
MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	12 SEPTEMBER 2006
PRESENT	COUNCILLORS MACDONALD (EXECUTIVE MEMBER), SCOTT (CHAIR), LOOKER (OPPOSITION SPOKESPERSON), MOORE AND R WATSON

14. Declarations of Interest

The Chair invited Members to declare any personal or prejudicial interests which they might have in the business on the agenda.

Cllr R Watson declared a prejudicial interest in Agenda Item 10 – National Non-Domestic Rates/Sundry Debtors/Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off, as his firm of solicitors was representing an individual whose debts were referenced in the restricted annex of the report. He left the room during this item and took no part in the discussion or decision.

15. Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annexes A-C to Agenda Item 10 (National Non-Domestic Rates, Sundry Debtors, Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off) (minute 23 refers) on the grounds that they contained information which was likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person. This information was classed as exempt under paragraphs 2 & 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

16. Minutes

RESOLVED: That the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 25 July 2006 be approved and signed by the Chair and the Executive Member as a correct record.

17. Public Participation

It was reported that Members had received an email in reference to Agenda Item 7 – Pension Reforms – Government Proposals for changes to the Local Government Pension Scheme - from the Unison Branch Secretary prior to the meeting. Members agreed to consider the content of that email under this item. The email detailed that Unison members were in support of Option B on p.44 of the report and if that was rejected then support would be given to Option A, with Options C1/C2 and D rejected. The email emphasised that their key issue for members was the protection of pension benefits for those staff who retire at 60 after long service and keeping the 'Rule of 85'.

18. Forward Plan Update

Members received an update on the Resources Directorate items which were listed on the Forward Plan. Officers updated the committee that discussion had taken place in relation to item 36 of the forward plan which proposed that a quarterly briefing note would be provided to all Members of the Committee about property issues and capital projects in their wards. This Briefing note would include references to previous decisions made on the sites to avoid any unnecessary revisiting of issues.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the update on the Forward Plan be noted;
- (ii) That item 36 be removed from the Forward Plan;
- (iii) That it be noted that item 37 of the Forward Plan was deferred.
- (iv) That it be noted that there may not be sufficient business for the next scheduled meeting of the Executive Member for Corporate Services and Advisory Panel.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform the Executive Member of the update of the Forward Plan.

19. 2006/7 First Interim Report - Finance & Performance

Members received a report which presented the service and financial performance of the Resources Directorate, covering April to July 2006 inclusive.

The latest financial forecast for the Directorate indicated a headline underspend figure of £67k (-0.1%). The report explained that whilst this looked satisfactory there were a number of issues that need to be drawn to Members' attention. Included in the underspend was a sum of £87k from the Financial Management System (FMS) project that would need to be

carried forward to 2007/08. This meant that there was an underlying overspend within the Directorate of £20k. Furthermore the Corporate Management Team had requested the Directorate to identify in-year additional savings of £125k to help towards the Council's overall financial position. It was intended to offer £125k of the FMS project savings to do this, which would reduce Resources budgets by £125k this year and would lead to the need to identify further savings in order to create enough underspend to allow for the £87k carry forward to be funded.

The report explained that generally the performance of the department was continuing to improve and drew attention to the improvements in staff sickness, the progress on the Easy@York project, the improvements in the processing of Benefits claims and the improved financial position on Benefits.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the draft financial position be noted;
- (ii) That the interim performance achievements and comments be noted.
- (iii) That Officers be thanked for their hard work.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In accordance with budgetary and performance monitoring procedures.

20. 2008 Pension Reforms - Government Proposals for Changes to the Local Government Pension Scheme

Members received a report which was a response to the Government's consultation on proposals for a new look Local Government Pension Scheme which would come into effect from 1 April 2008.

The government had produced four options for a new look Scheme, which were set out in paragraphs 7-13:

- Option A – an update of the current final salary scheme, with additional changes;
- Option B – a new final salary scheme with an improved accrual rate;
- Option C – a new career-average scheme (either with an accrual rate of 1/54th and revaluation on the basis of RPI, or with an accrual rate of 1/61st and revaluation on the basis of RPI + 1.5%);
- Option D – a new hybrid arrangement based on a career-average scheme with a final salary option.

