
CORPORATE ISSUES SCRUTINY COMMITTEE

MONDAY, 9TH OCTOBER 2006

Councillors Hussain (Chair), P. Brierley (Vice – Chair) Ayub, Connell, Darvesh, Hollick, Hornby, Peel, Mrs. Ronson, J. Rothwell, Rushton, J. Silvester, Spencer and J. Walsh (deputy for Councillor Mrs Fairclough).

Councillor Morris Executive Member for Corporate Strategy and Finance	-	Leader of the Council,
Councillor Mrs. Thomas Children's Services	-	Executive Member for and Schools
Councillor White Human Resources Diversity	-	Executive Member for and
Mr. B. Knight	-	Chief Executive
Mr. S. Arnfield	-	Director of Corporate Resources
Mr. A. Eastwood Democratic	-	Director of Legal and Services
Mr. D. Winstanley	-	Assistant Chief Executive
Mrs. S. Curran Corporate Resources	-	Deputy Director of
Mr. J. Farr Improvement Executive's Department	-	Principal Policy and Manager, Chief
Mr. S. Blyth	-	Elections Officer
Ms. C. Greer Children's Services	-	Head of Early Start,
Mr. A. Hulme Services)	-	Assistant Manager Human Resources (Children's

Miss K. Treadwell

-

Democratic Services Officer

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Councillor Hussein in the Chair

23. MINUTES OF THE LAST MEETING

The Committee considered the minutes of the proceedings of the meeting of the Scrutiny Committee held on 21st August, 2006.

Resolved – That the minutes be approved as a correct record.

24, THE COMMITTEE'S FORWARD PLAN

The Director of Legal and Democratic Services submitted the Forward Plan for the submission of items to this Committee.

The document contained details of the key decisions contained within the Executive's and the relevant Executive Member's Forward Plan that fell within the remit of this Committee.

Members were informed that the Work Programme described the items that had been identified by members to be considered at the Committee at future meetings.

Resolved – That the report be noted.

25 EXTRACT FROM THE MINUTES OF THE EXECUTIVE HELD ON 21ST AUGUST, 2006

An extract from the minutes of the meeting of the Executive held on the 21st August, 2006 were submitted.

Resolved – That the decisions of the Executive be noted.

26. MINUTES OF THE MEETINGS OF THE EXECUTIVE MEMBER FOR CORPORATE STRATEGY AND FINANCE HELD ON 6TH SEPTEMBER AND 27TH SEPTEMBER, 2006

The minutes of the meetings of the Executive Member for Corporate Strategy and Finance held on the 6th and 27th September, 2006 were submitted.

Members referred to Minute 30, Review of Cashiers and discussed the review of the cashiering facilities, the possible implications of this and how the consultation would be carried out. Members were informed that the information or enquiry points would not be affected by this review and

that a thorough consultation would be carried out to ensure that any decisions made were of benefit to the Wards across the Borough.

Resolved – That the decisions of the Executive Member be noted.

27. MINUTES OF THE MEETING OF THE EXECUTIVE MEMBER FOR HUMAN RESOURCES AND DIVERSITY HELD ON 13TH SEPTEMBER, 2006

The minutes of the meeting of the Executive Member for Human Resources and Diversity held on the 13th September, 2006 were submitted.

Resolved – That the decisions of the Executive Member be noted.

28. MINUTES OF THE MEETING OF THE HUMAN RESOURCES AND DEVELOPMENT POLICY DEVELOPMENT GROUP HELD ON 19TH SEPTEMBER, 2006

The minutes of the meeting of the Human Resources Policy Development Group held on the 19th September, 2006 were submitted.

Resolved – That the minutes be noted.

29. MINUTES OF THE MEETING OF THE CORPORATE STRATEGY AND FINANCE POLICY DEVELOPMENT GROUP HELD ON 27TH SEPTEMBER, 2006

The minutes of the meeting of the Corporate Strategy and Finance Policy Development Group held on 27th September, 2006 were submitted.

Resolved – That the minutes be noted.

**30. STRATEGIC EMPLOYMENT, MONITORING PROGRAMME
EMPLOYEE MANAGEMENT - 1ST APRIL, 2006 - 31ST MARCH, 2006**

The Assistant Chief Executive submitted a report which provided the Committee with Strategic Monitoring Information regarding various aspects of employment management within the Council which covered the period of 1st April, 2005 to 31st March, 2006.

The following key areas were identified in which there had been significant variation during the allotted period:-

- an increase in the number of Disciplinary cases;
- three dismissal Appeals were made to Elected Members;

- there were no appeals to the Joint Grievance Appeals Panel;
- the first appeal since the Managing Capability Procedure was introduced in 2001 was registered and subsequently dismissed; and
- 171 employees were managed under the Medical Capacity Procedure in this reporting period compared to 60 in the previous reporting period.

Resolved – That the report be noted.

