

FINANCE AND MANAGEMENT COMMITTEE

14th October 2004

**PRESENT:-**

**Labour Group**

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

**Conservative Group**

Councillors Harrison, Lemmon and Mrs. Wheeler.

**APOLOGIES**

Apologies for absence from the Meeting were received from Councillor Whyman, M.B.E (Labour Group) and Councillors Nalty and Mrs. Renwick (Conservative Group).

FM/47. **MINUTES**

The Open Minutes of the Meeting held on 2nd September 2004 were taken as read, approved as a true record and signed by the Chair.

FM/48. **MEMBERS' QUESTIONS AND REPORTS**

It was reported that Terry Neaves, Director of Corporate Services would shortly be leaving the Authority to become Director of Finance and Administration at the Derbyshire Police Authority. The Deputy Leader of the Council paid tribute to Mr. Neaves achievements, particularly with regard to the Council's improved financial position. Councillors Mrs. Wheeler, Southerd and Harrison also paid tribute to the Officer. In response Mr. Neaves thanked Members for their support and praised colleagues within his department.

**MATTERS DELEGATED TO COMMITTEE**

FM/49. **MEMBERS' FINANCE BRIEFING – SEPTEMBER/OCTOBER 2004**

The Committee received a Finance Briefing, which set out the Council's current financial position and highlighted issues for further consideration. Following the senior management restructure, revised office layout plans had been prepared. Detailed costings were being evaluated, but the proposals were likely to cost around £40,000. The Briefing indicated a projected underspend on the General Fund of around £154,000. The "Get Active in the Forest" project had been considered by the Housing and Community Services Committee. This project was seen as integral to the development of the Rosliston Forestry Centre and would secure over £1 million of external funding. The Council was asked to contribute £30,000 towards the capital costs of this project in the current financial year. It was noted that the second phase of the project would require a further contribution of £80,000.

There would be ongoing revenue costs, with the Council's contribution being around £15,000 each year.

Provision of a new tipping facility continued to give cause for concern. The latest indications suggested that the new facility would not be available until April 2006. It was estimated that the additional costs would total around £3/4 million. There was a contingency amount of £120,000 but no other provision had been made in the Council's financial projections. It had been assumed that a substantial part of the additional costs would be reimbursed. With the amounts involved, if reimbursement did not occur this could have a significant adverse impact on the Council's financial strategy and might reduce General Fund balances below the prudent minimum level of £1/2 million. Negotiations and actions would continue, including the establishment of the Council's legal position. In addition, the costs being incurred would be examined closely to review the scope for any reduction.

A Member voiced support for the funding bid for the Rosliston Forestry Centre. He spoke of the Centre's development, its business plan, activities to date and the "Get Active in the Forest" project. Councillor Harrison commented on the likely level of Government support, Supporting People charges and the proposed budget growth items, particularly relating to the new tipping facility. The expenditure could result in balances falling below the prudent £1/2 million level. The Director of Corporate Services clarified that some expenditure was from projected underspends during the current financial year. However, the tipping facility cost was significant and if it could not be recovered would have a significant impact on reserves.

Councillor Carroll reminded that the financial planning provided an early indication of potential problems. She explained the merits of each of the service developments proposed and sought further information on the proposal to transfer funds from the Private Sector Housing Allocation to the Heritage Economic Regeneration Scheme. Specifically, she questioned the proportion of funding being used to provide additional accommodation and that for improvements to shop frontages. The Head of Finance and Property Services confirmed that the proposed funding allocation would give leverage to attract other resources.

