

Committee: Council Meeting
Date: 10 February 2004
Agenda Item No: 2
Title: Report of the Independent Remuneration Panel for 2004/5
Author: Martyn Fiddler, Ruth Whitlam and Steven Bennett

1 Introduction

1 The Panel submitted its initial report to the Council on 16 December 2003. All the recommendations were approved but the Panel were asked to consider the issue of Members' travelling rates and report back to the council on 10 February 2004. This slight delay was to allow the Panel to consider the following motion which was put to the 16 December Council:-

“That the maximum car mileage rate for members is capped at 40 pence a mile and thereafter at a rate no greater than the Inland Revenue approved rate. Members would no longer be entitled to the restricted rate, but claims for travel by public transport (second class) would continue to be paid in full.”

2 Travelling Rates

2.1 The Panel have obtained the following information from the Inland Revenue regarding current approved mileage rates (“AMR”):-

	Rate per Mile
Cars & vans (applicable to all engine sizes)	40p (up to 10,000 miles pa)
Each passenger making same business trip	5p
Motorcycles	24p
Pedal cycles	20p

2.2 By keeping mileage rates at the approved level there are potential income tax/national insurance savings for both the Council and Members and also simplification of Tax/NI administration for both parties. The recommended commencement date is 1 February 2004. All travelling rates are subject to inflation adjustment where appropriate.

2.3 Reasonable car parking charges may be claimed but receipts must be provided if at all possible.

2.4 Reimbursement of public transport fares (second class) may be claimed as applicable supported by appropriate receipts.

2.5 The Panel will continue to monitor Inland Revenue AMR.

3 Subsistence

3.1 The Panel's report to the Council meeting on 16 December proposed that the subsistence rates payable to the Council's officers should apply also to Members where appropriate.

3.2 However, the Panel were concerned about the potential restrictions of this suggestion. It is therefore sympathetic to moving over to reimbursement of reasonable actual expenditure supported by receipts when Members are on Council business and the Panel therefore proposes this to be effective from 1 April 2004. These reimbursements will cover breakfast, lunch, tea and evening meal where applicable whilst away from home and where meals have not already been provided free of charge. This new policy will be reviewed next year to see if it has been successfully implemented.

3.3 An allowance of £21 for each complete 24 hours of stay may be claimed for undertaking approved council business where an overnight stay is required. This is to cover any out of pocket expenses for example room service, snacks, newspapers, telephone calls etc.

3.4 Where overnight accommodation is required, hotel accommodation and/or evening meals will be reimbursed subject to the amounts being reasonable and receipts being provided.

Recommendation of Travelling and Subsistence Allowances for 2004/05

1 The following current Inland Revenue approved mileage rates ("AMR") be payable to Members on Council business as from 1 February 2004:

	Rate per mile
Cars & vans (applicable to all engine sizes)	40p (up to 10,000 miles p/a)
Each passenger making same business trip	5p
Motorcycles	24p
Pedal cycles	20p

2 Rates be subject to inflation adjustment where appropriate.

3 Reasonable car parking charges supported by receipts to be reimbursed.

4 Reimbursement of public transport fares (second class) supported by appropriate receipts.

5 Reimbursement of reasonable actual expenditure supported by receipts covering breakfast, lunch, tea and evening meal where appropriate when on Council business as from 1 April 2004.

- 6 Payment of £21 for each complete 24 hours where an overnight stay is required to cover out of pocket expenses.
- 7 Where overnight accommodation is required, reimbursement of the actual costs of hotel accommodation and/or evening meals, subject to the amounts being reasonable and supported by receipts.

**COUNCIL MEETING held at 7.30 pm at COUNCIL OFFICES LONDON
ROAD SAFFRON WALDEN on 16 DECEMBER 2003**

Present:- Councillor M A Hibbs – Chairman.
Councillors E C Abrahams, R Artus, H D Baker, C A Bayley,
P Boland, W F Bowker, C A Cant, R P Chambers,
J F Cheetham, D Corke, R J Copping, A Dean, C M Dean,
C D Down, S Flack, M A Gayler, E J Godwin, D W Gregory,
R T Harris, E W Hicks, B M Hughes, S C Jones, A J Ketteridge,
V J T Lelliott, R M Lemon, J I Loughlin, A Marchant, J E Menell,
J P Murphy, V Pedder, A R Row, M J Savage, G Sell, F E Silver,
E Tealby-Watson, A R Thawley, A M Wattebot and P A Wilcock.