31. STRATEGIC EMPLOYMENT MONITORING PROGRAMME - PAY AND REMUNERATION, APRIL, 2005 TO MARCH, 2006

The Assistant Chief Executive submitted a report which provided the Committee with Strategic Monitoring Information intended to help guide the future development of the Council's Corporate Employment Policy Framework.

The following key areas were identified in which there had been significant variation during the allotted period:-

- 22 Outstanding Regradings had been brought forward from the previous reporting period;
- 9 Regrade Appeals were considered and dismissed by the Regrading Appeals and 12 Appeals were withdrawn by the employees concerned;
- no new Regrading Appeals were processed pending the completion of the Pay and Grading Review; and
- 37 additional Market Rate Pay Supplements had been awarded.

Resolved – That the report be noted.

32. STRATEGIC EMPLOYMENT MONITORING - BASIS OF EMPLOYMENT - 1ST APRIL, 2005 TO 31ST MARCH, 2006

The Assistant Chief Executive submitted a report which provided the Committee with Strategic Monitoring Information intended to help guide the future development of the Council's Corporate Employment Policy Framework.

The following key areas were identified in which there had been significant variation during the allotted period:-

- reduction in the number of employee's on fixed term contracts of less than one year's duration from 469 to 358;
- increase in the number of people working on a casual basis from 719 to 1082 (including supply teachers);
- introduction of the Corporate Contract for the supply of Agency Workers was being implemented and reducing costs; and
- a significant number of employees worked in excess of their contractual hours, with a large proportion not being paid at enhanced rates.

Resolved – That the report be noted.

33. ELECTORAL ADMINISTRATION ACT

informed the Committee of the new administrative requirements of the Electoral Administration Act, 2006.

The report stated that the following key new requirements would have to be brought into effect by the 2007 Local Elections:

- Co-ordinated On-line Register of Electors (CORE);
 - a duty to take necessary steps to contact householders during the canvass i.e. use of staff to make house to house enquiries;
 - anonymous registration;
 - registration up to eleven days prior to the election day;
 - promotion of elections;
 - pre-poll information;
 - three main changes to postal voting including changes to prevent fraud;
 - reduction of age of candidacy to nomination process;
 - framework for polling station reviews;
 - voters to sign for ballot papers;
 - prevention of fraud measures and new election offences;
- and

- new flexible funding arrangements.

Members discussed the staffing and implications that the new requirements could bring about. It was explained to members that grant money from the Department of Constitutional Affairs would help to fund much of the extra resources needed.

Members were informed that it was hoped that when the accompanying Regulations were published that this would give greater clarity to the new requirements of the Act.

Resolved – That the new requirements of the Electoral Administration Act and the possible resource implication for future elections be noted.

34. CORPORATE RESOURCES DEPARTMENT PERFORMANCE INDICATORS, MONITORING REPORT, QUARTER 1, 2006/07

The Director of Corporate Resources submitted a report which provided members with information on the Corporate Resources performance indicators for quarter one of 2006/07. The report set out any significant variations together with an explanation. The report concluded that performance of the BVPIS were generally better than the same period last year and all targets were expected to be met in 2006/07; local indicators were performing well.

Resolved – That the report be noted.

35. CENTRAL DEPARTMENTS JOINED UP MONITORING REPORT - 1ST QUARTER, 2006/07

The Chief Executive submitted a report which provided an overview of the key financial and service performance data from the central departments following the end of the 2005/06 financial year. It was noted that three indicators were in the lower quartile and required further attention and details of proposed action was detailed in Appendix A, appended to the report.

Resolved - That the report be noted.

36. AGGREGATE FINANCIAL MONITOR, 1ST QUARTER, 2006/07

The Director of Corporate Resources submitted a report which advised the Committee of the outcome of the first quarter's Aggregate Financial Monitoring exercise for 2006/07 and which considered:-

General Fund Revenue monitoring; - Aggregate Capital monitoring; and - monitoring of the Prudential Guidelines.

Overall, there was a net increase in revenue balance of £441,000, compared to the outturn report to the Executive's meeting held on 12th June, 2006. Projected Capital Expenditure had increased by

£18,765,000 which was made up of scheme slippage from 2005/06 of £17,208,000 and new approvals with external funding of £1,557,000; expenditure at the projected level could be fully funded.

Resolved – That the report be noted.

37. BOLTON ARENA REPORT

The Director of Corporate Resources submitted a report which outlined the financial background and current situation regarding Bolton Arena.

The report stated that the original cost of the scheme was £15.2 million. The capital costs were funded mainly via the National Lottery but contributions also came from the Lawn Tennis Association (LTA) and Bolton Wanderers.

The report advised that it was always the intention that the Arena would be run by a Trust who would manage the facilities and seek to develop its usage by communities across the Borough. The original revenue business case included an assumption that sponsorship could be achieved for the overall naming of the Arena and that this would bring in approximately £1 million over the first five years. This funding was particularly important in order to meet the Arena's set up costs and to cover operating costs whilst the revenue streams of the Arena were being developed. However, at the last minute Sport England, against previous agreements, stated that they would not allow sponsorship of the Arena's name.