**RESOLVED:-**

- (1) That approval be given in principle to funding the cost of office alterations from projected underspends on the General Fund 2004/05, subject to detailed costings and a maximum of £40,000 of expenditure.***
- (2) That the Council contributes £30,000 towards the capital costs of the "Get Active in the Forest Project".***
- (3) That £20,000 be transferred from the Private Sector Housing Capital Allocation to the Heritage Economic Regeneration Scheme to fund a joint initiative.***
- (4) That negotiations continue and that the Council's legal position be established, regarding reimbursement of additional costs, pending the opening of the new tipping facility.***

FM/50. **ASSIMILATION PROCEDURE**

It was reported that the management of change needed to be effective and efficient to minimise uncertainty and to maintain services. Currently, there was a local procedure to determine whether assimilation could take place and the criteria for the scheme was reported. A review was proposed to provide more flexibility, opportunities for career development and security of employment. The local adoption of an Assimilation Procedure was a consideration of the agreement arising from the 2004 National Pay Settlement.

The basic principle behind assimilation would remain unchanged. It would enable employees to be offered posts where they met the basic requirements, with reasonable training provided. It was important to have some guiding principles, to provide for consistency in the application of the process. It was proposed to remove the criteria relating to the post being within one grade as this was considered too restrictive. Ahead of this, consultation would take place to seek representations on the proposals. Details of the procedure were appended to the report. An underpinning principle would be regular discussion and feedback with the employees involved. To ensure consistency, a representative of Human Resources would be involved at every stage. All decisions, with reasons would be documented. Any subsequent actions would then follow the redeployment or redundancy procedures. Key points were:-

- ❑ The use of the Assimilation Procedure would only be considered where formal reviews of existing structures were being undertaken.
- ❑ Assimilation would normally only occur into a post offering comparable terms of employment, unless employees requested alternative considerations.
- ❑ Employees would be consulted over any proposals and have the right to be represented by a trades union representative.
- ❑ An Appeals procedure against any decision would be available.

The Joint Negotiating Group had approved the proposed procedure. Councillor Southerd sought further information regarding the required knowledge base for those seeking assimilation and how this would be ascertained. Officers explained that a broader, comprehensive approach would be taken where there were comparable posts.

**RESOLVED:-**

***That the Assimilation Procedure be approved as submitted for adoption by the Council.***

FM/51. **RECRUITMENT AND SELECTION WORKING PANEL****RESOLVED:-**

***That the Open Minutes of the Recruitment and Selection Working Panel Meetings held on 15th and 24th September be received.***

**FM/52. SUPPORTING PEOPLE CHARGES – SHELTERED HOUSING**

It was reported that Supporting People legislation came into effect on 1st April 2003. For South Derbyshire, this related to the costs associated with providing the Community Warden and Care Line Services. A costing exercise was carried out and the costs of the Sheltered Housing Service were £8.60 per week. The Council was advised on 6th September 2004, that an increase had been awarded of 2.29%, backdated to 1st April 2004. This would increase the Supporting People Charge to £8.82 per week. Legislation provided that the increase could not take effect until a Notice of Variation was served, giving at least four weeks notice of the increased charge. The relevant date for the new charge was 22nd November 2004.

**RESOLVED:-**

***That the proposed increase to the Supporting People Charge for the Sheltered Housing Service be approved.***

**FM/53. REPRESENTATION ON OUTSIDE BODIES – BURTON HOSPITALS NHS FOUNDATION TRUST**

It was reported that the Council had been invited to nominate a Member to serve on the Board of Governors of the Burton Hospitals NHS Foundation Trust. The report explained the proposed governance structure for the Foundation Trust, its aims and objectives. The successful management of Burton Hospitals as a Foundation Trust would be the responsibility of its Board of Directors, working with a Board of 28 Governors. The interests of Members and the many partner organisations would be represented by Burton Hospitals' Governors. The Board would direct the operational management of the Foundation Trust. It would consult Governors on the development of future plans and proposed substantial variations. A single chairperson would lead both the Governors and the Board of Directors.

