

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of the Finance and Staffing Portfolio Holder's Meeting held on
Tuesday, 15 November 2011 at 6.00 p.m.

Portfolio Holder: Simon Edwards

Councillors in attendance:

Scrutiny and Overview Committee monitors: Roger Hall and Tumi Hawkins
Roger Hall and Tumi Hawkins

Opposition spokesmen: Edd Stonham
Edd Stonham

Also in attendance: Ben Shelton

Officers:

Philip Bird	Revenues Manager
Adrian Burns	Head of Accountancy
Niki Cater	HR Officer
Alex Colyer	Executive Director, Corporate Services
Susan Gardner Craig	Human Resources Manager
Dawn Graham	Benefit Manager
Philly Sewell	Democratic Services Officer

35. DECLARATIONS OF INTEREST

Councillor Hawkins declared a personal interest by virtue of her being a South Cambridgeshire landlord.

36. MINUTES OF PREVIOUS MEETING

The Finance and Staffing Portfolio Holder agreed the minutes of the meeting held on 18 October 2011 as a correct record.

37. TREASURY AND DEBT MANAGEMENT STRATEGY REVISED 2011/12

It was noted that a mistake had been made on the agenda front sheet, and this was not a decision item.

The Executive Director (Corporate Services) reported that the Council would be required to pay over £200 million to the government on 28 March 2012 for exiting the current housing finance system. Among other finance options, the Council could issue a bond through retail, public or private placements. The Executive Director detailed the advantages of these, including the low interest charge of approximately 0.8% above gilt rates.

Alternatively, the Public Works Loans Board (PWLB) offered a ready supply of loan finance to Local Authorities, and currently charged 1.0-1.2% above the prevailing gilt rate. However the PWLB was now making specific provision for Local Authorities requiring loans to fund the HRA settlement. Loans raised for this purpose would therefore be charged at a lower premium, likely to be 0.2% above the prevailing gilt rate.

Following this change in Government policy, the Treasury Management Strategy was being presented to Council in February 2012 to coincide with the 30-year Business Plan due to be formally reported to Cabinet that month.

The Executive Director presented a graph which reflected the PWLB interest rates since the beginning of June 2011. These had risen in July from 5.1%, before falling to below 4.4% earlier in November 2011. Members noted that every 0.1% made a difference of approximately £200,000.

Parish Council Investments

The Head of Accountancy reported that a consultation process was underway, involving 12 Parish Councils, which were the largest and therefore regarded as most appropriate for the initial consultation. The results from this would later inform an options paper.

Members discussed the levels of enthusiasm for the scheme, and debated the option of extending this consultation to include some of the smaller Parishes. It was agreed that this option could be discussed further once the initial consultation was complete.

The Finance and Staffing Portfolio Holder **NOTED** the report.

38. SERVICE IMPROVEMENTS AND FINANCIAL PERFORMANCE 2011/12 - Q2

The Head of Accountancy clarified that this report showed the cumulative figures for quarters 1 and 2, and reported that there had been an underspend in revenue expenditure. Performance was generally good, with the majority of indicators on target. The Finance and Staffing Portfolio Holder **NOTED** the report.

39. REVENUE COLLECTION PERFORMANCE 2011/12 - Q2

The Revenues Manager reported that:

- The Council Tax collection for the second quarter stood at 60.4%, which was an improvement on last year (59.8%), and was on track to reach the 99.1% target for the end of the year.
- The collection for Business Rates for the second quarter was 61.1%, slightly reduced from last year (61.9%). This was connected with a change in legislation lowering the liability threshold and an increase in inflation on rate bills by 4.7%. It was noted that these positive collection rates showed a healthy South Cambridgeshire economy.
- The Housing Rent arrears figure from the end of October 2011 was £278,000, the lowest to date thanks to excellent work by the Rents team.
- Sundry debts: 18.8% of invoices were in arrears (13.4% this time last year), and 78.7% of invoices were paid in full, an increase on 71.9% this time last year. The remaining 2.5% was unpaid, but within the 28 days before being considered in arrears. It was noted that sundry debts were difficult to predict;

The Benefits Manager reported that:

- A new member of staff had recently been appointed and, despite the rise in claimants, performance for processing claims was improving. A higher number of cases was anticipated once the Local Housing Allowance changes came into effect.
- The performance of overpayments recovery was unpredictable, though it was expected that all targets would be met.
- A new measure of performance for the Fraud team had been introduced, which reflected cases that had been investigated but fraud not found but benefit reduced or cancelled.
- The Discretionary Housing Payments (DHP) requests had been lower than anticipated owing to the phasing of the Local Housing Allowance (LHA), though

this was expected to rise later in the year. The Department for Works and Pension had indicated any remaining DHP could be transferred to next year's budget as a higher level of demand was expected in 2012/13.

With reference to the future of the Fraud team, Members noted that the results of the consultation were expected within the next few weeks which was anticipated to favour option 1, meaning staff would remain working for Local Authorities but operate under Single Fraud Investigations Service powers. The Benefits Manager advised that staff were likely to remain for 2 more years.