Officers In Attendance:- J B Dickson, B D Perkins, I Orton, M Perry,
M T Purkiss and J Rice.

C53

**REPORT OF THE INDEPENDENT REMUNERATION PANEL ON
MEMBERS ALLOWANCES**

Mr Martyn Fiddler, the Chairman of the Panel, attended the meeting and presented the Panel's report. He outlined the work undertaken by the Panel and said that particular attention had been given to the question of committee workloads; an increase in the Basic, Special Responsibility and Carers Allowances; Travel and Subsistence Allowances and pensions for Councillors. He said that pensions were a complex issue and the Panel wished to seek Members' view in a questionnaire which would be issued in the summer of 2004.

He said that consideration of the level of travel and subsistence allowances payable to Members had been brought within the remit of Independent Remuneration Panels. He said that the Panel considered that the general travelling and subsistence rates payable to the Council's officers should apply also to the elected Members. He would also be recommending that there should not be any restrictions on these allowances to Members on approved Council business and this should be applicable from 1 January 2004.

At this stage, the Chairman thanked Mr Fiddler and the Panel for their report and the Leader concurred with this and suggested that the Remuneration Panel should look at the following part of the Notice of Motion proposed by Councillor S Flack:-

That the maximum car mileage rate for Members is capped at 40 pence a mile and thereafter at a rate no greater than the Inland Revenue approved rate. Members would no longer be entitled to the restricted rate, but claims for travel by public transport (second class) would continue to be paid in full.

Councillor Flack said that she would be happy for the Panel to consider this part of the motion but emphasised that a decision would be needed before the end of February to enable Members to complete tax returns for a whole year.

RESOLVED that

- 1 The Basic And Special Responsibility Allowances for 2004/2005 be increased by 2.4% with effect from May 2004.
- 2 No adjustments to the Carers Allowance be made but this be kept under review.
- 3 No Special Responsibility Allowance be paid for the Staff Appeals Committee.
- 4 The Panel investigate further the applicability of Basic and Special Responsibility Allowances to be treated as pensionable as part of the 2004 review.
- 5 The Panel be asked to consider the issue of Members' travelling rates and report back to the Council meeting on 10 February 2004.

- 6 The Members allowances for 2004/2005 be as follows:-

Basic Allowance	£4,491 (notionally 65 days p.a.)
Chairman of the Council	£4,491 + £3,368 + £2,500 (civic expenses)
Vice Chairman of the Council	£4,491 + £2,245
Leader of the Council	£4,491 + £6,736
Deputy Leader of the Council	£4,491 + £2,245
Chairmen of committees	£4,491 + £3,368
Chairman of Standards Committee	£3,368
Group Leaders	£4,491 + £102 x group membership as at 1 April (subject to a minimum group size of 2 members)
Members of the Development Control Committee	£4,491 + £449
Carers Allowance	£10.00 (maximum hourly rate)

*Travelling and subsistence allowances to be paid to Members on approved Council business without restrictions applicable from 1 January 2004;

**Only one SRA to be paid to any one Member

C54 **APOLOGIES**

Apologies for absence were received from Councillors K J Clarke, M L Foley, R F Freeman, D J Morson and S V Schneider.

C55 **DECLARATIONS OF INTEREST**

The following Councillors declared interests as Members of SSE: Councillors

C A Bayley, P Boland W F Bowker, C A Cant, J F Cheetham, D Corke, A Dean, C M Dean, C D Down, S Flack, M A Gayler, E J Godwin, B M Hughes, R M Lemon, J I Loughlin, A Marchant, J E Menell, J P Murphy, V Pedder, A R Row, E Tealby-Watson, A R Thawley and A M Wattebot.

Councillors Lelliott and Sell declared interests as Directors of Uttlesford CAB. Councillor Hibbs declared an interest as a Member of Saffron Walden Town Council and Councillors Murphy and Copping declared interests as Members of Great Dunmow Town Council.

