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Iain Phillips      Chief Executive

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26<sup>th</sup> May 2006

Dear Councillor,

I hereby give you Notice that a Meeting of the **CENTRAL RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, CROOK** on **WEDNESDAY, 7<sup>th</sup> JUNE 2006** at **6.00 P.M.**

#### AGENDA

	Page No.
1. Apologies for Absence.	
2. To consider the Minutes of the last Meeting of the Committee held on 29 <sup>th</sup> March 2006 as a true record.	Copies previously circulated
3. To consider proposal for joint working with Teesdale District Council's housing and council tax benefit service.	1 – 4
4. To consider the Audit Commission report on Revenues and Benefits Administration costs.	5 – 7
5. To consider the findings of the Audit Commission report regarding Direct Debit and improving income collection.	8 – 10
6. To consider a request from Dene Valley Parish Council to release Section 106 funding to allow the restoration of a play area.	11 – 12
7. To consider the Resource Management Department performance indicators and action plans 2005/06.	13 – 21
8. To consider the progress in managing the risks of the Resource Management Department.	22 – 26
9. To consider the financial performance of ongoing partnerships of the Resource Management Department.	27 – 31
10. To consider the proposed Value for Money Strategy for the authority.	32 – 41
11. To consider the proposed Treasury Management Strategy Statement and Annual Investment Strategy 2006/07.	42 – 49

12. To consider a report on service complaints during 2005/06. 50 – 52
13. To consider a report on equal opportunities monitoring, recruitment and selection for 2005/06. 53 - 57
14. To consider such other items of business which, by reason of special circumstances so specified, the Chairman of the meeting is of the opinion should be considered as a matter of urgency.

Yours faithfully



**Chief Executive**

Members of this Committee: Councillors Mrs Brown, Mrs Burn, Grogan, Harrison, Hayton, Mrs Jones\*, Kay, Kingston, Laurie, McKellar, Mews, Mowbray, Murphy\*, Mrs Pinkney, Stonehouse, Taylor and Mrs Todd.

\*Ex-officio, non-voting capacity

Chair: Councillor Hayton

Deputy Chair: Councillor Mrs Pinkney

TO: All other Members of the Council for information  
Management Team



**WEAR  
VALLEY**  
DISTRICT COUNCIL

**CENTRAL RESOURCES COMMITTEE**

7 JUNE 2006

Report of the Director of Resource Management

**HOUSING BENEFITS PARTNERSHIP**

**purpose of the report**

1. To consider a proposal for formal joint working with Teesdale District Council's (TDC) housing and council tax benefit service.

**background**

2. In 2005/06 Wear Valley paid out in excess of £22m in housing and council tax benefit to landlords and tenants both in the public and private sector. These benefits are essential in assisting persons on low incomes to afford appropriate accommodation and pay their council tax bills.
3. In relation to TDC, in part due to unfilled vacancies at supervisory level, the performance of the benefits service at TDC as measured by national performance indicators was unsatisfactory. Consequently, in October 2005 senior officers at Teesdale District Council (TDC) requested management support for their housing benefit service from the Council.
4. The support provided from senior benefits staff included the following:
  - General management support to cover the existing workload.
  - Testing of changes to the computer software used by the benefits service.
  - Training of inexperienced benefits staff in assessment of claims.
  - Reviewing and amending processes to increase efficiency.
  - Directing activity to meet external assessment requirements.
  - Establishing appropriate performance management arrangements.
  - Promoting benefit take up.
5. The results of this have been very positive.
6. This support is provided on a paid basis based upon rates agreed between the two councils.
7. The current relevant statistics of each council's service are shown below:

	<b>Wear Valley DC</b>	<b>Teesdale DC</b>
Staff No's (FTE)	40	7
Caseload	8,600	1,800
Average processing times	20	35

8. Government is very keen for local authorities to share service delivery as a means of improving performance and deliver efficiencies. This has stemmed from the Gershon review that indicated significant efficiencies could be achieved in public services through collaborative working. Consequently, discussions have taken place between senior officers of both councils concerning more extensive partnership working.

### **partnership proposals**

9. The current arrangements have reduced TDC processing times to 32 days from 48 before Wear Valley staff provided support. However, to increase performance further and deliver benefits to Wear Valley, officers of both councils have outlined a shared vision to have a combined service administering housing and council tax benefits for residents of both Wear Valley and Teesdale. This would include the following:
  - Single line management of the service.
  - Assessment of benefit claims and reported changes at a single back office location.
  - Joint administration and support of the IT databases upon which each Council's housing benefit data sits.
  - Provision of customer and visiting officer services to claimants.
  - Employment of all staff through one or other of the councils.
10. Whilst there are differences in scale and performance, (paragraph 7 above) both councils use the same IT system which would assist integration into a single service. WVDC are currently implementing document imaging and workflow technology that will enhance efficiency and improve customer service through the more effective management of documents. This will replace the current manual system that operates which can result in lost documents, mis-filing etc.
11. TDC currently operate a paper-based system and do not have document imaging and workflow technology. However, part of the vision of a shared service delivery would be to introduce document imaging and workflow technology for the processing of TDC claims.

### **partnership objectives**

12. The objectives of the partnership would be to:
  - Increase performance in processing times across both councils.
  - Increase efficiency across both councils.

- Enhance customer service in both councils through mobile working and an increase in access points.
  - Enhance stability in the operation of the service for both councils through economies of scale.
  - Act as a catalyst for closer working in other areas such as revenues billing and collection.
13. These objectives can be achieved by sharing the experience, knowledge and expertise of staff at both Councils. Economies of scale would allow management and information technology costs to be shared. A combined service would mitigate the impact of the loss of key staff due to turnover and sickness and allow more flexibility in the deployment of resources.

### **key issues**

14. Before embarking on further work, there are a number of key issues that need to be resolved between both Councils. These are:
- Staff terms and conditions.
  - Location of staff.
  - Boundaries of the partnership.
15. Both sets of staff are currently on different terms and conditions and negotiation is required to create harmonisation. A possibility is that Teesdale DC employees are transferred under TUPE rules into the employment of Wear Valley.
16. Currently both sets of staff operate at different sites – Crook and Barnard Castle. Such split site working would not be efficient for processing of claims although regard would be needed relating to local customer service access points. This remains to be agreed.
17. The housing benefits service at Wear Valley incorporates a visiting service. This covers visiting customers on their homes to verify that their personal details have not changed. It also incorporates assisting vulnerable customers in completing claims forms and responding to queries. At TDC the visiting officer function will be transferred to a corporate call centre which remains to be established. Agreements have not been made as to whether the visiting officer function should form part of the partnership.

### **implementation**

18. TDC have successfully applied for external funding to support this project from the DWP Performance Standards Fund. This resource will be used to employ a Project Manager, supervision at TDC, connections between TDC and WVDC computer systems as well as the purchase and implementation of Document Imaging and Workflow at Teesdale DC.

19. It is planned for a project team to be set up incorporating staff from both authorities. The team's activities would be co-ordinated by the project manager.

**risks**

20. The risks to Wear Valley and the means of mitigation are:

<b>Risk</b>	<b>Mitigation</b>
1. Performance reduces during implementation	Performance monitored continuously
2. Efficiencies not achieved	Cost/benefit analysis undertaken
3. Partnership dissolves	Clear exit strategy to be determined
4. Staff issues not resolved	Involvement of human resources staff from both councils

21. These risks will be managed carefully. Members will be updated at each committee and the Council's partnership protocol followed before decisions are made.

**financial implications**

22. The additional costs of employing a project manager would be funded by TDC as with the associated IT costs. A cost/benefit analysis will be undertaken to ensure that efficiencies are achievable although they are difficult to quantify at this point.

**staffing implications**

23. Delivery of partnership working would impact upon staff at both Councils. Consultation will take place with affected staff.

**i.t. implications**

24. Connectivity would be required between Wear Valley and Teesdale. This would be wholly funded by Teesdale DC. Successful implementation will also require document imaging and workflow technology to be introduced across both councils.

**conclusion**

25. This is a potentially exciting opportunity for joint working that would improve performance, enhance efficiency and demonstrate to external inspectors the council's capacity to deliver key service with another organisation. Members will be consulted on further decisions.

**RECOMMENDED** that Members endorse and support the report.

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<b>Officer responsible for the report</b>	<b>Author of the report</b>
Gary Ridley	Stuart Reid
Director of Resource Management	Head of Finance
Ext 227	Ext 258

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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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Report of the Director of Resource Management

### **AUDIT COMMISSION REPORT – REVENUES AND BENEFITS ADMINISTRATION COSTS**

#### **purpose of the report**

1. To consider the above report and the implications for the Authority.

#### **background**

2. The Audit Commission has produced a report looking at the administration costs of revenues and benefits services. The report examined:
  - The national context of revenues and benefits – including changes in legislation and guidance.
  - The costs of providing the services.
  - The approach councils take to changing how they deliver these services.
  - The successes and difficulties for partnerships in delivering transactional services.
  - How direct debit can contribute to improved efficiency.