It was established that performance measure SF752 (% invoices paid in 10 working days) should be coloured red; the reason for this performance was staff shortages in one specific team, which was being addressed via temporary agency staff and a new permanent staff member. Members queried the projected improvement in the time taken to process benefit claims, and were informed that the team were currently working on claims received in the last week. It was also noted that delays could also be made on by the customer (i.e. incorrect data submitted), and a new form was being considered to address this.

The Finance and Staffing Portfolio Holder **NOTED** the report.

40. FINANCE MONITORING REPORT FOR ALL SERVICES 2011/12

The Head of Accountancy reported that the General Fund had seen an increased underspend of £71,400. Surprise was expressed as the Capital and Housing Revenue Account (HRA) figures were so small.

In response to Members' queries it was noted that any underspend in the PC Virtualisation Project budget this year would become an overspend in the next financial year. The project was currently on track and in the proof of concept stage, where 4 suppliers were being trialled and would then be evaluated.

The Finance and Staffing Portfolio Holder **NOTED** the report.

41. LEAVERS REPORT 2011/12 - Q2

The HR Manager reported that staff turnover was very low, with a performance indicator value of 1.8% against the annual target for voluntary leavers of 10%. Members noted that, with effect from 1 October 2011, the default retirement age of 65 would be abolished, and these leavers would then be classed as 'voluntary resignations'. Owing to the low numbers of leavers and exit interviews, it was difficult to establish trends or corporate concerns. The HR team had recently completed a workforce age profile and it was reported that SCDC had a large group of workers aged 55+; it was noted that any changes to the Local Government pension scheme regulations might significantly affect the number of leavers in this age group.

Members discussed the number of staff currently working beyond 65 years of age, and were interested in the availability of health checks for staff where appropriate to the job role.

Members were keen to ensure that all leavers had a meaningful discussion about their experience as an SCDC employee and their reason for leaving. Members had a short discussion as to the option of making exit interviews a mandatory requirement. The HR Manager advised that, where an employee had a concern about discussing their reasons with their line manager, there was an option of talking to HR.

The Finance and Staffing Portfolio Holder **NOTED** the report.

42. SICKNESS ABSENCE 2011/12 - Q2

The HR Manager reported that the performance indicator for 1 July – 30 September 2011 was 3.42 days sickness absence per full-time employee, an increase on last year's figure, which was 3.07 days. The cumulative figures for quarter 1 and 2 however, had seen a decrease from 6.40 in 2010/11 to 6.35 for 2011/12. Letters to staff with 100% attendance for the year 2010/2011 had been distributed to a mixed reception from receivers. Congratulatory letters had also been given to employees with 100% attendance for the past 5 years.

Sickness absence levels had increased by 13.1% for quarter 1 2011/12, which were attributable to 155 employees. Levels attributed to stress, depression and mental health had improved, though other categories had increased.

The HR Manager provided background detail to support some of the figures, highlighting that complicated cases of long-term absence, in particular where medical tests take a long time to conclude, are proving difficult to resolve. However, there were a number of long-term cases, which have reached conclusion during September & October. An increase in muscular-skeletal injuries for those involved in manual work was discussed, and it was noted that the HR team were coaching supervisors to improve the management of these cases. The HR Manager advised that an increase in stomach related absence within the DSO had prompted a health & safety talk on general hygiene practices for Refuse operatives. Members noted that more options for home-based working were being explored to enable long-term absentees to return to work earlier. Following the positive feedback and reduction in stress related absence further training events were being organised for 2012 including stress management and cognitive behavioural techniques. It was hoped these would help frontline staff involved in increased benefits and homelessness casework.

The Finance and Staffing Portfolio Holder **NOTED** the report.

43. WELFARE REFORM

The Benefits Manager reported that the impact of the social rent restriction reform was still being reviewed. Members noted that 1,100 working age council tenants were claiming benefits: 450 (40%) of those were deemed to be in accommodation larger than required, though most of these were only over-accommodated by 1 bedroom. The Benefits Manager explained that this was because traditionally, properties were allocated on a long-term needs basis. The worst-case scenario saw a loss of £381,000 from 450 people, 291 of who were currently on full benefits or up to £24 per week on average. Potential reductions saw 10-15% less for those over-accommodated by 1 bedroom, and 20-25% for those over-accommodated by 2 bedrooms or more.

This could make collection of rents harder, for the Council and for other social housing providers, and have serious ramifications for housing, lettings and policies. Members noted that SCDC did not have many 2-bedroom properties, but numbers varied depending on village; these figures were fed back into planning.

The Finance and Staffing Portfolio Holder **NOTED** the report.

44. TREASURY MANAGEMENT UPDATE - Q2

The Head of Accountancy advised that this report showed current investment figures,

rather than quarterly results. Members discussed the figures, and it was noted that a small number of banks and building societies were invested with to ensure security of investments.

The Finance and Staffing Portfolio Holder **NOTED** the report.

45. FORWARD PLAN

An information item on Parish Council Investments was added to meeting scheduled for 20 December 2011.

The Finance and Staffing Portfolio Holder **noted** the Forward Plan.

46. DATE OF NEXT MEETING

The Finance and Staffing Portfolio Holder **noted** that his next meeting would be held on 20 December 2011 at 6pm.

The Meeting ended at 7.20 p.m.
