



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 24 NOVEMBER 2005
2.30 PM

PANEL MEMBERS PRESENT

Councillor Dorrien Dexter
Councillor Brian Fines
Councillor John Kirkman (Vice-Chairman)

Councillor Reg Lovelock M.B.E. (Chairman)
Councillor Gerald Taylor
Councillor John Wilks

OFFICERS

Corporate Director, Finance and Strategic Resources
Corporate Director, Operational Services
Corporate Director, Community Services
Assets and Facilities Manager
Revenues Manager
Collection & Enforcement Coordinator
Acting Scrutiny Officer
Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor Nick Craft (Budget Working Group member)
Councillor Mrs. Linda Neal (Leader of the Council)

34. COMMENTS FROM MEMBERS OF THE PUBLIC

None received.

35. MEMBERSHIP

The Panel were informed that Councillor Brailsford would be substituting for Councillor Conboy for this meeting only.

36. APOLOGIES

Apologies for absence were received from Councillors Moore, Joynson and M. Taylor as a member of the Budget Working Group.

The Vice-Chairman advised the Panel that a letter had been sent to Councillor Moore from the Council following a road traffic accident.

37. DECLARATIONS OF INTEREST

None declared.

38. ACTION NOTES

Noted.

39. FEEDBACK FROM THE EXECUTIVE

The Panel were notified that the Cabinet had accepted the recommendations made by the Resources DSP's Budget Working Group on District CPA, made at their meeting on 26th October 2005. The recommendation on car parking charges for Grantham and Stamford was not accepted.

40. INTERNAL AUDIT

The Chairman welcomed Caroline Turner and Jon Widdison from Pricewaterhousecoopers (PWC), the Council's internal auditors to the meeting. They gave a presentation to Panel Members on: planning for the audit process, carrying out the audit, reporting mechanisms and a six-monthly update.

PWC had produced a Strategic Plan stating the work they would look to undertake over a three-year period. The Plan had been compiled by the assessment of corporate risks, reviews of council plans and ambitions, interviews with officers and Members and following up work of the previous year. The audit would provide assurance, evaluate internal control systems, appraise policies and procedures and examine accounting records and risk assessment. The audit would draw the attention of management to deficiencies within service areas and duplication and inefficiencies within services.

An annual Operational Plan was produced based on the Strategic Plan. This would draw up terms of reference for audit work with officers. The Operational Plan stipulated work for the coming year, the types of review necessary and a projected timetable to allow the programme of work to progress as conveniently as possible. Terms of reference were agreed with officers up-front, by reviewing objectives, scoping work, identifying key contacts and planning reporting arrangements. Findings will be reported using a number of templates and include follow-up work of the recommendations from the previous year and list detailed findings and recommendations, while highlighting examples of good practice.

Reports issued to date have included a Housing and Rent follow-up review, a Contracts and Tendering follow-up review, a Cleansing follow-up and Planned Maintenance follow-up. Members were asked what form they would like future consultation to take. Members decided that they would like a biannual written summary report where more information would be provided on request, with attendance of PWC representatives at meetings, to allow members to ask questions. One would be a halfway report while the other would be a reflection on what had been achieved and a forward plan. An Audit Review Update would be included as an agenda item.

A general IT review looking at general controls for all systems had taken place. More specific reviews could be done in the future, including an assessment of the new accountancy software package. It would not be possible to do a full audit of the software until it had been implemented.

Members discussed recommendations that were consciously not adopted. There were two ways in which recommendations were not implemented: officers either agreed to stand the risk of non-implementation or officers agreed

with recommendations but did not enact them.

PWC were assessing risks identified by their predecessor in a priority-based order. Members of the DSP felt that when Members were consulted for audit reviews, there should be a selection from across the Council; consultation should not be exclusively Executive Members. Members had not had access to any of the review reports produced and requested that these should be made available for them to view.

CONCLUSION:

1. ***To have a biannual Audit update included on the agenda of a future meeting with a summary report;***
2. ***To invite representatives from Pricewaterhousecoopers to the biannual reviews to answer any questions.***

41. BUDGET UPDATE

Action notes from the meetings of the Budget Working Group had been circulated and were noted. The Corporate Director of Finance and Strategic Resources précised his report number FIN253 to the Resources DSP. The Gateway Review Process was underway. Members had been contacted about Stage 2 and there had been lots of interest from Members wanting to be involved.

The Local Government Finance Settlement was due in the first week of December, although no time slot had yet been allotted with the Secretary of State. A recalculation of the Settlement was being prepared for 2004/05 and 2005/06. The consequences for SKDC were anticipated to be minimal. There would be greater implications for Lincolnshire County Council.

In the inspection of the Use of Resources and Value for Money submissions, work was being undertaken to ensure that all services would be at level three standard for the year 2006/07.