#### **key findings**

3. The key findings from the report are:
  - (i) The study found that those councils prepared to be more innovative in delivering revenues and benefits services can make considerable savings, without lowering service quality. Improving direct debit take-up rates alone could generate savings in transactional and administration costs totalling £15 million per annum within five years.
  - (ii) Partnership working, either within the public sector or with the private sector, offers councils the greatest potential for efficiency savings if they are prepared to overcome the perceived barriers. Partnership working between two district councils is already releasing over £100,000 per annum to each partner. If this approach were extended across the country it could generate substantial savings.

- (iii) The case studies in this report show that other initiatives, such as home working and modern IT systems, offer further scope for efficiency improvements.
- (iv) The Efficiency Review target of 2.5 per cent equates to £75 million per annum by 2007/08 for revenues and benefits. The study has demonstrated that there is scope for achieving efficiency savings of much more than this amount. Savings of this order are particularly important to help councils minimise pressure on high profile frontline services such as education and social care.
- (v) Major reductions in cost may take some time to achieve because existing arrangements are complex. However, councils that approach this task with enthusiasm should secure savings that will allow them to protect or invest further in frontline services to the public.

**recommendations from report**

4. The main recommendations are:

- Consider the benefits of sharing services, with other councils, other public service providers, or through the private sector.
- Ensure that, when new initiatives are undertaken, there is a clear cost-benefit analysis.
- Set clear goals and objectives for benchmarking activity to ensure that good practices are shared, with improved outcomes for customers.
- Maximise opportunities to improve collection by direct debit.

**implications for wear valley**

5. This Audit Commission report is significant in that it clearly expects Councils to consider the above recommendations. The table below shows the Authority’s response to each recommendation.

Audit Commission Recommendations	Wear Valley Response
Consider the benefits of sharing services, with other councils, other public service providers, or through the private sector	<p>The Authority is actively looking to establish a joint benefits service with Teesdale. This is expected to produce both benefits and reduced costs.</p> <p>The Authority has entered into a joint bailiff contract with Derwentside. This has produced the following benefits:</p>



Audit Commission Recommendations	Wear Valley Response
	<ul style="list-style-type: none"> <li>• Shared tendering exercise</li> <li>• Easy for bailiff resources to be allocated across 2 authorities</li> </ul>
Ensure that, when new initiatives are undertaken, there is a clear cost-benefit analysis	This is still at an early stage in relation to business case development
Set clear goals and objectives for benchmarking activity to ensure that good practices are shared, with improved outcomes for customers	<p>Agreed. The Council is at an embryonic stage in relation to bench marking. In relation to benefits a number of site visits have been undertaken to other authorities in the past year in relation to administration of benefits. The service takes part in the CIPFA Benchmarking Club every two years in relation to Benefits, Council Tax and NNDR. Benchmarking was undertaken in 2005/06. In relation to revenues a number of process maps have been produced with other authorities to identify the most efficient way to improve processes. The main form of bench marking relates to the monitoring of best value performance indicators with performance being reported to committee on BVPIs on a 6 monthly basis. Clear targets have been set for BVPI improvement.</p>
Maximise opportunities to improve collection by direct debit	Agreed. This is covered in a separate Committee report on this agenda.

**RECOMMENDED** that Members note the report and endorse the response to each Audit Commission recommendation.

<p><b>Officer responsible for the report</b>  Gary Ridley  Director of Resource Management  Ext 227</p>	<p><b>Author of the report</b>  Gary Ridley  Director of Resource Management  Ext 227</p>
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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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### Report of the Director of Resource Management **IMPROVING INCOME COLLECTION**

#### **purpose of report**

1. To outline to Members the findings from an Audit Commission report regarding Direct Debit (DD) and its implications for the Council.

#### **background**

2. In November 2005, the Audit Commission published *The Efficiency Challenge – the Administration Costs of Revenues and Benefits*. This report identified, along with other improvements in efficiency, that direct debit collection of council tax was one area where councils acknowledge the potential for improved efficiency. The Audit Commission found that if councils improve their DD rates there is potential to save up to £15.3m in administration costs.
3. The Audit Commission undertook a more detailed study to examine how councils are approaching this issue and our report provides many examples of ways to improve collection of tax and rent through DD.
4. This study has identified many areas of good practice and shown case studies of initiatives to improve DD take up.
5. The study has identified some important issues for councils. There are significant benefits in terms of efficiency by increasing DD take up but this must be balanced with the needs of the community and vulnerable groups in particular. Councils would benefit from having good information about customer decisions and about where in its area there is the most potential to increase DD take up. The study argued that valuable resources can be released to help those in real need of help with their finances.
6. The following is an extract from the study “organisations need to be able to demonstrate the value of their existing payment arrangements. On average, well over 95 per cent of council tax are collected within the year it is billed. About 53 per cent (estimates vary) of this is collected by DD. Each method of payment has a different cost and councils need to be able to demonstrate that they are achieving value for money in this area. A clear benchmark for calculating DD would help councils to compare their performance and maximise learning. A co-ordinated approach is needed. Housing and Finance departments need to work together, to ensure that their services are complementing each other in the interest of customers. Government support for increased DD would be welcomed by councils – either through a national marketing initiative, or with more specific

support through the Regional Centres of Excellence. But councils can do more for themselves by working with others through joint campaigns and sharing ideas. Co-ordinated campaigns with links to improving council tax benefit take up would add even more value”.

7. Deprivation is a factor, which impacts on tax collection and has some influence on DD rates. There is therefore a big incentive for councils in more deprived areas to improve DD rates, so they can free up resources to deal with more complex debt issues associated with deprived areas. There are many other challenges for councils in achieving improvements though. Councils face a potential conflict with local and/or central government policies to offer people more choice (for example, in the ways people can pay their council tax), while at the same time seeking to improve efficiency.
8. The Audit Commission study has identified many features of a positive approach to change but there are barriers to overcome. Good information on low take up will help overcome some of them, but councils also need to focus on the needs of customers and how DD can support people in a variety of situations. It will not work for everyone. Society is tending to move away from a cash culture. This presents particular challenges to councils where local people see the cash office as a key point of contact. Our report has identified examples where councils have achieved the right balance when closing offices by giving people something back, such as a one stop shop, or other ways to pay their council tax or rent.
9. Councils are facing difficult challenges to improve efficiency. The Audit Commission has identified examples where councils in very deprived areas have used improved DD to release resources to give more time for more complex problems. Our annual assessment of value for money in councils will continue to challenge the status quo. They will look at underlying measures, such as DD rates, to see if councils are maximising opportunities for improvement”.
10. The study goes on to recommend the following actions:
  - Ensure that customer views are used to help inform policies and processes on collecting debt.
  - Develop a better understanding of their customers to aid the targeting of DD and council tax benefit campaigns.
  - Use improved DD take up as a way of helping to release resources to assist people with more difficult financial circumstances.
  - Develop co-ordinated policies for all services on payment and debt so that services are delivered efficiently and are customer focused.
  - Set challenging targets to increase DD for council tax, housing rent and other areas of income collection where appropriate to do so.
  - Work with others to maximise marketing opportunities and efficiencies in promoting DD and for dealing with banking arrangements.

- Ensure that cost benefit analysis supports policies to change people's payment routines; and
- Ensure that initiatives do not have a negative impact on vulnerable people.

**implications for wear valley**

11. The above clearly represents a challenge for the Council. At present DD take up is approximately 55% which is average for district councils given our level of deprivation. However, officers views are that more can be done to improve DD take up and an action plan based around the above recommendations will be introduced. This action plan will be monitored via the debt management framework. The key measure of the success of the action plan will be whether or not DD take up has increased for both council tax and non-domestic business rates.

**RECOMMENDED** that Members note the report.

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**Officer responsible for the report**

Gary Ridley  
 Director of Resource Management  
 Ext 227

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**Author of the report**

Gary Ridley  
 Director of Resource Management  
 Ext 227

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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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Report of the Director of Resource Management

### **SECTION 106 MONIES**

#### **purpose of the report**

1. To seek Member approval to release Section 106 monies in respect of William Street and Pilkington Way, Auckland Park (areas within Dene Valley Parish Council).