C56 **MINUTES**

The Minutes of the meeting held on 14 October 2003 were received, confirmed and signed by the Chairman as a correct record subject to the addition of the words "by an amendment" after the words "withdrawn from the motion" in the fourth paragraph of Minute C52 (ii).

C57 **BUSINESS ARISING**

(i) Minute C49 (i) Decriminalisation of Parking Enforcement

In response to a question from Councillor Flack the Acting Chief Executive said that he understood that the Government had accepted the submission made by Essex County Council.

C58 **CHAIRMAN'S COMMUNICATIONS**

The Chairman reported that the civic carol service would be held at St Mary's Church Saffron Walden on 17 December 2003 in conjunction with The Uttlesford Primary Care Trust. He said that any monies raised would go to the Saffron Walden Hospital and Saffron Walden Outreach Project.

C59 **LEADER'S COMMUNICATIONS**

With the agreement of the Chairman, item 12 on the Agenda – Initial Response to the Government’s Aviation White Paper, was considered at this stage of the meeting.

The Leader said that Alistair Darling’s announcement earlier in the day had been little more than a Government wish list and it would be down to individual airport operators to bring forward plans. He said that finance was an obstacle and the airport operator had said that it would need even more subsidies from Heathrow to pay for one more runway at Stansted. The CAA had stated that BAA must be able to provide the necessary funding within the regulatory framework set by the CAA. This framework required BAA to operate all its airports as separate airports. However, BAA had said that it would need to fund an extra runway at Stansted from income at Heathrow.

The Leader said that the Council needed more time to consider the detail in the White Paper. He said that he and the Acting Chief Executive would be meeting informally on 18 December with senior management at BAA to try to find out what their next steps were likely to be. He said that the announcement had been a disappointment and the Government had not listened to Uttlesford. He then proposed that an Extraordinary Meeting of the Council be convened before the end of January to address this major challenge to the future of this District.

Councillor Godwin said that the gloves were now off and the Council knew exactly what it faced. She said that Members needed to read the White Paper over Christmas and be properly informed by the date of the Extraordinary Council Meeting. She said that Uttlesford had been seen as an easy touch and that the Government always intended to go for soft options. However, these were not always the right ones and she said that the runway was not a viable proposition and would never be built. She concluded that the Council would continue to do what was right for the District.

Councillor Cheetham reiterated that it was clear that the Government had not listened to the Council. BAA had admitted that the new runway would have to be paid for by cross subsidy. She said that at the previous public inquiries in 1964 and 1985 both Inspectors had said that a second runway at Stansted would be a disaster. She concluded that she felt betrayed by the Government and Members needed to study the White Paper in detail and come back in the New Year.

The Acting Chief Executive suggested that an Extraordinary Council Meeting could be held at 7.30 p.m. on 26 January with the Airport Working Party meeting as a workshop on 12 January and all Members would be invited to that.

RESOLVED that an Extraordinary Council Meeting be held on 26 January 2004 at 7.30 p.m. to discuss the Government’s Aviation White Paper.

**(i) Extraordinary Health and Housing Committee – 4 December 2003
Housing Strategy Statement and Housing Business Plan (HH38)**

Councillor Bayley introduced this matter and thanked officers for the excellent documents which addressed the many housing issues in Uttlesford.

RESOLVED that the draft Housing Strategy Statement and Housing Revenue Business Plan be adopted and submitted to the Government Office for the Eastern Region.

**(ii) Resources Committee 20 November 2003
General Fund Policy Priorities and Budgets 2004/05 (RE48)**

Councillor Gayler introduced this item which brought together developments from the last cycle of committees in preparing the Council's General Fund Budget for 2004/05. He circulated a further paper which incorporated slightly different targets to those recommended at the Resources Committee.

RESOLVED that

- 1 Committees be instructed to amend their budgets to meet the revised committee totals as below:

	2004/5 Budget as at 20 November	Budget Review Items Agreed	Additional Target	Revised Committee Total
Resources	£4,459,870	(£51,550)	(£50,000)	£4,358,320
Environment & Transport	£1,842,410	(£166,000)	£0	£1,676,410
Dev't Control & Licensing	£374,600	£0	£0	£374,600
Community & Leisure	£1,292,750	£85,800	(£10,000)	£1,368,550
Health & Housing	£766,100	(£3,000)	(£5,000)	£758,100

- 2 Best Value reviews should be funded from within the services to which they relate.
- 3 A maximum indicative Council Tax of 7.5% be confirmed for 2004/05
- 4 Officers to advise on best practice for the construction and ownership of budgets and fees for semi-judicial committees.
- 5 That grants to CAB and other relevant groups be thoroughly reviewed by Community and Leisure Committee during 2004 with the intention of starting new 3 year agreements from 2005/6.
- 6 That budget consultations be carried out through the organising of appropriate meetings to encompass as wide as possible a consultation as is achievable within the time available.