The Chairman asked of the progress of the audit work with Human Resources which had been suspended for six months during job evaluation. Informal feedback was due from early January and a formal report received by March.

42. TREASURY MANAGEMENT ACTIVITY 2005/2006

The Constitution and Accounts Committee had considered the Treasury Management Activity Review for 2005/06 half yearly report on 20th October 2005. All borrowing and investment had been in-line with codes of practice. In July the bank base rate had been reduced by 0.25% to 4.5% and contract renewal had been agreed. The Council are still getting the best returns possible within the permitted parameters.

As part of the work on the final accounts, a balance sheet audit would be carried out. The balance sheet audit would demonstrate whether the Council was getting the best possible returns and would contribute to treasury management policies in the future.

The Review means signing-off, ensuring that money had gone where it was supposed to go. Sign-off by a CIPFA qualified member of the Corporate Management Team.

Members discussed the reserves held by the Council. Approximately half of the reserves held were in the Housing Revenue Account (HRA) and half constituted the General Fund. Reserves in the HRA would be used for repair and renewal, capped level investments and a working balance. The General Fund is composed of a working balance and specific reserves, including pension fund reserves, insurance reserves and provision for the failure of the LSVT ballot.

43. MOVING TOWARDS A CASHLESS OFFICE

The Chairman congratulated and thanked the Members of the E-Government Working Group for the paper prepared by them on moving towards a cashless office which he fully supported.

The Corporate Director of Operational Services summarised the report. As part of the Council's modernisation agenda, the Working Group had visited a number of sites. The target would be to provide the same range of services in all area offices as are provided in Grantham. To enable this, the Working Group proposed that the Council should implement an Allpay scheme, which would cover cash payments, direct debits and car parking charges. People would be able to use their Allpay cards at a number of different facilities including rural post offices, local shops and garages; this would help support the Council's rural agenda and provide stability for rural post offices. A list would be circulated to all Members. There would be separate cards for each transaction. The Allpay scheme had been popular with customers elsewhere and the visits had led to the Working Group making recommendations, which they hoped that the DSP would support.

The Working Groups also looked at direct debit payments. Payment days were the first day of the month. It was felt that increasing the choice of days on which people could pay, would encourage increased use of direct debit as a method of payment. The Working Group had undertaken to consult with DSPs and tenants. There would need to be consultation with tenants about the change in payment method, as changing to an Allpay system would alter the terms of tenancy agreements.

An Allpay scheme would significantly reduce the cost of cash transactions.

Members of the Panel discussed the contents of the Working Group's report. Increasing the number of dates on which direct debits were payable may mean a loss of income on monies collected but it would allow more flexibility for the council tax payer and could mean that there would be increased uptake. There had been difficulty getting people to begin using direct debit payments because historically, they had been positively encouraged to pay by cash at the counter. The loss of interest could potentially be offset by the reduction of transaction costs if more people chose to pay by direct debit.

The options of moving entirely to a cashless office and moving to a partially cashless office were considered, with particular focus on costing and saving elements for each option. Members of the Working Group favoured option one, an entirely cashless office. If the Council were only going to partially convert to cashless, the banking process including security elements would need to be retained. A receipt would be issued for all transactions.

Having a single card for all transactions was suggested. Experiences from other Councils suggested that this could complicate transactions. Should the Allpay system be pursued, outlets across the District would need to be encouraged to facilitate an Allpay system. The scheme was thought to be advantageous because it would allow payment from anywhere.

CONCLUSIONS:

To recommend to the Cabinet that:

- 1. Cash payments should stop before the opening of the Customer Services Centre;***
- 2. Allpay be introduced and direct debit payment dates be increased;***
- 3. A Council decision be made on this by mid-December 2005.***

44. CUSTOMER SERVICE CENTRE

The Corporate Director of Operational Services reminded the Panel that as part of the e-government and modernisation agenda, the customer contact centre model should spread to all area offices.

The Assets and Facilities Manager showed concept boards that had been prepared, showing designs for the new customer contact centre for the Grantham offices.

A 4metre envelope would be added to the banking hall (towards Abbey Gardens), the area where the Housing Department is based would also be incorporated. Access would be possible directly from Abbey Gardens or coming round from St. Peter's Hill. Minor modifications to the Abbey Gardens area would need to take place to allow access to the Guildhall Arts Centre for loading and unloading.

On entry, there would be a customer service desk with two operators, which would be backed by two self-service stations. All corporate visitors would be directed straight to the corporate waiting room, from which they would be escorted into the main building. There would be 10 operators located along a back wall. Customers wishing to speak to them would wait on a centrally placed seating island and would be seen using a number queuing system. Behind the ten operators, it was proposed that there should be plasma screens listing meetings, events and other information about Council activities. There would be three interview rooms, including one that could be PACE compliant. Any cash would go in a tube and be taken to a cash-handling area.