#### **background**

2. Members may be aware that the Council has received Section 106 monies and is due to receive Section 106 monies in relation to the following developments:
  - Pilkington Way – the Council has received £9,000.
  - William Street – the Council has received £14,000 in respect of Morton Close. £32,000 is due in respect of St. Phillips Close but as yet nothing has been received in respect of this development as the obligation to pay only arises after the 10th house has been constructed.
3. A request has been received from Dene Valley Parish Council who acts as trustee to Auckland Park Recreation Ground. They have requested that the sums held by the Council in respect of Pilkington Way and William Street be paid over to them in order to restore the play area which was previously in existence. Auckland Park Recreation Ground is a registered charity who has no funds, and as yet is not vested in the Parish Council.
4. In relation to Pilkington Way, the Section 106 agreement provides that the monies should be applied towards the provision of play equipment on land at Auckland Park.
5. In relation to William Street, the Section 106 agreements provides that the monies should be applied towards offsite play facilities and maintenance.
6. At present the Council holds £23,000 pending a decision as to how this should be spent. Should the Council allocate any of the sums as requested, there would be a need to ensure that:
  - The money is only spent as outlined in the Section 106 agreement.
  - Adequate health and safety arrangements are in place.
  - Adequate public liability insurance cover is provided.

- Full details of the scheme proposed are provided.

**RECOMMENDED** that Members instructions are requested.

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**Officer responsible for the report**  
Gary Ridley  
Director of Resource Management  
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CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

Report of the Director of Resource Management
RESOURCE MANAGEMENT DEPARTMENT PERFORMANCE INDICATORS AND ACTION PLANS – 2005/06

purpose of the report

- 1. To consider the annual performance of those Best Value Performance Indicators for which the Department is responsible and update Members on the 2005/06 Action Plans.

background

- 2. Members will be aware that within the Constitution, the Central Resources Committee has the responsibility for monitoring the performance of the Department.

structure of the report

- 3. Each Best Value Performance Indicator is considered in turn against the following structure:
- Name of performance indicator
- 2005/06 performance
- 2005/06 target
- 2004/05 actual
- Commentary.
4. After BVPIs, the 2005/06 Action Plans are shown for the Department along with progress to date.

departmental indicators

Table with 1 column: % of Council Tax Collected. Rows: 2005/06 actual (99.2%), 2005/06 target (99.1%), 2004/05 actual (98.9%)

The indicator shows improved performance and is likely to be the highest collection rate in County Durham. Given the high performance in this area it will prove increasingly difficult to continuously improve this indicator.

The indicator should be top quartile. This performance indicator has shown steady improvement in recent years.

- **% of Non-Domestic Rates Collected**

2005/06 actual	99.3%
2005/06 target	98.9%
2004/05 actual	99.2%

This performance indicator has both improved and exceeded target and is likely to be top quartile. It is likely to be the second highest collection rate in County Durham. This performance indicator has shown steady improvement in recent years.

- **Land Searches completed within 10 Days**

2005/06 actual	98%
2005/06 target	93%
2004/05 actual	97%

This performance indicator has improved compared to 2004/05. In 2003/04 it was a poorly performing indicator at only 72% and has shown a steady improvement.

- **Days to process new benefit claims**

2005/06 actual	20.2 days
2005/06 target	40 days
2004/05 actual	32.5 days

This is an important indicator and represents the acid test of the benefit service. As a result of revised working procedures performance has improved substantially and has met target. The Authority will now be above average nationally for the first time.

- **Days to process benefit changes in circumstances**

2005/06 actual	7.8 days
2005/06 target	10 days
2004/05 actual	8.7 days

This indicator has improved compared to 2004/05. The Authority is now likely to be above average for this indicator.

- **% of overpaid Housing Benefit recovered**

2005/06 actual	49.19%
2005/06 target	60%
2004/05 actual	59.7%



This indicator did not reach the target. Further action to be taken to analyse processes and working practices. The Authority is likely to be above average for this indicator.

- **% accuracy of Benefit claims**

2005/06 actual	98.8%
2005/06 target	98%
2004/05 actual	98.8%

The Authority is likely to be above average for this indicator.

- **No. of claimants visited per '000 caseload**

2005/06 actual	251
2005/06 target	204
2004/05 actual	234

Performance and target have improved for this performance indicator.

- **No. of fraud staff per '000 caseload**

2005/06 actual	0.29
2005/06 target	0.20
2004/05 actual	0.21

Performance has improved and targets met. However, this indicator is likely to be below average nationally due to the relatively low level of resources within this service.

- **No. of fraud investigations per '000 caseload**

2005/06 actual	31.80
2005/06 target	28.00
2004/05 actual	20.10

Performance has improved and targets exceeded.

- **No. of sanctions per '000 caseload**

2005/06 actual	3.5
2005/05 target	0.8
2004/05 actual	0.5

Performance has improved and targets met. It shows that the Authority takes benefit fraud more seriously.

## corporate indicators

- **No of sick days per Employee**

2005/06 actual	8.3 days
2005/06 target	9 days
2004/05 actual	10 days

This shows an improvement on 2004/05 and the target has also been met. The main causes of sickness continue to be stress related and back/neck problems. Long term sickness also represents the majority of all sickness within the Authority. This is a key indicator of the corporate health of the Authority. Overall, the Authority is likely to be average nationally for this indicator.

- **Undisputed invoices paid within 30 days**

2005/06 actual	97.9%
2005/06 target	100%
2004/05 actual	96.9%

The target of 100% is set by the Government. A slight improvement has been made in this indicator. The Authority is likely to be top quartile for this indicator.

- **Commission for Racial Equality Standard**

2005/06 actual	yes
2005/06 target	yes
2004/05 actual	no

No improvement has been made in this indicator.

- **Electronically enabled transactions**

2005/06 actual	100%
2005/06 target	71%
2004/05 actual	87%

This shows a big increase in performance due to the work of staff in all departments, especially the Authority's Webmaster.

- **Top 5% of posts filled by women**

2005/06 actual	21%
2005/06 target	12%
2004/05 actual	14.3%

Performance has worsened as a result of staff turnover. The Authority is likely to be below average nationally.

- **Top 5% of earners from Black Minority Ethnic community**

2005/06 actual	0%
2005/06 target	4%
2004/05 actual	0%

The Authority has no senior BME staff. The Authority is likely to be in the bottom quartile nationally.

- **% of employees retiring early, excluding ill health**

2005/06 actual	0.35%
2005/06 target	1.0%
2004/05 actual	1.1

Performance has improved and target has been met in this indicator. However the Authority is likely to remain below average nationally.

- **% of employees retiring early, from ill health**

2005/06 actual	0.35%
2005/06 target	0.6%
2004/05 actual	0%

Two ill health retirements occurred in 2005/06. This means that performance declined.

- **% of employees meeting Disability Discrimination Act definition**

2005/06 actual	3%
2005/06 target	2.4%
2004/05 actual	2.8%

This indicator has improved slightly as a result of more staff being employed by the Authority. There is still some way to go before this indicator moves into the top quartile.

- **% of employees from Black Minority Ethnic population**

2005/06 actual	0.35%
2005/06 target	1.00%
2004/05 actual	0.35%

This indicator has remained constant and is likely to be in the bottom quartile nationally.

### **action plans**

5. The following paragraphs show progress on the Departmental Action Plans.

### Accountancy Action Plan 2005/06

No.	Objective	Action	Responsible Officer	Progress to date
1	Issue Budgetary Control Reports to Committee and CMT as per protocol agreed April 2003	Quarterly budget report to each policy committee by department plus quarterly report to CMT by service.	Alan Cooper	Achieved
2	Develop new budget virement scheme to monitor budget transfers	Review financial regulations and provide training to budget holders	Stuart Reid	Achieved
3	Completion and reporting of Final Accounts by end of July 2005	Close down on high level estimates	Alan Cooper	Achieved
4	Conduct benchmarking exercise for accountancy and exchequer services	Complete questionnaire and analyse results with other authorities	Alan Cooper	Ongoing (report to be produced)
5	Develop Agresso functionality	Integrate system with cash receipting	Julie Oram	Ongoing
6	To improve auditor scored judgements (CPA process)	To be agreed with external auditors	Stuart Reid/ Gary Ridley	Ongoing
7	Electronic notification of remittances to suppliers	Assess cost from Agresso	Ed Thompson	Achieved
8	Electronic distribution of orders to suppliers/ electronic receipt of invoices	Investigate Agresso functionality and consult with suppliers	John Elliott	Achieved
9	Introduce automated telephone payments	Assess cost and process requirements	Stuart Reid	Achieved during May 2006
10	Increase financial management awareness of members	Conduct training and provide written guidance	Stuart Reid/ Gary Ridley	Not achieved