**(iii) Resources Committee 20 November 2003
Council Tax – Charges for Second Homes and Long Term Empty Homes (RE60)**

Councillor Gayler introduced this item and circulated a revised recommendation which incorporated the proposal by Essex County Council that 60% of the income received could be used to fund projects that benefit local communities in Uttlesford. He said that representations had been made to the Government concerning unfurnished long term empty homes and he considered that there should be incentives to encourage owners to put such properties up for rent.

Councillor Flack said that the Council's only chance was to not do anything until the Government had agreed to the Council receiving the money. Councillor Cheetham asked for further details of the criteria for identifying long term empty homes and the extent of the problem in Uttlesford. The Director of Resources agreed to provide further details to Members. Councillor Lemon asked whether the figures included the four empty Council bungalows at Hatfield Heath. Councillor Bayley agreed to advise Councillor Lemon on this point.

RESOLVED that

- 1 Subject to the proposal by Essex County Council that 60% of the income received by the County Council through reducing the Council Tax discount for second homes to the minimum 10% be used to fund projects that benefit local communities in Uttlesford then the existing discount for second homes be reduced from 50% to the minimum 10%.
- 2 Subject to (1) above the Director of Resources, in consultation with the Chairman of Resources Committee, inform Essex County Council of the Council's agreement in principle to the use of income from Council Tax on second homes and discuss with the County Council suitable projects and report back to the Resources Committee for confirmation.
- 3 The existing discount for unfurnished long term empty homes be removed;
- 4 No locally defined discounts be approved at this time;
- 5 A letter to be sent to the Minister for Local Government requesting that the additional income received under (2) above should be allowed to be kept locally.

C61

QUALITY OF LIFE CORPORATE PLAN

Members considered the draft Quality of Life Corporate Plan and were advised of the consultation which had taken place and the changes which had been made following feedback.

The Leader said that the Council's vision for Uttlesford referred to inclusive, healthy, safe, prosperous, environment, heritage and opportunities. He said that a vision was achieved when it was turned into objectives and actions. He

added that the Corporate Plan sets out where over the next four years we can take the Council and the District. He said that it was not a "wish list" but a "to do" list. He said that the Council had already become a "can do" Council which was small, good and ambitious. He said that the Quality of Life Corporate Plan was a statement of intent. It was a declaration of ambition and it had been costed in terms of cash and people resources. He thanked the Interim Director, John Rice, for his tremendous energy in developing the document to this stage. He said that the document had been widely scrutinised and would be reviewed in six months time. He expected that there would be some changes and emphasised that it had to be a living document.

He said that some things would happen earlier than planned and a few might even be put back. He proposed that the Council aimed to achieve the voluntary sector hub in 2004 rather than in 2006. He concluded that Members involvement was now needed to make it come to life. Each of the actions needed to be owned by a Member and an officer and he would be seeking volunteers in the New Year.

Councillor Chambers said that he welcomed the document as a consultation paper but if real consultation was to take place all partners needed more time to consider the details and assess their ownership of the document. He said that the matter was being bulldozed through regardless of the wishes of the local residents. He suggested that a referendum should be held on the plan. He said that the plan could cost tens of thousands of pounds and could lead to cuts in services.

Councillor Ketteridge said that the document contained many things with which most people could agree. However, he could not support it due to its content which included such proposals as stopping the free collection of bulk refuse items. He said that the plan could cost at least £200,000 in revenue alone and there was no explanation of where this would come from. He said that the full document had not been sent to partners for consultation and Councillors Cheetham and Flack said that it had not been seen by their respective Parish Councils.