The Development Control Committee granted planning permission for the project on Tuesday 15th November 2005. It was hoped that building and fitting work would be completed by 30th June 2006 and that the whole scheme would be fully operational, including computers and software by November 2006. All work to date had been achieved on budget and there had been interest from a number of companies who wanted to be involved in the project.

The banking hall would remain open until 6th January 2006. After that date, provision would be made for banking hall staff to work from the main reception area. Other interim measures would also need to be made to allow staff within all areas to fully carry out service functions.

Members discussed that this would allow the Council's modernisation agenda to progress and provide better services for customers, 80% of whom it was hoped would be dealt with at the first point of contact. There was also concern that the members of staff who would be working in this area should have access to facilities. Members were advised that a rest area would be provided for service staff, to permit breaks from intense work. Facilities would be included in this area.

45. BUSINESS RATE COLLECTION RATES 2005/2006

The Revenues Manager had been invited to the meeting to explain the performance indicator for Business Rate Collection Rates 2005/06. A detailed report had been circulated with the agenda. The indicator was red because the targets set were challenging. Due to the large amounts involved, the percentage collected could vary on a monthly basis. This would occur because one business ratepayer may not be paying an instalment or a change in the rateable value can be the difference between achieving and missing the target. Improvement in annual collection rates since July 2005 had been steady and the Council was approaching its target.

CONCLUSION:

The DSP will closely monitor the Non-Domestic Rates collection rates for 2005/06.

46. REVIEW OF DISCRETIONARY RATE RELIEF SCHEME

The Revenues Manager reminded the DSP that the Council had decided to disinvest in discretionary rate relief. Registered charities would receive mandatory rate relief of 80%. Organisations not registered as charities could receive up to 75% discretionary rate relief; these groups would be encouraged to apply for charity status. Organisations had been sent written notice advising them that the scheme is likely to change.

Panel Members discussed the potential effects of changing the system on village halls and agreed that they should be encouraged to apply for charity status. It was suggested that village hall committees did not realise the potential rate charges they could face.

No condition could be imposed to stop people applying for discretionary rate relief or top-up. Each organisation would need to apply and applications would be judged on the merits of each case. The Panel agreed that there would need to be ruled in place should an organisation appeal against a decision.

CONCLUSIONS:

The Panel recommends that:

- 1. The new Discretionary Rate Relief Scheme should be adopted with effect from 1st April 2006;***
- 2. All awards for Discretionary Rate Relief and Mandatory Rate Relief are delegated to the Revenues Manager;***
- 3. Appeals are dealt with by the Corporate Director of Finance and Strategic Resources in conjunction with the Portfolio Holder for Finance plus three members of the Resources DSP.***

47. SOUTH KESTEVEN CITIZENS' ADVICE BUREAUX FUNDING

The Corporate Director of Community Services gave a verbal report on the funding of the South Kesteven Citizens' Advice Bureaux (CAB). The CAB had been awarded a grant of £50,000 for the financial year 2005/06. To ensure the provision of certain services and service standards, the Council and the CAB entered an agreement in March 2005. The agreement outlined opening hours, required quality standards and the provision of statistical information including the number of people to whom advice was given each year. All conditions had been complied with.

Discussions on the future funding of CAB had begun; these will form part of the Council's budget setting process. It had also been mooted that to permit the Grantham office to remain open, there may be a request for a small supplementary grant.

Between April and September 2005, the CAB had met with almost 2,500 people and had made approximately 6,000 advice referrals. No baseline data was available for comparison.

Discussion ensued on whether it would be appropriate for the Council to award an additional grant for the Grantham office. Opinion was mixed views included that the additional monies should be granted because of the work the CAB do for vulnerable people, that no additional money should be provided and that any additional funding should be dependent on whether the service provided was good value for money. The Panel stated that should the CAB apply for an additional grant, they requested the opportunity to consider the matter in detail.

CONCLUSION:

Should the CAB apply for additional grant funding to keep the Grantham office open, the Resources DSP should review the request.

48. BEST VALUE PERFORMANCE INDICATORS

Noted.

CONCLUSION:

That the performance indicator for staff turnover should be no longer submitted as a target but an indicator of percentage turnover with the national average.

49. WORK PROGRAMME

Noted. Following the publication of the Forward Plan, the item 'Budget 2006/7' was renamed 'Budget 2006/7 – Setting the Council Tax Base'. A key decision on this would be taken by Cabinet of December 5th, 2005. The Council would identify the preferred Landlord for the housing stock at a special meeting on 5th January 2006, in preparation for stock transfer subject to the positive ballot of tenants.

50. REPRESENTATIVES ON OUTSIDE BODIES

Nothing to report.

51. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCE, DECIDES IS URGENT.

None.

52. CLOSE OF MEETING

The meeting was closed at 16:52.