## Revenues and Benefits Action Plan 2005/06

No.	Objective	Action	Responsible Officer	Progress to date
1	To meet 80% of Performance Standards Enablers by June 2006	Monthly reviews of performance	Ann Baker/ Stuart Reid	Achieved
2	To increase take up of HB and CTB of those eligible in the District	To participate in County Durham Partnership against Poverty and work with other agencies	Gillian Osgerby	Achieved
3	To implement Document Image Processing and Workflow technology	To procure software and re-engineer processes	Ann Baker/ Tracey Robinson	Ongoing. To be completed by July 2006
4	To increase the number of prosecutions and administrative penalties levied for benefit fraud	Further improve Interview under Caution skills and participate in national data matching exercises	Sandra Fitzsimmons	Achieved
5	To improve mobile working for visiting officers	To examine capture of data and evidence and process claim	Gillian Osgerby	Not achieved
6	To attain above average performance in all benefit PI's	Monthly reviews of performance/staff training/process re-engineering	Tracey Robinson / Sandra Fitzsimmons	Not achieved in relation to fraud
7	To streamline direct debit processing	Introduction of AUDDIS, ADDACS and Bacstel – IP	Muriel Finlay	Achieved
8	To improve recovery process for council tax and NNDR collection	To review processes and compare with best practice	Julie Dowson	Achieved
9	To improve recovery process for overpaid housing benefit	To review processes and compare with best practice	Maureen Clayton	Achieved

## I.T. Action Plan 2005/06

No.	Objective	Action	Responsible Officer	Progress to date
1	Further develop CRM system	Rollout CRM to agreed timetable	Gary Ridley	Ongoing
2	Further develop IT security/disaster recovery	As outlined in external audit reports	Paul Woods	Ongoing

### Internal Audit Action Plan 2005/06

No.	Objective	Action	Responsible Officer	Progress to date
1	Key Controls of all major systems audited	Scheduled within annual audit plan	John Redfearn	Achieved
2	Review Anti-Fraud & Corruption Strategy	Review and brief relevant officers	John Redfearn	Achieved
3	Completion of 90% of audit plan	Quarterly monitoring, rescheduling of activities where necessary, minimise report turnarounds	Stuart Reid/ John Redfearn	89% achieved
4	Review whistle blowing policy	Review and brief relevant officers	John Redfearn	Ongoing
5	Compliance with Code of Practice	Check continued compliance	Stuart Reid/ John Redfearn	Ongoing
6	Improve Computer Audit	Further external training plus feedback from IT auditees	John Redfearn	Computer Auditor to be appointed
7	Widen audit plan remit	Incorporate corporate risks identified in corporate risk registers	John Redfearn	Ongoing

### Human Resources/Training Action Plan 2005/06

No.	Objective	Action	Responsible Officer	Progress to date
1	Achieve IIP	Co-ordinate the corporate move to attain the Investors in People Standard	Angela Foster	Ongoing
2	Improve sickness absence within the Authority	Raise staff and manager awareness and set departmental targets	Angela Foster	Achieved

6. The above shows that progress has been made across all service areas within the Department which is in line with actions agreed within the Service Plan.

conclusions

- Departmental Indicators

The above show that the majority of indicators are improving. This is due to the efforts of staff. It is important to note, however, that all efforts continue to be made to continuously improve performance.

- Corporate Indicators

The above shows that the sickness performance indicator, which is a key indicator, has improved. In general, however, those indicators that relate to diversity need to improve. This is becoming an increasingly important area and is included within the Council Plan as a key action.

- Action Plans

The above shows steady progress in achievement of the action plans and represents continuous improvement within the Department.

**RECOMMENDED** that Members note the report.

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**Officer responsible for the report**  
Gary Ridley  
Director of Resource Management  
Ext 227

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**Author of the report**  
Gary Ridley  
Director of Resource Management  
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WEAR  
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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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### Report of the Director of Resource Management **RISK REGISTER UPDATE**

#### **purpose of the report**

1. To inform Members of the progress in managing the risks of the Resource Management Department.

#### **background**

2. Members will recall that the Service Plan for the Department includes an analysis of the main risks facing the department. This report seeks to give assurance to Members of the management of those risks.
3. A key line of enquiry within the Use of Resources assessment relates to the extent to which risks are managed and Members are kept informed of said management. The table below shows the risks as agreed within the Service Plan and progress in managing them. This report will be presented to Members at every other committee cycle to demonstrate ongoing improvement in the area of risk management.

#### **risk analysis**

The following table shows the main departmental risks to be managed.

Financial – S Reid	Response	Actions	Progress
1 <b>Asset Management and Capital Investment</b>  Failure to effectively manage/main tain assets leading to reduced efficiency and increased costs	Develop Asset Management Plan and Capital Strategy	Action Plan established	Strategy at draft stage. Draft strategy complies with Key Lines of Enquiry requirements required as part of Use of Resources assessment



Financial – S Reid	Response	Actions	Progress
<p><b>2 Budgetary Control and Financial Management</b></p> <p>Lack of effective budgetary control leading to poor allocation and control of resources</p>	Develop a financial control framework and effective budget process	Report agreed at Management Team. New financial management system (Agresso) introduced	Regular budget monitoring reports now produced for budget holders, Corporate Management Team and Members
<p><b>3 Treasury Management</b></p> <p>Risk of losing investment leading to monetary loss and loss of reputation</p>	Adopt CIPFA treasury management practices	Agreed at committee	Annual reports to Members of treasury management strategy and previous years actual activity

Revenues and Benefits – A Baker	Response	Actions	Progress
<p><b>1 Staff Security</b></p> <p>Possibility of staff assault/accident whilst working alone</p>	Review lone worker policy	Done by Health and Safety Officer	Responsibility of Health and Safety Officer

Revenues and Benefits – A Baker	Response	Actions	Progress
<p>2 <b>Benefit Payment</b></p> <p>Failure to process benefit on time</p>	Additional resources received via budget process	Improved performance management arrangements put in place	Performance now in top quartile
<p>3 <b>Collection Rates</b></p> <p>Failure to collect NNDR and Council Tax leading to financial loss</p>	Effective recovery procedures necessary/staff training		Performance now in top quartile. Debt management framework in place

Administration – A Foster	Response	Actions	Progress
<p>1 <b>Sickness/Absence Monitoring</b></p> <p>Failure to manage sickness leading to impact on service delivery and reduced efficiency</p>	Review of relevant policies and procedures	Improvement plan produced	Sickness figure reduced in 2005/06 to 8.3 days per employee

I.T. – A Maxwell	Response	Actions	Progress
<p><b>1 Physical Damage to Computer Room Equipment</b></p> <p>Flood, fire, sabotage etc. resulting in loss of service</p>	<ul style="list-style-type: none"> <li>• Reduce effect of disaster</li> <li>• Control access to computer room</li> <li>• Disaster Recovery Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Fire detection system with Inert gas extinguisher system</li> <li>• Access control devices on computer room doors</li> <li>• Devise and test a plan which provides alternative hardware solutions</li> <li>• Off-site storage of backup tapes</li> </ul>	<p>Disaster Recovery arrangements with Sedgefield being put in place</p>
<p><b>2 Security</b></p> <p>Corruption of data and/or programs via malicious or accidental means</p>	<ul style="list-style-type: none"> <li>• Security Policy</li> <li>• Security Handbook for Users</li> </ul>	<ul style="list-style-type: none"> <li>• Access to the network(s) is controlled by passwords which are required to be changed regularly (by the user)</li> <li>• Access to system functions is controlled by passwords set up by system administrators</li> <li>• IT Section are informed immediately when staff leave Council employment – user ids and passwords deleted</li> </ul>	<p>Revised security arrangements in place.</p> <p>Security training given to staff during 2005.</p> <p>Draft internet and e-mail access policies in place</p>

I.T. – A Maxwell	Response	Actions	Progress
<p><b>3 Systems Implementation Failure</b></p> <p>Systems not installed on time/budget and/or not producing required functionality</p>	<ul style="list-style-type: none"> <li>• Requirements</li> <li>• Specification</li> <li>• Project Planning</li> <li>• Acceptance Testing</li> <li>• Post Implementation review(s)</li> </ul>		<p>Project management methodology being piloted for Document Image Processing project. Lessons learnt report to be produced</p>

Work is on-going to manage the risks identified above.

**conclusion**

4. From the above table it can be seen that progress is being made on managing the main risks facing the department.

**RECOMMENDED** that Members note the report.

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<p><b>Officer responsible for the report</b>  Gary Ridley  Director of Resource Management  Ext 227</p>	<p><b>Author of the report</b>  Gary Ridley  Director of Resource Management  Ext 227</p>
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**CENTRAL RESOURCES COMMITTEE**

7 JUNE 2006

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Report of the Director of Resource Management  
**USE OF RESOURCES – PARTNERSHIP PERFORMANCE**

**purpose of report**

1. To inform Members of the financial performance of partnerships of the Resource Management Department.

**background**

2. Within the Use of Resources assessment, Key Line of Enquiry No. 2.2.12 requires that “the financial performance of partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon”.
3. Annex A to this report outlines the financial performance of the partnerships within the Resource Management department as required by the Key Line of Enquiry. The actions will be shared with partners.