The report also discussed possible changes to the Scheme relating to death benefits, cohabitants' pensions, employee contribution rates, ill

health retirements, early and flexible retirement and the scope of employers' discretions. Paragraph 24 set out the options that had been put forward on how to calculate the value of accrued benefits of existing members on retirement, following transfer to the new look Scheme:

- Option A – give all existing members at 31 March 2008 an actuarially equivalent period of service in the new look Scheme, according to a formula to be provided by the Government Actuary's Department;
- Option B – give existing members more credit in the Scheme than they would receive under Option A;
- Option C – treat all accrued service as a benefit payable on retirement under the terms of the current scheme.

Advice of the Advisory Panel

That the Executive Member be advised that the Director of Resources be given delegated authority to respond to the consultation supporting:

- (i) The continuation of a final salary pension scheme under Option A (paragraph 9 of report – effectively a continuation of the current Scheme);
- (ii) The increase in death benefit from 2 to 3 years pay;
- (iii) The introduction of cohabitees' pensions;
- (iv) The increase in employee contribution rates to between 6-7%;
- (v) A single contribution rate for all employees;
- (vi) The review of ill health retirements;
- (vii) Option C – Treat all accrued service as a benefit payable on retirement under the terms of the current scheme. Because these benefits have already been funded this is likely to prove cost neutral.
- (viii) No extension to employer discretions;
- (ix) The overall context of early and flexible retirement;
- (x) The idea that future reviews of the employee contribution rate should only occur when fundamental changes to Scheme benefits are made.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: (i) This is an important aid in the recruitment and retention of the workforce;

- (ii) This is a beneficial improvement to the overall scheme and the increase in costs is likely to be negligible, given the low level of in-service deaths in York;
- (iii) This is a significant equalities issue for those who choose not to marry or enter a civil partnership and the Council has always been supportive of its introduction;
- (iv) Although this is likely to be resisted by employees' representatives it is important that the balance between employee and employer contribution rates be redressed. If the LGPS is to be sustainable the taxpayer must be protected from the increased cost of pension provision due to increased longevity and the only way to do this is to ask the employee to contribute more;
- (v) Tiered contribution rates are not supported on discrimination grounds and the divisive impact they would have;
- (vi) Although there are some reservations about the operation of the revised arrangements in the consultation, the principal of two-tier ill health benefits is welcome because it should allow the Council to deal more efficiently with long-term sickness;
- (vii) This would treat all pensionable service accrued up to March 2008 as a benefit to be paid under the terms of the current Scheme. This is a transparent and cost neutral option;
- (viii) It is important that the Scheme remains standardised at a national level and there already exist within the Scheme a range of employer discretions which allow for local flexibility;
- (ix) This is an important tool in the management of change. However, the Council, as the employer would wish to maintain some control over the exercise of flexible and early retirement and does not wish to see the employee alone being able to opt to act in this way;
- (x) This is necessary to ensure that a stable cost sharing is maintained for all employers in the Scheme.

21. Update on Efficiency Savings

Members received a report which gave an update on progress against the Gershon efficiency targets in the light of the 2005/06 out-turn and the 2006/07 forecast of efficiencies.

In 2005/06 £4,865k of efficiencies had been achieved against a target of £2,587k. In 2006/07 it was forecast that £4,253k of efficiencies would be achieved, against a target of £2,935k. Based on this forecast, the Council was expecting to achieve its 3 year cumulative efficiency target, set by government, one year early.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the progress against efficiency targets be noted;
- (ii) That it be noted that the Council is expecting to achieve its government set efficiency target one year early.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In order to keep the Executive Member for Corporate Services and Advisory Panel informed of progress.

22. DDA (Disability Discrimination Act) Performance Update

Members received a report which provided an update on the Council's response to the requirements of the Disability Discrimination Act (DDA).