The report advised that, as a consequence of this, there was a shortfall in the revenue required by the Arena during the first five years of operation. The Council held negotiations with Sport England to mitigate this loss and achieved some additional funding. The Council, on this basis, agreed to underwrite the shortfall in the Arena's revenue operation by providing £1 million over the first five years.

Members were advised that, two years ago, the Arena had approached the Council over its core revenue because of shortfalls which had arisen due to the withdrawal of sponsorship by the LTA. Therefore, as a result of this occurrence and the Arena's activities in support of schools, Healthy Living and Education agendas, the Council agreed to make a contribution to the Arena's revenue funding of £100,000 per annum. This situation had continued on an annual basis.

The report added that all loans had been given on the basis that there was a business case which provided additional income generation to the Arena to enable it to fully offset its costs, including loan repayments. To date, members were advised that the Arena's facilities had generated income in line with or higher than projected in the business case.

Members discussed if the Council would be sufficiently prepared if the

Arena could not keep up with the payment on the loans given.

Members were informed that the Director of Corporate Resources received monthly financial statements from Bolton Arena and that the Director of Development and Regeneration also had monthly meetings with the Arena. Therefore, any problems such as repayment of loans could be foreseen.

Resolved – That the report be noted.

38. CASTLE HILL REPORT

The Director of Corporate Resources submitted a report which set out the financial arrangements around the Castle Hill development.

The report stated that the original cost of the scheme was a net figure of £11.8 million. As a PFI, the scheme was undertaken by the developer with the developer taking all risks on the building and any problems which might occur due to contractual problems.

Members were reminded that towards the end of the completion of the scheme the developer went into administration. However, the bank behind the PFI arranged for an alternative contractor and picked up all additional costs associated with the handover to the new contractor.

The report advised that, although primarily funded through PFI credits, it was recognised that the Council had to contribute an additional £250,000 per annum which was termed “gap funding”. However, any major refurbishments would fall on the contractor and not on the Council.

The report stated that, earlier in 2006, the Council had agreed to make an additional contribution towards the cost of Castle Hill which amounted to £147,000 in order to rectify issues around the all weather pitch, youth club entrance and the refinancing of the whole Castle Hill Scheme. However, these costs were offset by an additional payment made to the Council in respect of the disposal of Thomasson House and New Overdale. Furthermore, the overage agreement meant that any additional profits earned on these sites would be shared with the Council of which £925,000 had offset the additional cost and, in effect, had reduced the overall cost of Castle Hill to the Council.

The report advised that, at present, the Council paid the contractor a fee for use of Castle Hill which was funded from the PFI credit that was received plus the additional gap funding of £250,000 and the costs of rates and running costs. The reports stated that this fee was fixed for the life of the contract and therefore the contractor took the majority of risks on any future running and support costs on the Centre.

Resolved – That the report be noted.

Resolved - That, in view of the nature of the business to be transacted or the nature of the proceedings, it is likely that if members of the press and public were present during the following item of business there would be disclosure to them of exempt information as defined in paragraph 4 of Schedule 12a to the Local Government Act 1972 and that, in pursuance of Section 100A(4) of such Act, members of the press and public be now excluded from the meeting.

39. EARLY START RESTRUCTURE - GRADING AND CONTRACTUAL STATUS

Members were advised that the decision taken by the Executive Member for Human Resources and Diversity, at his meeting held on 13th September, 2006, with regard to the Early Start Restructure – Grading and Contractual Status, had been called in by Councillor J. Silvester in accordance with Part 4 of the Council's Rules and Procedures: Section E, Paragraph 17.

A copy of the relevant report had been distributed to members and the Committee was apprised of the decision that had been taken by the Executive Member. The report had updated the Executive Member on the Early Start job evaluation process and requested that the staffing structure be populated with staff on permanent contracts. The report had stated that to support the rapid expansion from six to fifteen children's centres, Bolton would need to attract and retain a large number of additional staff during 2008. This process would be supported by having available current staff who were trained and able to mentor the new staff, ensuring consistency across Bolton's Early Start Services.

The report stated that the only major risk of such contract permanency would be the financial liability for supporting staff through redeployment in the highly unlikely event of the service being ceased. The report highlighted that the total redeployment costs if the service were to close would be £3,339,025. The increased risk associated with offering the forty one staff members permanent contracts would be £270,000.

During the ensuing discussion the following matters were raised by members:-

(a) the need for a more detailed report which accurately gave members a profile of what the business risks of contract permanency would entail for the 41 employees cited in thereport;

(b) the consequences of delaying contract permanency;

(c) the ringfencing till 2008 of funds for the Early Start Project; and

(d) the effects contract permanency might have on the commissioning of services.

Members were reminded of the options open to the Committee in determining this matter viz:-

(a) to note the decision of the Executive Member, thereby actioning the decision;

(b) to refer the matter to Council for consideration, with or without comment; or

(c) to refer the matter back to the Executive Member with or without comment.

Resolved – That the matter be referred to the meeting of the Council to be held on 25th October, 2006.