**human resources implications**

4. The requirement to review the financial performance of its partnerships annually will place further burdens on the Authority in relation to officer time.

**conclusions**

5. The annex shows that progress is being made across the partnerships within the department. However these need to be kept under continuous review to ensure that delivery of its aims and objectives are achieved.

**RECOMMENDED** that Members endorse the report.

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**Officer responsible for the report**

Gary Ridley  
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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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### Report of the Director of Resource Management **VFM STRATEGY**

#### **purpose of report**

1. To seek Member approval for a Value for Money strategy for the Authority.

#### **background**

2. As part of the CPA, Members will be aware that the Council is required to produce a Value for Money strategy as part of the Use of Resources assessment. The strategy at Annex B has been constructed based around the Value for Money Key Lines of Enquiry. It sets out the value for money objectives of the Council as well as highlighting issues in relation to partnership working and community engagement. It also contains an action plan, the achievement of which will require input from all departments. This action plan will be monitored over time by both Members and Management Team.

#### **human resources implications**

3. The main human resources implications relate to:
  - Training staff in VFM, procurement and project management. Resource exists to train staff in project management. The corporate training budget may be used to train staff in VFM and procurement.
  - The need to change job descriptions to reflect VFM roles and responsibilities. This should start with Assistant Director/Heads of Service posts.
  - Recruit the vacant VFM officer. This post is graded PO 1- 4 and was agreed as part of the 2006/07 budget process.

#### **i.t. implications**

4. The main implications relate to:
  - Improved use of I.T. based around the Priority Service Outcome/e-government agenda.
  - Consultation software/systems (SNAP) which will improve the co-ordination of consultation across services.

## **financial implications**

5. The main financial implication relates to the need to identify efficiencies across those services deemed not to provide VFM. Such efficiencies will need to be factored into the Medium Term Financial Strategy.

## **conclusion**

6. The development of the Value for Money strategy affords the Council an excellent opportunity to focus its attention on those services where there is a mismatch between cost, quality and customer satisfaction. These three criteria are the generally accepted measures which combine to form value for money. Further reports will be given to Members on this area within the coming months in line with the action plan contained within the strategy.

**RECOMMENDED** that members consider the report and strategy.

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**Officer responsible for the report**

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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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Report of the Director of Resource Management

### **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2006/07**

#### **purpose of the report**

1. To advise Members and to seek their agreement on the above for the 2006/07 financial year.

#### **background**

2. The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
3. The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

#### **2006/07 strategy**

4. The suggested strategy for 2006/07 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covers:
  - treasury limits in force which will limit the treasury risk and activities of the Council;
  - Prudential Indicators
  - the current treasury position;
  - the borrowing requirement
  - prospects for interest rates;
  - the borrowing strategy;
  - debt rescheduling;
  - the investment strategy;



## treasury limits for 2006/07 to 2008/09

5. It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”.
6. The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is ‘acceptable’.
7. Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The affordable borrowing limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

## prudential indicators for 2006/07 – 2008/09

8. The following prudential indicators (in the table below) are relevant for the purposes of setting an integrated treasury management strategy.
9. The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted in 1996 by the full Council. The following are the Council’s indicators as required under the CIPFA Code relating to Prudential Borrowing.

### (i) Estimated Capital Finance Costs as % of Net Revenue Stream

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>%</b>	<b>%</b>	<b>%</b>
General Fund	2.8	3.0	2.0
Housing Revenue Account	15.5	15.7	15.9

### (ii) Estimated Incremental Impact of Capital Investment

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Rent	48.26	48.26	48.26
Council Tax	197.07	197.07	197.07

### (iii) Estimated Capital Expenditure

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund	2.53	2.23	1.63
Housing Revenue Account	4.30	4.12	3.21

(iv)	Estimated Capital Financing Requirement			
		<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	General Fund	13.65	13.15	12.65
	Housing Revenue Account	30.30	31.00	31.70
(v)	Authorised Limit			
		<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	Overall	56	58	60
(vi)	Operational Boundary			
		<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	Overall	54	56	58
(vii)	Maturing Structure of Borrowing	<b>% (Upper)</b>	<b>% (Lower)</b>	
	Under 12 months	25	0	
	12 months within 24 months	25	0	
	24 months within 5 years	40	0	
	5 years within 10 years	40	0	
	10 years and above	65	0	

### **current treasury position**

10. The Council's treasury portfolio position at 31 March 2006 comprised:

		<b>Principal</b>	<b>Ave. rate</b>
		£m	%
Fixed rate funding – maturity	PWLB	25,260,000	
	Market	<u>6,500,000</u>	31,760,000 4.86
Fixed rate funding – Annuity	PWLB	7,290,691	
	Market	<u>-</u>	7,290,691 10.14
Other long term liabilities		-	
<b>TOTAL DEBT</b>		<u><b>39,050,691</b></u>	<b>7.5</b>
<b>TOTAL INVESTMENTS</b>		<b>23,500,000</b>	<b>4.54</b>

### prospects for interest rates

11. The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view of interest rate projections.

#### Sector View: Interest rate forecast

	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E5 2006	Q/E6 2007	Q/E7 2007	Q/E8 2007
<b>Base Rate</b>	4.50%	4.25%	4.25%	4.00%	4.25%	4.50%	4.75%	4.75%
<b>5 yr Gilt Yield</b>	4.00%	4.00%	4.00%	4.25%	4.50%	4.75%	4.75%	4.75%
<b>10 yr PWLB Rate</b>	4.25%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%
<b>25 yr PWLB Rate</b>	4.25%	4.25%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%
<b>50 yr PWLB Rate</b>	4.00%	4.00%	4.00%	4.25%	4.25%	4.50%	4.50%	4.50%

### economic background

12. The following points outline the current UK and international factors which may impact upon interest rates.

#### uk

- Energy (oil and gas) prices still high
- House prices and activity starting to pick up
- Consumer spending expected to increase

- Against this, unemployment is increasing and now averages 5.2%
- Inflation to exceed 2% target before falling to below 2% in next 2 years.

### **international**

- Stronger consumer spending
- Unemployment rate of 4.7%
- Non-farming payroll increasing by 193,000 in January 2006.

### **interest rate forecast**

- The base rate is expected to rise slightly over 2006 and 2007 due to concerns regarding inflation.

### **borrowing strategy**

12. The anticipation is that there is not likely to be much difference between short-term variable PWLB rates and medium and long-term PWLB fixed rate borrowing during 2006/07.
13. Long-term rates are not currently expected to move significantly in 2006/07 but may drift to the downside.
14. These interest rate expectations provide a variety of options:
  - that short-term variable rates will be good value compared to long-term rates, and are likely to remain so for potentially at least the next couple of years. Best value will therefore be achieved by borrowing short term at variable rates in order to minimise borrowing costs in the short term or to make short-term savings in order to meet budgetary constraints. If fixed PWLB rates should fall significantly, the Council will need to consider fixed rate borrowing as opposed to variable rate borrowing.
  - that the risks intrinsic in the shorter term variable rates are such, when compared to historically relatively low long term fixed funding, which may be achievable in 2006/07, that the Council will maintain a stable, longer term portfolio by drawing longer term fixed rate funding at a marginally higher rate than short term rates.
15. Against this background caution will be adopted with the 2006/07 treasury operations. The Director of Resource Management will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the Council at the next available opportunity.

### **sensitivity of the forecast**

16. The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually

monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*
- *if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates remaining low or weakening, then long term borrowings will be postponed, and any rescheduling from fixed rate funding into variable or short rate funding will be exercised.*

## **debt rescheduling**

17. Opportunities may exist for restructuring long term debt into short term variable rate debt to produce savings later in the year, particularly if the base rate alters. If variable rate borrowing rates fall significantly during 2006/07, it will be best to avoid restructuring into fixed borrowing for short periods (e.g. one year). Long term fixed rates are not expected to rise back above 4.75% during 2007. Consequently long term debt rates at or above this level would warrant reviewing the potential for undertaking debt restructuring. Any positions taken via rescheduling will be in accordance with the strategy position outlined above.
18. The reasons for any rescheduling to take place will include:
  - the generation of cash savings at minimum risk;
  - in order to help fulfil the strategy outlined above; and
  - In order to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).
19. All rescheduling will be reported to the Council, at the meeting following its action.

## **annual investment strategy**

### **investment policy**

20. The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:-
  - (a) the security of capital and
  - (b) the liquidity of its investments.
21. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
22. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
23. Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

### **specified investments**

24. All such investments will be sterling denominated, with maturities up to maximum of 18 months, meeting the minimum 'high' rating criteria where applicable.

## Maximum Loan per Organisation

(i)	UK Clearing Banks & their Wholly Owned Subsidiaries (except Co-op Bank which is £2.5m)	£2M
(ii)	Banks and Building Societies - Top 10 UK and the Republic of Ireland, rated either F1 or P1 as per Fitch and Moody's ratings	£2M
(iii)	Local Authorities	£2M

The criteria which the Council uses is to put the emphasis on the safety of the investment.

25. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

### **investment strategy**

26. In-house funds: The Council's in-house managed funds are mainly cash flow derived and investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 18 months).
27. Interest Rate Outlook: Sector's is forecasting base rates to remain around 4.5% before increasing to 4.75% during 2007. The Council will therefore seek to lock in longer period investments at higher rates for some element of its investment portfolio which represents its core balances.
28. For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (3-18 months) in order to benefit from the compounding of interest.

### **end of year investment report**

29. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **legal implications**

30. The Authority's treasury management activities are carried out in accordance with statutory provisions as outlined in the report.

### **financial implications**

31. The 2006/07 budget includes sums for external interest payments and investment income. Should these budgets be exceeded, this will be reported to Members as part of the budget monitoring process.

### **human resources implications**

32. Senior officers within the Department are responsible for the execution of the Treasury Management policy, as outlined in the Authority's treasury management practice statements.

**RECOMMENDED** that Members note the report and agree the Treasury Management Strategy Statement and Annual Investment Strategy for 2006/07.

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**Officer responsible for the report**

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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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### Report of the Director of Resource Management **SERVICE COMPLAINTS 2005/06**

#### **purpose of the report**

1. To assure Members of the operation of the complaints system in relation to the Resource Management department.

#### **background**

2. Members will be aware of the corporate complaints policy and its importance as a tool for driving service improvement, identifying service deficiencies and improving customer care.
3. This report sets out the complaints received during 2005/06 and the extent to which they were dealt with in accordance with the corporately agreed procedure.
4. An overview of the complaints procedure is set out below:

#### **Stage 1**

- (a) Line Manager to investigate
- (b) Acknowledgement letter sent within 2 days, if requested
- (c) Response within 10 working days

#### **Stage 2**

- (a) Senior Manager to investigate
- (b) Acknowledgement letter sent within 2 working days
- (c) Investigate and reply given within 10 working days

#### **Stage 3**

Chief Executive to investigate

- (a) Acknowledgement letter sent within 2 working days
- (b) Investigate and reply given within 25 working days

#### **Stage 4**

- (a) Refer to Local Government Ombudsman

5. The table below sets out all complaints received in 2005/06.

<b>Service</b>	<b>Nature of Complaint</b>	<b>Days to Respond</b>	<b>Comment</b>
Council Tax	Services covered by Council Tax on an under-developed estate following planning permission	6	Resolved
Electoral	Unable to obtain postal vote owing to footnote on poll card regarding the deadline for applications for postal votes being ambiguous	13	Resolved
Benefit	Loss of paperwork on benefit claim	10	Resolved
Benefit	Failure to process benefit claim in an acceptable time	10	Resolved
Right to Buy	Incorrect information regarding purchase of bungalow	5	Complainant unhappy with response and appealed (Stage 2). This appeal was resolved within 10 days
Council Tax Recovery	Documentation	1	Resolved
Legal Section	Boundary fence	10	Resolved
Resource Management	Defamation of character	8	Resolved
Council Tax Recovery	Deductions	1	Resolved
Council Tax Recovery	Summons for non payment of Council Tax	10	Resolved
Council Tax Recovery	Incorrect address	1	Resolved
Resource Management	Article in 'Wear Valley Matters'	9	Resolved

6. From the above table, it can be seen that out of the 12 complaints received by the department, 11 were dealt with within prescribed timescales.

**conclusion**

7. From the above paragraphs it can be seen that the department is dealing with complaints in accordance with the agreed procedure. Furthermore, the department, receives relatively few complaints given the scale of services delivered.

**RECOMMENDED** that Members note the report.

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**Officer responsible for the report**

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**WEAR  
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## CENTRAL RESOURCES COMMITTEE

7 JUNE 2006

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Report of the Principal Personnel Officer

### **EQUAL OPPORTUNITIES MONITORING, RECRUITMENT AND SELECTION – 1 APRIL 2005 – 31 MARCH 2006**

#### **purpose of this report**

1. To inform Members of statistics relating to the recruitment carried out by the Authority during the twelve months from 1st April 2005 until 31st March 2006.

#### **background**

2. 40 posts were advertised and a total of 427 applications were received, of which 202 were shortlisted for interview (Annex C shows statistics relating to the recruitment).

#### **ethnic origin**

3. Within the Wear Valley area 0.8% of the population is from Ethnic minorities. No-one was recruited from members of the Ethnic minorities with 2.34% of total applicants being from these groups. The percentage of employees who are from the Ethnic minorities within the Council is 0.33% which is only 26% of the community we serve.

#### **gender**

4. 46.5% of those recruited were female. 56.5% of all staff are female. Annex D shows the breakdown of N.J.C. staff into gender and grades along with a breakdown of staff from black and ethnic minority groups and staff with disabilities.

#### **disability**

5. There were 7 applicants who declared a disability, 6 of which were shortlisted for interview, however none of these were appointed.

#### **general**

6. As part of the application pack each applicant is asked to complete a Customer Recruitment Survey and the feedback received is used when reviewing the application form. This would assist in highlighting any difficulties particular groups may have with the application process. The application form was also reviewed by the Authority's Disability Discrimination Officer during 2004 to check the use of language, colour, layout and font.

7. In addition the Durham district councils working in partnership, place a full-page advertisement in the annual publication 'Ethnic Britain' in an attempt to encourage people from ethnic backgrounds to apply for the posts we advertise on our websites. Application packs for all posts in this Authority are now available from the website.
8. We have also included positive statements on advertisements encouraging applicants from under represented groups e.g. women and ethnic minorities. We also display the double tick symbol on all of our advertisements to encourage applications.
9. The Job Centre also receives details of all vacancies and the computerised system they now use gives national circulation with applicants able to view the jobs online.

### **conclusion**

10. Overall, I am satisfied that the recruitment process is working in a fair and equitable way, and the figures demonstrate that no one group received either favourable or unfavourable treatment. The Authority can be satisfied that, as far as is possible, the process of recruitment is being carried out within the Council's declared policy of Equal Opportunities.

**RECOMMENDED** that Members approve the above report and the Annexes.

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**Officer responsible for the report**

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**Author of the report**

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Principal Personnel Officer  
Ext 339

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**PARTNERSHIP REVIEW****PARTNERSHIP NAME:**Joint I.T. Management with Sedgefield**PARTNERSHIP'S AIMS AND OBJECTIVES:**To share knowledge, experience and management of I.T. between Sedgefield and Wear Valley

<b>INPUTS</b>	<b>OUTPUTS</b>	<b>OUTCOMES</b>	<b>ACTION POINTS</b>	<b>COMMENTS</b>
Staff time £25,000 revenue cost	Management of I.T. Section based on 2 days per week	Improved management of I.T. Section.  Improved joint working with Sedgefield (this has led to a joint disaster recovery project).  Increased knowledge/expertise based on sharing of staff resource as appropriate.	Formal review to be undertaken in September 2006.	

## PARTNERSHIP REVIEW

PARTNERSHIP NAME:

County Durham Partnership Against Poverty

PARTNERSHIP'S AIMS AND OBJECTIVES:

To increase benefit take-up within County Durham

INPUTS	OUTPUTS	OUTCOMES	ACTION POINTS	COMMENTS
1. Staff time	1. Quarterly meetings at County level 2. Quarterly local meetings 3. Attendance at launches of campaigns 4. Attendance at individual events	1. Increased benefit take-up improves well being and economy objectives of the council. 2. Improved joint working in the area of benefit take up 3. Improved awareness of other voluntary organisations 4. Improved the disposal income of the residents in Wear Valley area (by approximately £100,000 in 2005/06) 5. Implementation of the Surestart video conferencing link 6. Main risk is lack of progress leading to a failure to increase benefit take up.	1. Further campaign work to be undertaken 2. Go live with and encourage the use of the Surestart video conferencing link 3. Continued attendance at joint meetings.	