Councillor Ketteridge then moved the following amendment which was duly seconded:-

That the Quality of Life Corporate Plan document be sent to all Town and Parish Councils and other stakeholders identified therein for consultation in view of the many items contained therein which required their commitment and cooperation.

Councillor Gayler said that the document was a statement of intent and a living document. He said that it was important to approve it so that it could be discussed with Town and Parish Councils and other stakeholders. He said that the budget for 2004/05 had taken into account the proposals contained in the plan. The Leader agreed and said that nothing was being imposed on the Council's partners and reiterated that it was a statement of intent and direction which enabled further consultation.

Councillor Flack said that the plan did not address important challenges such as the Dunmow Council Offices or Golds Nurseries. She said that the Auditors had identified that the Council did not have spare capacity yet the document was suggesting that many aims could be achieved by “redirecting resources”. Councillor Row added that it was bad news for people on fixed incomes and he asked how the Leader would explain to pensioners how a cinema in the Council Chamber, a Council newspaper or welcome to Uttlesford signs would be good news for them.

The amendment was then put to the vote and was lost with 9 votes for and 25 against.

The substantive motion was then put to the vote and was carried with 25 votes for and 9 against.

RESOLVED that

- 1 The Quality of Life Corporate Plan be approved with the amendment of achieving the voluntary sector hub in 2004 rather than 2006.
- 2 The Quality of Life Corporate Plan be formally reviewed during June of each year.

C62

COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA) – SUBMISSION OF DOCUMENTS

The Acting Chief Executive reported that as part of the CPA process, the Council had to submit various documents to the Audit Commission in the week of 5 January 2004 ready for the CPA site visit during the week of 23 February 2004.

Members considered the draft Corporate Self Assessment Version 7 and the draft Improvement Plan and noted that work on the two diagnostic reviews was still continuing. All CPA documentation would be completed by the end of December 2003 and needed to be signed off by the Leader of the Council and the Chief Executive in the week commencing 5 January 2004.

In response to a question from Councillor Flack, the Acting Chief Executive confirmed that information in the documents was being updated and the Quality of Life Plan agreed in June 2003 would now be superseded by the Quality of Life Corporate Plan agreed earlier in the meeting. Councillor Harris said that he had enjoyed working on the CPA Task Group and said that it was a diverse group and well able to deal with the signing off of the CPA documentation. He concluded that he was in no doubt that the Council was improving and it should go forward as a good Council.

It was then unanimously

RESOLVED that

- 1 final approval of the CPA documentation be delegated to the Member led CPA Task Group.
- 2 Uttlesford District Council assesses itself as a "Good Council".

C63 **CONSTITUTION TASK GROUP**

Councillor C M Dean presented the Minutes of the Constitution Task Group held on 25 November 2003.

(i) Council Meetings

Councillor Copping thanked the Task Group for giving speedy consideration to the Notice of Motion which had been approved at the last Council meeting.

RESOLVED that

- 1 For a trial period covering three meetings of the Council, a question time for Members be introduced at Council meetings following the public question time. The period to be of up to 15 minutes duration to enable Members to ask questions of Chairs of all main committees, the Chair would then reply and the questioner would have the right to come back, but there would be no debate. Questions would not be allowed on individual planning or licensing applications.
- 2 The matter be reviewed following three Council meetings.

(ii) Representation on Committees

RESOLVED that the opportunity to participate, but not to vote, at any Council Committee Meeting be extended to stakeholder organisations in the District on an ad-hoc basis at the discretion of the Chairman.

(iii) Public Question Time

RESOLVED that the 15 minute public question time be extended to meetings of the Licensing Committee.

C64 **COUNCIL TAX BASE CALCULATION 2004/05**

It was reported that Section 84 of the Local Government Finance Act 2003 had amended the requirement for the Council Tax Base to be adopted by a full Council Meeting. It was now up to each individual Council to decide how the Council Tax Base was adopted.

RESOLVED that the Council's Section 151 Officer duties be amended to include the annual adoption of the Council Tax Base in consultation with the Chairman of Resources Committee.

C65 **NOTICES OF MOTION**

(i) Playing Fields

Members considered the following Notice of Motion which had been proposed by Councillor R J Copping and duly seconded:-

“This Council sends its warmest congratulations to the Members and Staff of Great Dunmow Town Council upon winning the Essex Playing Fields Association Award for the best kept playing field in Essex for 2003.”

