter the view that most Council planning was finance led. In many ways this was due to the lack of a corporate or service plan which set out a clear direction for the Council as a whole and the individual service areas it provided.
- (2) Raising Financial Awareness – There was an almost universal feeling that the quality of information available to Managers and Members to manage and oversee budgets was poor.

Accordingly, Members were advised that the report recommended the following:-

- (1) The implementation of a new financial information system.
- (2) A system of regular financial monitoring involving Managers and Members.
- (3) Enhanced financial training for Members and Managers.
- (4) Using Area Meetings as a forum for public consultation on the Council's budget proposals.

The Chief Finance Officer outlined that he understood that this review was to be the subject of a 'light touch' inspection.

RESOLVED:-

That the recommendations outlined in the report and the Action Plan, as submitted be approved.

FM/7. **REVENUE AND BENEFIT ISSUES**

Members received a detailed report which addressed a number of issues associated with the provision of the Revenue and Benefit Service, such as opening hours, appointment systems, the service Business Plan, bailiff services and the consideration of discretionary rate relief applications.

It was noted that the backlog within the Benefits Section had been cleared and that staff had worked extremely hard in order to do this. Accordingly, Councillor Whyman asked that the staff involved be congratulated on their efforts.

RESOLVED:-

- (1) That the revised opening hours of the Cash Office to the public, these being 9.30 a.m. to 2.30 p.m. Monday to Friday be approved. (It was noted that these hours also related to Revenue and Benefit enquiries with effect from Monday 3rd September 2001).***
- (2) That the continued closure of the Benefits Section to the public on Wednesdays be confirmed.***
- (3) That an additional appointment facility for Revenue and Benefit queries be established and that this service operates between 8.45 a.m. and 9.30 a.m. on Tuesdays and 2.30 p.m. and 5.00 p.m. on Thursdays (with effect from 3rd September 2001).***
- (4) That the contents of the Benefit Service Plan for 2001/02, as submitted be noted.***
- (5) That the extension of the Council's contract with Jackson Heath and Jacobs as Bailiffs for the period to 31st March 2003 be approved.***
- (6) That the scheme for considering Discretionary Rate Relief applications continues as it currently operates.***

FM/8. **DISCRETIONARY HOUSING PAYMENTS**

Members were advised that Discretionary Housing Payments (DHP's) replaced the old Discretionary Payments and Exceptional Hardship Payments. DHP's came into operation on 2nd July 2001 and would be funded from a separate cash pot. They were not payments of benefit, they also covered rent rebates and Council Tax benefit, the former exceptional hardship payments relating to rent allowance cases only.

Although DHP's had been established to maximise financial assistance to customers if they did not receive the full maximum amount of housing benefit and/or Council Tax benefit, they were no longer part of the Housing or Council Tax Benefit Regulations. For the simplicity of administration however, payment would be made together with any benefit payment. Any DHP award, whilst it could be paid with housing or council tax benefit was to be indicated separately.

It was reported that the amount of the DHP could vary but could not exceed the eligible rent or council tax payment. The award could be for a fixed period, dependent on the circumstances of the case and was renewable. A separate application form had been designed and a copy of this form together with a policy for the award of DHP's was circulated to Members for information.

It was noted that approval to award DHP's would be included within the Delegation Scheme currently under review. In the meantime, as DHP's replaced the current arrangements, the award would be made under the existing arrangements. The decision to award a discretionary payment would be recorded and would take into account the claimant's personal circumstances. All records would be monitored to ensure consistency and to ensure that the amount granted did not exceed the amount in the cash pot.

Members were advised that the cash limited amount for DHP's had provisionally been set at £35,463 for the period 1st July 2001 to 31st March 2002. The Government would contribute £14,185 towards this total. There was no budget provision to 'top up' the Government contribution. Indeed there had only been one occasion in the past when it had been necessary to top up the Government contribution for exceptional hardship payments. Accordingly, should additional funds be necessary, a separate report would be submitted to the Committee.

RESOLVED:-

- (1) That the introduction of the new Discretionary Housing Payments Scheme and the arrangements for its administration be noted.***
- (2) That the appeal arrangements as detailed in the report be noted.***
- (3) That the policy for the awarding of Discretionary Housing Payments be approved.***

FM/9. **CAPITAL STRATEGY**

(At 7.15 p.m. Councillor Harrison left the Meeting).

Members were advised that the Government was changing the way it allocated capital resources to local authorities. In previous years capital resources had been allocated on a needs based assessment using formulae closely related to an area's population. These resources had been divided between General Fund and housing schemes.

This system had now changed with the introduction of a single capital pot which had pooled both housing and general fund resources for local authorities. At the same time, the Government had introduced the Major

Repairs allowance which provided specific resources to maintain Council homes. Effectively this had meant that the single pot was smaller.

The other key change was that part of the single pot (currently 5% but eventually up to 20%) would be allocated on the basis of each authority's plans for capital spending as set out in the authority's Capital Strategy which was circulated.