## PARTNERSHIP REVIEW

PARTNERSHIP NAME:

County Durham e-government partnership

PARTNERSHIP'S AIMS AND OBJECTIVES:

To deliver e-government across County Durham regardless of geographical boundaries and means of access

INPUTS	OUTPUTS	OUTCOMES	ACTION POINTS	COMMENTS
<ol style="list-style-type: none"> <li>1. Officer time – 10 hours per month</li> <li>2. £15,000 per annum revenue</li> <li>3. Member time for attendance at joint Committee</li> <li>4. 2005/06 capital contribution of £140,000 funded from IEG</li> </ol>	<ol style="list-style-type: none"> <li>1. Programme office established</li> <li>2. Joint Committee meets monthly and constitution in place</li> <li>3. Business analysts appointed</li> <li>4. CRM implemented</li> <li>5. External funding obtained</li> </ol>	<ol style="list-style-type: none"> <li>1. This partnership improves access to services which contributes to the themes of citizen centred, community centred and management excellence.</li> <li>2. Improved joint working in the area of e-government</li> <li>3. Economies of scale achieved with CRM</li> <li>4. Levels of knowledge re: e-government raised</li> <li>5. Commonality of services to be developed.</li> <li>6. The main risk relates to sustainability of the partnership.</li> </ol>	<ol style="list-style-type: none"> <li>1. Further work needed to re-engineer services/process to eliminate unnecessary tasks and will commence with environmental services</li> </ol>	<p>In relation to sustainability, funding has been agreed of the e-government programme office and revenue budgets for 2006/07 and 2007/08. This will be further reviewed during 2006/07.</p>



## PARTNERSHIP REVIEW

PARTNERSHIP NAME:

HR partnership with Derwentside

PARTNERSHIP'S AIMS AND OBJECTIVES:

To provide strategic HR support to the council

<b>INPUTS</b>	<b>OUTPUTS</b>	<b>OUTCOMES</b>	<b>ACTION POINTS</b>	<b>COMMENTS</b>
<ol style="list-style-type: none"><li>1. Staff time</li><li>2. £5,000 per annum revenue to buy advice/support from Derwentside</li></ol>	<ol style="list-style-type: none"><li>1. Commonality of policies/procedures established</li><li>2. Strategic advice received on a range of issues</li><li>3. Increase in knowledge transfer</li></ol>	<ol style="list-style-type: none"><li>1. This partnership contributes to improved management excellence</li><li>2. Improved quality of HR function</li></ol>	<ol style="list-style-type: none"><li>1. Need to review partnership in light of corporate restructure</li></ol>	

WEAR VALLEY DISTRICT COUNCILVALUE FOR MONEY STRATEGY**1. INTRODUCTION**

1.1 The Authority is committed to achieving VFM and its achievement is viewed as a key part of the modernisation agenda. The Authority recognises that it will not achieve its vision and corporate objectives without a VFM strategy, which challenges existing cultures, processes, policies and beliefs.

1.2 Value for money has long been defined as the relationship between economy, efficiency and effectiveness, sometimes known as the 'value chain'. The 3 'Es' are:

- Economy - is the price paid for what goes into providing a service – for example, the cost per hour of staff; the rent per square metre of accommodation.
- Efficiency - is a measure of productivity – how much you get out in relation to what is put in. For example, the number of planning applications per staff member per week; metres of open space maintained per £1,000 spent.
- Effectiveness – is a measure of the impact achieved and can be quantitative or qualitative. For example, how many people received their benefit on time (quantitative); satisfaction levels among different sections of the community with tenant participation arrangements (qualitative). Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity.

1.3 Value for money is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcomes. The Improvement and Development Agency in its procurement guidance has defined best value for money as the 'optimum combination of whole life costs and benefits to meet the customer's requirement'.

**2. PRINCIPLES OF VFM**

2.1 The Authority has established a guiding set of principles for achieving VFM. These principles are set out below:

- (i) Openness and transparency. We will follow open and agreed procedures and decision making processes which seek to support good governance.
- (ii) Best practice. We will introduce best practice as appropriate as a means of securing VFM.

- (iii) Community perspective. We will look at VFM from a community perspective rather than an individual service user view point.
- (iv) Local choice. Relatively high or low areas of expenditure will reflect local policy choices.
- (v) Long term. We will take account of full long term cost issues when considering VFM.

### **3. OBJECTIVES OF VFM STRATEGY**

3.1 The Council seeks to achieve VFM in all of its activities and will attempt to maximise effectiveness and efficiency at the lowest possible cost. To do this needs explicit objectives. Therefore, the objectives of the Authority's VFM strategy are:

- (i) To ensure that service costs compare well with others.
- (ii) To ensure that costs are commensurate with quality and customer/citizen satisfaction.
- (iii) To ensure that costs reflect policy decisions.
- (iv) To ensure that VFM is monitored and reviewed on an ongoing basis
- (v) To ensure that VFM improves over time and promote a culture of continuous improvement.
- (vi) To ensure that procurement and other spending decisions take account of full long term costs.
- (vii) To ensure that all staff recognise their contribution to achieving value for money.

### **4. LINKS TO OTHER PLANS**

The following plans support, and are supported by, this strategy. Linkages between this strategy and other key plans are set out below:

#### **4.1 Annual Efficiency Statement**

The AES (forward look) will outline efficiencies to be made which will be consistent with the services identified as not providing VFM as a result of this strategy.

The AES (backward look) will act as a quality assurance mechanism to ensure that efficiencies are achieved without quality being compromised.

#### **4.2 Medium Term Financial Strategy**

The MTFS will provide high level information as to overall efficiency targets (e.g. 2.5% of expenditure) as well as identifying the quantum of cash backed efficiencies to be invested in front line services.

#### 4.3 Capital Strategy and Asset Management Plan

The Capital Strategy outlines options appraisal as a means of securing VFM. The Council will also adopt best practice principles in relation to construction for its general fund capital programme where appropriate.

#### 4.4 Procurement Strategy

The procurement strategy identifies all contracts operating within the Authority. This acts as a control mechanism to ensure that contracts are tendered in a timely manner to ensure VFM is obtained. It also enables the aggregation of spend with partner organisations as a means of securing VFM by increasing countervailing power and increasing the potential for joint/collaborative service delivery.

#### 4.5 Service Plans

Explicit targets for improving VFM are included within Departmental Service Plans for all services e.g. reduction in sickness absence.

#### 4.6 Performance Management Framework

As part of the Performance Management Framework, key performance indicators (BVPI/local) are developed covering a three year period to demonstrate continued improvement in efficiency and quality.

Areas identified as high cost/low performance are reviewed with the assistance of Performance Improvement Teams (PITs).

#### 4.7 Council Plan

The Council Plan sets out key priorities. One such priority is to improve financial management and Use of Resources of which the VFM strategy is an integral part.

#### 4.8 Human Resource Strategy

The HR strategy links to the VFM strategy in the following ways:

- Increases capability through focussed training programmes.
- Develops capacity through the improvement of productive time e.g. reduction in sickness absence and identification of new ways of working.

## **5. PARTNERSHIPS**

- 5.1 The Council will seek to work in partnership whenever this method of working can demonstrate that it is the most effective and efficient way of delivering objectives that we agree and share with any partnering agencies. The Council recognises that partnerships can contribute to delivering improved value for money and cost effectiveness through the sharing of costs, risks, knowledge, experience and effort.
- 5.2 The Council is involved in many partnerships. All partnerships are stores centrally on the Council's 'Partnership Database'. This database provides all the information required to monitor the impact of our joint working arrangements in terms of resource, outcomes and performance.
- 5.3 The Council has also developed a 'Partnership and Partnering Protocol' which defines the Council's strategy for working in partnership with other agencies to achieve common objectives and sets out the key principles for the establishment, delivery and monitoring of successful partnerships.
- 5.4 Two of the main partnerships in which the Council is involved with are the Local Strategic Partnership (LSP) and the Local Area Agreement (LAA).
- 5.5 The aims of the LSP are focussed on improving the quality of life of our communities by ensuring that services meet the needs of local people, are well co-ordinated, are of the highest standard. The partnership is responsible for managing the Neighbourhood Renewal Funding (NRF), provided by central government and ensuring that this limited resource is used in the most effective way to reduce deprivation in our district.
- 5.6 The County Durham LAA is a collaborative working approach between many stakeholder groups to deliver improved outcomes for local people. Partners believe that it will have a positive impact on local communities, lead to better quality of services and have a major impact on quality of life through the streamlining of funding arrangements and the development of new innovative working arrangements.

## **6. ACCOUNTABILITIES AND RESPONSIBILITIES**

- 6.1 Cultural change cannot be achieved by anyone individual, department or strategy. It can only be achieved through challenging existing beliefs, policies and practices at all levels within the Council. This strategy will seek to deliver value for money through the establishment of an officer group which will comprise of Heads of Service whose responsibilities will include achieving value for money within their departments within the overall framework of this strategy.
- 6.2 The table below sets out the prime responsibilities within the Council.

