

OPEN

FINANCE AND MANAGEMENT COMMITTEE

4th September 2014

PRESENT:-

Conservative Group

Councillor Mrs Watson (Chairman) along with Councillors Hewlett, Murray, Smith (Vice Chairman for the meeting), Stanton and Watson

Labour Group

Councillors Bell, Dunn, Rhind, Taylor and Wilkins

In Attendance

Councillors Harrison and Mrs Plenderleith (Conservative Group)

FM/27 **APOLOGIES**

Apologies for absence were received from Councillor Jones. Councillor Stanton substituted for him. Councillor Richards also gave his apologies. Councillor Dunn substituted for him.

FM/28 **DECLARATION OF INTEREST**

Councillor Harrison declared a personal interest in Item 17 – the Melbourne Sporting Partnership.

FM/29 **MINUTES**

The Committee received the open minutes of its meetings, held on the 20th May and 19th June. These were agreed as a true record.

FM/30 **QUESTIONS BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

The Committee was informed that no questions had been received from the public.

FM/31 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Committee was informed that no questions had been received from elected members of the Council.

FM/32 **REPORTS OF THE OVERVIEW & SCRUTINY COMMITTEE**

There were no reports of the Overview & Scrutiny Committee to consider.

FM/33 **FINAL BUDGET OUTTURN**

Members were asked to approve the final out-turn position for 2013/14 on the Council's General Fund and Housing Revenue Accounts. They were also asked to approve the out-turn position on capital expenditure and financing, the collection fund and the balance of reserves and provisions as at 31st March.

The Committee was informed that the out–turn position had remained better than originally budgeted, with a £1.5m surplus on the general fund and earmarked reserves of £4.935m. Members discussed the out-turn figures. They thanked the officers for their work during the year in helping to manage the authority's finances effectively.

RESOLVED:

To approve the final out-turn position for 2013/14 as set out in the report.

FM/34 **CORPORATE PLAN 2014/15 – PERFORMANCE MANAGEMENT REPORT**

This report set out the progress which had been made against the Corporate Plan targets during the period 1st April to 30th June 2014 under the 'Value for Money' theme. Members were informed that there were no specific problems to report. All targets for relevant projects and performance measures had been achieved. The Committee welcomed this.

The report also included information about health & safety in the Council. Briefly, it was explained that following deteriorating performance on sickness absence during 2013/14, the overall rate had improved in the first quarter of 2014/15. The main concern, it was pointed out, continued to be the incidence of long term absences. Although the number of cases was small, they were responsible for a disproportionately large number of lost days for the organisation as a whole.

RESOLVED:

To note and approve the progress towards achieving Corporate Plan performance targets.

FM/35 **BUDGET AND FINANCIAL MONITORING 2014/15**

Members then considered the Budget & Financial Monitoring Report, which explained how Council expenditure was performing against its budgets. The Committee heard that there was expected to be a net underspend of between £600,000 and £700,000. It was pointed out that the Housing Revenue Account had been set on the assumption that a significant deficit would have to be

financed. However, this deficit was now expected to be smaller than originally thought.

Several problem areas were highlighted. For instance, there had been greater than expected costs in terms of refurbishing the Green Bank Leisure Centre, because un-planned repair work had been required.

In addition, the time taken by the authority to process benefit claims had slipped significantly and was now well above target. The Committee was told that the Council was working with Northgate to resolve this and that a commitment had been given to get South Derbyshire back to parity.

There was then an extensive discussion about the problems which late or incorrect benefits caused in local communities. Members queried whether the Council tried to reclaim over payments. The suggestion was made that the authority sometimes did this in inappropriate ways. It was agreed that any allegations be forwarded to the Director of Finance and Corporate Services, so that they could be investigated.

There was a general consensus that delays in paying benefits were a serious problem that would impact on the most vulnerable in society. Members welcomed the action that had been taken to rectify this and the commitment which had been given to restore the District's former position as a lead authority in terms of processing quickly benefit claims.