Local authorities were encouraged to look at a wide range of different ways of funding their capital projects rather relying on central government funding in the form of borrowing approvals. This included working with other organisations and bidding for external funds. It also meant disposing of assets to generate receipts to funding capital spending priorities.

Members were advised that the Capital Strategy, Asset Management Plan and Housing Strategy would be used to assess the capital allocation for South Derbyshire.

Members were reminded that the Council was required to produce its first Capital Strategy last year as part of a dry run exercise to prepare for the single capital pot arrangement. When the first capital strategy was produced it was evident that the Council needed to address a number of key building blocks for sound management of its Capital Programme and there had been considerable progress within these areas. This was outlined within the Action Plan update circulated with the Capital Strategy for 2001/02.

It was reported that the Strategy followed guidance issued by the Department of the Environment, Transport and the Regions and focused heavily on the process and procedures required to prioritise, procure and manage capital spending. In particular, the new strategy focused on the need to:-

- Work more closely with partners to influence their capital spending to achieve the aims set out within the Capital Strategy
- Find new ways to consult local residents, businesses and voluntary organisations to ensure that they had a greater input into the Strategy.
- Develop a co-ordinated approach to identify surplus assets for disposal to fund other capital spending – this linked to the Asset Management Plan.
- Look at new ways to procure capital projects in closer partnership with suppliers as a means of improving quality and reducing costs – Egan principles.

RESOLVED:-

That the Capital Strategy for 2001/02, as submitted, be approved.

FM/10. **THE MONITORING OFFICER**

Members were asked to appoint a new Officer to the position of Monitoring Officer with effect from 28th July 2001 when it would become illegal for the Head of Paid Services (currently the Monitoring Officer) to hold both positions.

RESOLVED:-

That the Legal and Members' Services Manager be appointed Monitoring Officer with effect from 28th July 2001 and he be given authority to appoint a deputy if it is considered appropriate.

FM/11. **HUMAN RESOURCE MANAGEMENT – BEST VALUE REVIEW**

Members were advised that as part of the Best Value Review process the Human Resource Management Review had been planned for Year 2. This review commenced in April 2001 and was scheduled to be completed by the end of March 2002. This would be a whole service review of Personnel and Development Services and Members were provided with a detailed report outlining the Terms of Reference, Scope and Project Plan.

It was noted that the Review Team considered the impact of the financial crisis in 1999 was likely to have affected the organisation's performance indicators in a number of areas such as staff retention, redundancies, voluntary early retirements and absence levels. These were some of the main performance indicators for the Personnel and Development Unit and could affect the findings of the Best Value Inspectors in terms of current performance. Concern had also been raised on the impact this would have on staff morale and their perception of the Personnel and Development Unit generally. It was suggested that one other factor to be considered was the loss of administration support in departments that used to undertake many personnel related administration functions. It was also considered that similarly future changes in terms of refocusing and reprioritisation could also have an impact in the forthcoming year.

RESOLVED:-

That the Terms of Reference, Scope and Project Plan, as submitted for the Human Resource Management Best Value Review be approved.

FM/12. **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 Policy and Resources Committee Meeting held on 26th April 2001 were received.

URGENCY SUB-COMMITTEE

The Exempt Minutes of the Urgency Sub-Committee Meeting held on 25th June 2001 were received.

CIVIC CAR (Paragraph 1)

The Committee agreed to purchase the Civic Car on the lease expiry date. The Committee also agreed a course of action with regard to the garaging of the Civic Car in the light of current problems being experienced in this area.

ASSET MANAGEMENT PLAN (Paragraph 7)

The Committee approved the draft Asset Management Plan subject to minor amendments being made together with the Terms of Reference for the Asset Management Plan Steering Group.

2000/2001 OUT-TURN AND PROFIT SHARE – HOUSING DSO (Paragraph 8)

The Committee authorised the 2000/01 profit share provision and noted the intention to investigate and assess implications of zero-based budgets for the Housing (DSO) Repairs Service.

ACCOUNTANCY SECTION: STAFFING ISSUES (Paragraph 1)

The Committee approved in principle the revised allocation of additional duties to the post outlined in the report together with the associated revision to the grade subject to the human resource implications being addressed.

DISCRETIONARY RATE RELIEF (Paragraph 5)

The Committee considered three applications for Discretionary Rate Relief.

REDUCTION OR REMISSION OF THE NON-DOMESTIC RATE (Paragraph 5)

The Committee considered six applications for the Reduction or Remission of the Non-Domestic Rate.

DISCIPLINARY PROCEDURE (Paragraph 1)

The Committee approved the Disciplinary Procedure, as submitted for implementation.

STAFF STRUCTURE IN BUILDING CONTROL (Paragraph 11)

The Committee authorised changes to the staffing structure in the Building Control Section, as detailed in the report.

P. J. WILKINS

CHAIR

Page 8 of 8