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<b>REPORT TO:</b>	<b>Finance &amp; Management Committee</b>	<b>AGENDA ITEM:</b>	13
<b>DATE OF MEETING:</b>	<b>24<sup>th</sup> July 2003</b>	<b>CATEGORY:</b>	<b>DELEGATED/</b>
<b>REPORT FROM:</b>	<b>Chief Executive</b>	<b>OPEN</b>	
<b>MEMBERS' CONTACT POINT:</b>	<b>David Soanes ext 5714</b>	<b>DOC:</b>	
<b>SUBJECT:</b>	<b>Review of committee terms of reference</b>	<b>REF:</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>	<b>FM01</b>

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### **1.0 Recommendations**

1.1 That Members views are sought on the proposal to move responsibility for all non-housing asset matters to Finance & Management committee.

### **2.0 Purpose of Report**

2.1 To assist the Council in considering the review of Committee terms of reference

2.2 To seek Members views on the proposed changes to the terms of reference of the policy committees, so that all asset matters be dealt with by Finance & Management committee, thereby improving Members involvement in and understanding of asset management issues. The same report has been taken to Environmental & Development Services committee and Housing & Community Services, and the report will finally be reported to Council on 14 August. Any comments made at those meetings will be reported verbally at the meeting.

### **3.0 Detail**

#### **Background**

3.1 As part of the Asset Management Best Value Review, the review team considered the level of Member involvement in Asset Management matters. The review report notes that 'Hot Property (a report prepared by the Audit Commission), York Consulting (who have been evaluating the Council's asset management process) and the Minister for Local Government all highlighted the lack of member involvement as a national issue which needs to be addressed. District Audit, in their study of Asset Management in the Council in 2000, also recommended that the Council need to address this issue.

- 3.2 The Best Value Review Team considered how Members could get more involved in Asset Management, and consulted several Members on the issue.
- 3.3 It is recognised that most Members do not have sufficient appreciation of Asset Management issues and that the historic basis of reporting on assets to a number of different committees does not assist with this. Most Councils who operate the cabinet system have one Member responsible for asset issues. South Derbyshire DC have decided not to introduce the cabinet system and therefore need to consider how the committee system can better address this matter.
- 3.4 The 2002 Asset Management Plan, which deals with all non-housing related assets, was scored as satisfactory rather than good. One reason for this was that the Council could not meet the requirement that 'a cabinet Member or lead committee Member holds responsibilities for the authority's property resource on behalf of the Council. On querying this with Government Office for the East Midlands (GOEM), they confirmed that it should be clear that a particular member holds this specific responsibility. They suggest that we should move away from three committees having asset responsibilities, to one.
- 3.5 As the Council is trying to develop a more corporate approach to asset management, it makes sense to try and bring all asset responsibilities under the control of a single committee. Logically this would be Finance & Management, who already oversee strategic asset management. In addition, if assets are considered as a corporate resource, alongside people and finance, then asset related issues, like those relating to people and finance, should be centrally considered by Finance & Management Committee.
- 3.6 The Best Value Review Team advocated this solution which should lead to a greater knowledge, expertise and ownership of all asset matters by the Members of that committee. This is now an action point in the Improvement Plan which was approved by Members of Finance & Management Committee on 18 February 2003.

#### Existing terms of reference

- 3.7 Finance & Management committee, under reference FM01 (of the committee terms of reference), already has the responsibility to oversee the management of the Council's assets, including the commercial portfolio, the Council Offices and other corporate assets. That definition could effectively be taken to cover all non-housing Council assets.
- 3.8 However, Housing & Community Services, under CS01, also have the responsibility to maintain and manage Council housing, land, garages, estate shops and permanent gypsy sites, and to sell, lease and/or purchase housing land/property. Under CS08 they are responsible for the provision and management of leisure facilities, under CS09 for the provision and management of cemeteries, crematoria and mortuaries, and under CS10 for the provision and management of public parks and open space.
- 3.9 In addition Environmental & Development Services, under ES15, are responsible for the provision and management of public conveniences, bus shelters, Swadlincote bus station, public car parks and the Swadlincote Market Contract

## Suggested future terms of reference

- 3.10 Housing & Community Services and Environmental & Development Services committees should continue to be responsible for the services which are run from the assets listed above, but responsibility for non-housing asset related issues should transfer to Finance & Management.
- 3.11 The simplest option would seem to be to put a note at the top of each committee's terms of reference explaining this. The wording of CS08, CS09, CS10 and ES15 could stay the same, as 'provision and management' does cover the service delivery aspects. With CS01, which relates specifically to housing, it is suggested that the responsibility to sell, lease or purchase housing owned land and Estate Shops should rest with Finance & Management, as this is moving away from the delivery of a housing service and therefore that part of clause CS01 should be deleted. The asset related issues for houses, garages and permanent gypsy sites, would remain under the control of Housing & Community Service committee.
- 3.12 It is recognised that whilst it would be best to move responsibility for assets to a single committee, there will be a need to continue to consult with members of either Housing & Community Services committee or Environmental & Development Services committee over the issue under consideration. In practice many asset issues are also linked to service delivery issues and therefore in many cases the matter will be reported to both committees, thereby allowing the members of these committees to comment on the matter prior to it being taken to Finance & Management committee. The chairs of both these committees sit on the Finance & Management committee and can report the views of their members to Finance & Management. In situations where the matter for consideration does not also have service delivery implications, it is suggested that the report author consults with the relevant committee chair to decide whether the matter should also be referred to their committee for consideration.
- 3.13 Whilst it is recognised that these changes may lead to an element of duplication in respect of some issues, with reports being taken to two committees instead of one, this is more than counter balanced by the positive benefits which the changes will bring to the way in which the Council manages its assets.
- 3.14 It may be helpful to Members to consider a couple of examples to show how the new arrangements would work. In the case of the Coton Band Room site, which was considered at the last H & CS committee, whilst the site is held by the H & CS committee, by virtue of its history, it is now a surplus site for the authority to dispose of and under the suggested changes would therefore be dealt with by F & M committee. However, as there were also considerations as to whether it should be sold for social housing purposes, H & CS committee would therefore have been consulted on this issue.
- 3.15 If the matter under consideration were the Greenbank Leisure Centre, and the issues related purely to the delivery of additional leisure services from that location, then the matter would be solely dealt with by H & CS. If these additional services required investment in the building, then that would be an asset related issue and therefore the report would be dealt with firstly by H & CS, and then by F & M. If there were no service delivery issues, only consideration of the increased investment, then it would

be a matter for F & M, with the Chair of H & CS being consulted by the author of the report to determine whether the full H & CS committee should be consulted.

3.16 Under the terms of the constitution only the Council is permitted to vary committee terms of reference.

#### **4.0 Financial Implications**

4.1 None

#### **5.0 Corporate Implications**

5.1 Moving all non-housing asset responsibilities to a single committee will improve the understanding of and involvement in asset management of/by the Members of that committee, thereby improving decision making. It will help the Council to look at its assets as a corporate resource. It will also go a long way to meeting the concerns identified by other organisations, as set out in 3.1, through the Asset Management Planning process, and by the Asset Management Best Value Review.

#### **6.0 Community Implications**

6.1 None

#### **7.0 Conclusions**

7.1 The proposals outlined in the report will increase Member involvement in and understanding of asset management issues, whilst also helping the Council to look at its assets as a corporate resource.

#### **8.0 Background Papers**

8.1 Hot Property report - Audit Commission  
York Consulting report  
District Audit study  
SDDC Asset Management Best Value report