Annex A of the report identified the status of the 58 properties, to which Best Value Performance Indicator (BVPI) 156 ('buildings with disabled access') applied. The schedule showed the position at the end of 2004/5, the result of investment in 2005/6 and the expected position following investment in the current financial year. At the end of this financial year only 7 properties would not meet DDA requirements, 3 of which were subject to a review that may result in disposal. Annex B of the report outlined the strategy for each of the properties currently not compliant. In 2006/7 and future years expenditure was included in a budget for 'Health & Safety and DDA requirements' and had been set at £200k per annum. Some premises would benefit from significant capital projects that provided new fully accessible facilities.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the Council's response to the requirements of the Disability Discrimination Act (DDA) be acknowledged.
- (ii) That this report be passed to Members of the Social Inclusion Working Group for information.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform Members of the Council's performance relative to BVPI 156.

23. National Non-Domestic Rates, Sundry Debtors, Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off

Members received a report which sought approval to write-off irrecoverable accounts, each one over £2,000 in value, for National Non-Domestic Rates, Sundry Debtors and Housing Benefit Overpayments. It also provided details of the value of other irrecoverable accounts under £2,000 that had been written-off under delegated authority in the current financial year.

Paragraph 4 of the report provided a breakdown of the £228,300 write-offs where each debt had a greater value than £2,000 and the £143,600 where each debt had a value of less than £2,000.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the write-off of the amount of £228,300, as shown in paragraph 4 of the report (with individual debts listed in the appendices to the report), be approved, taking note that each debt has a value greater than £2,000;
- (ii) That the write-off of £143,600 of accounts valued at less than £2,000 for the 6 month period to 20 March 2006 (as shown in paragraph 4 of the report), under the Head of Finance's delegated authority, be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To keep the accounts up to date.

24. Review of the Council's Fraud and Corruption Prosecution Policy

Members received a report which sought approval for a revised policy for prosecuting individuals who have committed acts of fraud or corruption against the Council.

The revised policy was attached as Annex A of the report. The main changes to the policy were summarised in the report, as follows:

- The Policy now formally allocated responsibility for decision making to 'authorised officers';
- The Policy now included specific criteria for determining whether a prosecution would be in the public interest or not;

- The threshold for prosecuting benefit related fraud had been increased from £1,500 to £2,000 to be consistent with the Department for Work and Pensions' own prosecution policy;
- More discretion had been given when deciding to offer a sanction as an alternative to prosecution in benefit related fraud cases;
- The Policy now clearly stated that serious attempted fraud would also be considered for prosecution or sanction;
- The Policy recognised the powers available to the Council under the Proceeds of Crime Act 2002 to recover assets from convicted fraudsters.

Members requested the following alterations to be made to the detail of the policy; that

- (i) the words "before the courts" be deleted from the final sentence in paragraph 2.1 of the policy;
- (ii) the first clause of the first sentence of paragraph 4.3 should read, "Where the perpetrator (and/or their partner in HB/CTB cases) is suffering from prolonged ill health or has a serious disability or other incapacity where illness is a material factor,".

In addition, Members requested that the policy need to have numbered or lettered bullet point for ease and accuracy of reference.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the revised fraud and prosecution policy be approved with the alterations (i) and (ii) listed above.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To enable appropriate action to be taken in response to acts of fraud and corruption committed against the Council.

25. Staff Warning Register: Extension of Access and Scope

Members received a report which recommended giving elected members access to the Staff Warning Register and proposed certain arrangements to ensure that its privacy safeguards were properly maintained. It also described an extension of its scope to cover not only harm (and risk of harm) through violence, but alarm, harassment or distress (or the risk) through behaviour described in the recently approved Violence and Aggression Policy.

The report presented two options for consideration:

- To grant Members access to the Staff Warning Register;
- To refuse Members access to the Staff Warning Register.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That access to the Staff Warning Register be granted to all elected Members and suitable training be arranged.
- (ii) That use be made of a future pre-Council seminar to deliver the training.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To improve the safety of Members.

Q MACDONALD
Executive Member

D SCOTT
Chair of Advisory Panel
The meeting started at 5.00 pm and finished at 6.40 pm.