Resolved:

To approve the first quarter budget and financial monitoring figures for 2014/15

FM/36

REVIEW OF THE TREASURY MANAGEMENT LENDING POLICY AND COUNTER PARTY LIST

The Committee was next asked to consider a revised Lending Policy and Counter Party List. The revision was required in order to bring the Council into line with the Financial Services (Banking Reform) Act. This effectively replaced government bail-outs of financial institutions with 'investor' bail-ins'. Or in other words, large scale corporate bondholders and depositors (including local authorities) would be required to help meet any losses. The exact amount that they would have to pay would depend on the scale of any losses and a range of other factors.

The report made it clear that because of this the Council would have to adopt new approach when deciding on how to invest. It would have to choose those institutions where its exposure to a possible investor bail-in would be most limited.

Members felt that this was a proportionate and sensible approach

Resolved:

That the revised Lending Policy and Counterparty List set in Appendix 2 to the report be approved;

That delegated authority is given to the Section 151 officer to amend the named Counterparty List if circumstances change and to report back to the Committee in the Quarterly Treasury Management Report.

FM/37 **TOYOTA CITY**

The Committee then considered a report which explained how the links between South Derbyshire and Toyota City in Japan had become increasingly strong during recent years. As part of this, a number of joint initiatives had been held, such as an exhibition of the 'Toyota City Industry Feste.' This featured products manufactured in Derbyshire. It also promoted the County as a tourist destination.

The report made it clear that in order to build on these joint initiatives funding would be required. It recommended, therefore, that the Council should allocate £10,000 to help fund further initiatives in the future.

Members discussed the value of the link to Toyota City and the contribution which the plant at Burnaston had made to the local economy; both in terms of direct employment at the plant and in South Derbyshire firms which provide parts and services. There was a general consensus that the link had proved extremely valuable and ought to be fostered still further.

Resolved:-

To support the allocation of resources as set out in this report to further develop the relationship with Toyota City for the benefit of the local economy.

FM/38 **WORK PROGRAMME**

The Committee received its revised work programme for the local government year.

Resolved:-

To note and approve the Committee's revised work programme.

FM/39 **COURT REPRESENTATION**

The Committee considered a report recommending that the newly appointed Senior Legal Officer be formally authorised to represent the authority, at both the magistrates and county courts of law.

Resolved:-

That the Senior Legal Officer be authorised to represent the authority at both magistrates and county courts of law as specified in the report.

FM/40 **EXCLUSION OF PUBLIC AND PRESS**

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 was 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.

FM/41 **EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE No 11**

The Committee was informed that no questions had been received.

FM/42 **Minutes**

The Committee received the exempt minutes of its meetings held on the 20th May and 19th June. These were agreed as a true record.

FM/43 **REVIEW OF THE ECONOMIC DEVELOPMENT UNIT**

The Committee considered a report on the Council's Economic Development Unit. This suggested remodelling certain staff roles. It also recommended that the Council develop its own web based alternatives to the Visit Peak District & Derbyshire Destination Management System as a way of promoting tourism in the District.

Members supported the proposed changes. It was generally felt that tourism could make an important contribution to the economic development of the District. There would, it was felt, be value in continuing to work at a sub-regional level to promote the county as a whole as a tourist destination, and not just the Peak District. The Chief Executive pointed out that any specific proposals to commit resources to further joint working would require the approval of the Council's Finance & Management Committee.

RESOLVED:-

That the recommendations be approved

FM/44 **HOUSING SERVICES STAFFING RESTRUCTURE**

The Committee was asked to approve a range of changes to the Housing & Environmental Services Staffing structure. These changes had been agreed by the relevant committees in June and had since then be subject to formal consultation.

Members heard about some of the operational issues that would have to be addressed in order to implement the new arrangements. They were assured that the changes would enable the Council to concentrate resources in those areas where it faced the greatest challenges. They were also told that there would be no compulsory redundancies as a result of the changes.

RESOLVED:-

That the recommendations be approved

FM/45 **MELBOURNE SPORTING PARTNERSHIP**

Members considered a report recommending that the Council complete a leasing agreement with the Melbourne Sporting Partnership in order to enable the comprehensive redevelopment of leisure facilities in the area.

RESOLVED:-

That the recommendations be approved

MRS ANN WATSON

CHAIRMAN

The meeting terminated at 7.20 p.m.