**RESOLVED:-**

***That Councillor Whyman M.B.E. be nominated to serve on the Board of Governors for the Burton Hospitals NHS Foundation Trust.***

**FM/54. HOUSING STOCK OPTIONS**

The Committee was reminded that the Housing and Community Services Committee had given consideration to the Housing Stock Options Review at its Meeting on 7th October 2004. Due to the potential significance of the financial implications associated with this issue, the Committee was requested to consider a financial appraisal, before the final decision was taken at the Council Meeting.

The appraisal set out the financial issues relating to the future ownership, management and maintenance of Council homes. The aim of the document was to determine the best option financially, of ensuring the future viability of providing social housing in South Derbyshire. It included how the Decent Homes Standards and other tenant aspirations could be met and the resources required, compared to those potentially available. The report summarised the sections contained within the financial appraisal and it included in full the executive summary of the document.

Councillor Carroll referred to the analysis presented by the Council's Leader at the Housing and Community Services Committee. She questioned whether Officers wished to respond to the points raised and the Director of Corporate Services confirmed that the financial position was as set out within the report. Councillor Harrison believed that the financial advice from Officers should be taken on board. However, he felt that there was insufficient information to enable a full, balanced decision at this time. If financial difficulties were experienced, it would take time to put in place recovery action. He felt that the planned annual monitoring was insufficient and that half yearly monitoring should take place, to give the maximum time to pursue corrective action and avoid the Housing Revenue Account (HRA) falling below the prudent minimum level.

The Chair reminded that the Service Committee had considered two options. If financial difficulties were experienced, a range of options could be considered to provide corrective action, but he did not feel that undertaking half yearly monitoring would cause a problem. Councillor Southern was Chair of the Housing and Community Services Committee. He explained that the transfer of the housing stock would cause a deficit of £590,000 on the General Fund. Ultimately, tenants would have the final decision regarding the stock transfer. Of those consulted, approximately 87% of tenants favoured retention. He referred to financial issues, the monies available from right to buy sales and inaccurate press reporting, which had stimulated an increase in the number of right to buy requests, some of which had since been withdrawn.

The Chair commented on projected reductions in the housing stock and the question of reducing staffing levels. Councillor Mrs. Wheeler pursued this point and was not aware of any proposal to cut staffing levels. Comment was also made about likely increases in rent levels to fund deficits on the HRA.

Councillor Carroll reminded of the serious approach taken to this issue. She responded to the point raised about the frequency of monitoring for the HRA and was not aware of the need to review staffing levels at this time. With regard to funding issues, she understood that the Government was to re-examine issues around negative subsidy. She suggested there was time to review this issue, that the Housing and Community Services Committee had taken a sensible decision to retain the housing stock at present and that efficiency savings be made where possible. Councillor Southern reminded that the housing management costs in South Derbyshire were lower quartile.

**RESOLVED:-**

***That the Financial Appraisal be received and that Members' comments be submitted to the Council.***

FM/55. **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 2nd September 2004 were received.***

**BENEFIT FRAUD INVESTIGATION (Paragraph 5)**

***The Committee received a half yearly monitoring report.***

**BENEFIT OVERPAYMENT COLLECTION; TRACING OF ABSCONDED PAYERS (Paragraph 5)**

***The Committee approved participation in a pilot scheme to assist with the tracing of persons with outstanding benefit overpayments.***

**REVENUES AND BENEFITS SYSTEM REPLACEMENT (Paragraph 9)**

***The Committee received an update on the implementation of the Revenues and Benefits computer system and agreed a way forward.***

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

***The Committee deferred an application for Non-Domestic Rate Relief.***

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

***The Committee approved the write-off of sums due to the Council under the provisions of Financial Regulation D2.4(b).***

**RECRUITMENT AND SELECTION WORKING PANEL (Paragraph 1)**

***The Committee received the Exempt Minutes of the Recruitment and Selection Working Panel Meetings held on 15th and 24th September 2004.***

**SERVER AND PC MIGRATION (Paragraph 9)**

***The Committee approved proposals for the migration of computer operating systems.***

P.J. WILKINS

CHAIR