Council	<ul style="list-style-type: none"> <li>• To satisfy itself that VFM is being sought and achieved</li> <li>• To agree VFM strategy</li> </ul>
Management Team	<ul style="list-style-type: none"> <li>• To put in place adequate arrangements that will ensure VFM is being sought</li> <li>• To determine strategy</li> <li>• To evaluate and provide the resources needed to implement the strategy</li> </ul>
Value for Money Officer	<ul style="list-style-type: none"> <li>• To keep Council and Management Team advised of progress of strategy</li> <li>• To keep strategy under review</li> <li>• To monitor the implementation of the strategy</li> <li>• To ensure that market testing of services is properly conducted within any agreed frequency</li> <li>• To promulgate a VFM culture throughout the Council</li> <li>• Dissemination of learning/best practice with the Councils partners and other stakeholders.</li> </ul>
Heads of Service	<ul style="list-style-type: none"> <li>• To identify and deliver efficiencies in line with VFM strategy</li> </ul>
Managers	<ul style="list-style-type: none"> <li>• To create the systems of internal control that are necessary to support and guide staff</li> </ul>
Officers	<ul style="list-style-type: none"> <li>• To secure VFM in all day to day activities</li> </ul>
Overview/Scrutiny	<ul style="list-style-type: none"> <li>• Ensures VFM processes and procedures are subject to independent review</li> </ul>

## **7. COMMUNITY ENGAGEMENT**

- 7.1 The Council is committed to engaging the local community as a lever for improving service delivery.
- 7.2 The Council has adopted a consultation strategy which provides guidance for undertaking and reporting consultation in a structured manner.
- 7.3 Consultation and feedback is a key part of measuring VFM to ensure that service delivery improves over time.
- 7.4 The Council will use bespoke software to maximise the effectiveness of the consultation undertaken.
- 7.5 The Council will build upon existing consultation processes e.g. SIMALTO and citizen satisfaction surveys to secure continuous improvement.

## 8. VFM ACTION PLAN

8.1 The table below sets out the key actions to be undertaken in order to achieve the Authority's VFM objectives as set out in the strategy.

OBJECTIVES	KEY ACTION	TIMESCALE	RESPONSIBLE OFFICER
To ensure that service costs compare well with others	<ul style="list-style-type: none"> <li>Each committee receive annual report showing comparative costs as part of the budget process</li> </ul>	September (annually)	VFM/Performance Improvement Manager
	<ul style="list-style-type: none"> <li>Report of RA/RO forms and allocation of costs carried out</li> </ul>	August 2006	Head of Finance
	<ul style="list-style-type: none"> <li>Develop benchmarking data for each service area</li> </ul>	July 2006	VFM/Performance Improvement Manager
To ensure that costs are commensurate with quality, outcomes and customer/citizen satisfaction	<ul style="list-style-type: none"> <li>Annual review of overall customer satisfaction carried out (plus BVPI Triennial Surveys)</li> </ul>	August, BVPI Triennial surveys	Policy and Research Manager
	<ul style="list-style-type: none"> <li>Measures of cost quality and customer satisfaction to be developed for each service (based around BVPIs/LPIs where possible)</li> </ul>	August 2006	Directors/VFM/Performance Improvement Manager
To ensure that costs reflect policy decisions	<ul style="list-style-type: none"> <li>Areas of higher spending are in accordance with stated priorities of the Authority as evidenced by committee report, taking into account customer/stakeholder needs</li> </ul>	Reviewed October Annually	Head of Finance
	<ul style="list-style-type: none"> <li>Access to service and VFM issues considered as part of report writing protocol</li> </ul>	June 2006	Head of Committee Services/Policy and Research Manager
	<ul style="list-style-type: none"> <li>Access to services issues</li> </ul>	Sept 2006	VFM/

OBJECTIVES	KEY ACTION	TIMESCALE	RESPONSIBLE OFFICER
	to be considered as part of VFM/service reviews		Performance Improvement Manager
To ensure that VFM is monitored and reviewed on an ongoing basis	<ul style="list-style-type: none"> <li>Each committee receive annual report showing, for each service, measures of cost, quality and customer satisfaction</li> </ul>	Sept 2006	Directors/VFM Officer/ Performance Improvement Manager
	<ul style="list-style-type: none"> <li>Annual review of overall customer satisfaction carried out</li> </ul>	August 2006	Policy and Research Manager
To ensure that VFM improves over time	<ul style="list-style-type: none"> <li>VFM targets set for each service area covering a 3 year period based on spend level and priority level</li> </ul>	Sept 2006	Directors/ Performance Improvement Manager
To ensure that procurement and other spending decisions take account of full long term costs	<ul style="list-style-type: none"> <li>Business case template used for all capital schemes over £100,000</li> </ul>	Sept 2006	Asset Management Group
	<ul style="list-style-type: none"> <li>Application of best practice in construction be introduced into General Fund</li> </ul>	Sept 2006	Asset Management Group
	<ul style="list-style-type: none"> <li>Option appraisal undertaken for capital proposals</li> </ul>	Oct 2006	Asset Management Group
	<ul style="list-style-type: none"> <li>Implementation of partnership protocol to take into account exit strategies</li> </ul>	Sept 2006	Policy and Research Manager
To ensure that all staff recognise their contribution to achieving value for money	<ul style="list-style-type: none"> <li>VFM requirements included in job descriptions/PDPs</li> </ul>	Sept 2006	Head of Revenues and Training Manager
	<ul style="list-style-type: none"> <li>Procurement and VFM, Risk Management project management training to be given to all senior staff during 2006/07</li> </ul>	March 2007	Training Manager/VFM Officer



**9. REVIEW**

This strategy will be reviewed in accordance with the accountabilities outlined above.

Performance will be monitored in accordance with the Performance Management Framework.

EQUAL OPPORTUNITIESSUMMARY FOR 1ST APRIL 2005 - 31ST MARCH 2006POSTS

<b>ADVERTS</b>	<b>% CHANGE</b>	<b>POSITIONS</b>	<b>% CHANGE</b>
40		43	

TOTAL NUMBER OF APPLICANTS RECEIVED/SHORTLISTED/OFFERED POST

<b>APPLICANTS RECEIVED</b>	<b>% CHANGE</b>	<b>APPLICANTS SHORTLISTED</b>	<b>% CHANGE</b>	<b>APPLICANTS OFFERED POST</b>	<b>% CHANGE</b>
427		202		43	

BREAKDOWN OF APPLICANTS RECEIVED/SHORTLISTED/OFFERED POST

<b>ETHNIC ORIGIN</b>	<b>RECEIVED</b>	<b>% CHANGE</b>	<b>SHORTLISTED</b>	<b>% CHANGE</b>	<b>OFFERED POST</b>	<b>% CHANGE</b>
White	417		199		43	
Black African	1					
Black Caribbean						
Black Other	2					
Indian						
Pakistani	2					
Bangladeshi						
Chinese						
Other	5		3			

<b>GENDER</b>	<b>RECEIVED</b>	<b>% CHANGE</b>	<b>SHORTLISTED</b>	<b>% CHANGE</b>	<b>OFFERED POST</b>	<b>% CHANGE</b>
Female	233		105		20	
Male	194		97		23	

<b>MARITAL STATUS</b>	<b>RECEIVED</b>	<b>% CHANGE</b>	<b>SHORTLISTED</b>	<b>% CHANGE</b>	<b>OFFERED POST</b>	<b>% CHANGE</b>
Single	268		122		21	
Married	137		70		20	
Widowed	3		1		0	
Divorced	16		7		2	
Separated	3		2		0	

DISABLED

<b>RECEIVED</b>	<b>% CHANGE</b>	<b>SHORTLISTED</b>	<b>% CHANGE</b>	<b>OFFERED POST</b>	<b>% CHANGE</b>
7		6		0	

TOTAL LEAVERS

<b>TOTAL NO. OF LEAVERS</b>	<b>REASON FOR LEAVING</b>	<b>%</b>
33	Voluntary	72
2	End of temporary contract	4.5
1	Retirement Age (65)	2
0	Redundancy	0
2	Ill Health Retirement	4.5
3	Early Retirement	6
1	Terminated – Unsuitable	2
2	Did not complete probation`	4.5
2	Incapacity	4.5

<b>DISABILITY</b>		<b>BLACK AND ETHNIC MINORITY</b>		<b>TOTAL</b>	
<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
0	0	0	0	26	20

NUMBER OF EMPLOYEES ON N.J.C. SALARY SCALE, ETHNIC MINORITY AND  
WITH DISABILITIES (BY GENDER) AT 31ST MARCH 2006

Scale	Total Numbers					
	Male			Female		
	All	Black & Ethnic Minority	Staff with Disability	All	Black & Ethnic Minority	Staff with Disability
1	26			29		2
2	17			56	1	2
3	18	1		32		0
4	12			43		2
5	12		3	22		2
6	24			22		
Senior Officer SO1	16		1	12		
Senior Officer SO2	21			7		
Principal Officer PO1-17	33		2	17		
Higher Principal Officer HPO 1	0			0		
Higher Principal Officer HPO 2	0			1		
Chief Officer	4			0		
Chief Executive	1					
<b>Total</b>	<b>184</b>		<b>6</b>	<b>241</b>	<b>1</b>	<b>8</b>
% of total which are on grades SO1 and above	40.76			15.35		