RESOLVED that the Motion be approved.

(ii) Green Travel

Members considered the following Notice of Motion proposed by Councillor S Flack and duly seconded:-

- “1 That the maximum car mileage rate for Members is capped at 40 pence a mile and thereafter at a rate no greater than the Inland Revenue approved rate. Members would no longer be entitled to the restricted rate but claims for travel by public transport (second class) would continue to be paid in full. This change to be introduced on 1 January 2004.
- 2 That the Chairman of Resources investigates the introduction of a similar scheme for officers who currently receive the restricted rate.
- 3 That the Chairman of Resources investigates the introduction of on-line submission of Expense and Subsistence forms as being introduced by other Councils”.

Members recalled that the first part of the Notice of Motion had been dealt with earlier in the meeting when the report of the Independent Remuneration Panel had been considered.

Councillor Bowker suggested that car allowances for officers should be looked at by the Local Joint Council and the Travel Plan Group. The Chairman of the Resources Committee agreed to investigate this matter and the introduction of online submission of expense and subsistence forms.

RESOLVED that the Motion be approved and referred to the Resources Committee subject to the Local Joint Council and Travel Plan Group being invited to consider the issues relating to officer car allowances .

(iii) Top Up Fees

Members considered the following Motion which had been proposed by Councillor P A Wilcock and seconded by Councillor J P Murphy:-

“This Council deplores moves by Her Majesty’s Government to extend its plans for tuition fees and top up fees that would mean that many of the

brightest local students would no longer be able to afford a university education.

It calls on the Government to abandon this policy, which amounts to a “poll tax” on learning which will burden future generations with up to £33,000 of debt, which many students will still be paying back when they retire. This makes a mockery of the Government’s claim to be widening opportunities.

This Council calls upon the Leader to write to our local MP and the Secretary of State calling on them to oppose the Government’s proposals at every opportunity and to support the belief that to invest in our country’s future we must invest in our young people.

This motion supports the principle of maintaining the Quality of Life for the young people who will be discouraged from higher education if the proposals for higher fees are passed.”

Councillor Wilcock introduced the Notice of Motion and said that it was vitally important to support young people and students. Councillor Tealby-Watson said that the Council had a role to provide high level community leadership and to speak up on behalf of young people. She said that university education was vital for the economic well being of the Country. Councillor Sell considered that the suggested top up fees would widen the divide between universities. Councillor Cant said that if some universities did not receive adequate funding they could face bankruptcy. She asked that the Notice of Motion be amended by an additional paragraph encouraging the Government to adequately fund universities. This was accepted by the mover and seconder of the Motion. Councillor Murphy concluded the debate by saying that it was important to invest in a new generation of educated young people.

RESOLVED that the Notice of Motion be approved subject to the addition of the words “that the Government be encouraged to adequately fund universities.

C66

URGENT BUSINESS – STANDARDS COMMITTEE

The Chairman agreed to the consideration of this matter as a matter of urgency as a decision was required before the next meeting of the Council.

The Head of Legal Services explained that the Standards Committee required two representatives from Town or Parish Councils. One of the previous representatives had not stood for re-election leaving one vacancy. The Uttlesford Association of Local Councils had now nominated R A Merrion from Hatfield Broad Oak and the Council was asked to approve this nomination as a matter of urgency as the Standards Committee might be called upon to deal with complaints of misconduct by Parish Councillors. The law required a Parish representative to be present when such matters were being considered.

RESOLVED that R A Merrion be appointed to serve on the Standards Committee.

C67 CHRISTMAS GREETINGS

The Acting Chief Executive said that this would be the last Council meeting he would attend in that role and wished Members a happy Christmas and a healthy, prosperous and challenging New Year. The Chairman placed on record the Council's thanks for the excellent work which the Acting Chief Executive had undertaken.

The meeting was adjourned at 9.35 p.m. and reconvened at 9.40 p.m. M J Perry, M T Purkiss and J Rice were in attendance for the following items.

C68 EXCLUSION OF THE PUBLIC

RESOLVED that the press and public be excluded for the consideration of the next item on the agenda on the basis that it involved the consideration of exempt information under paragraph 1 of part 1 of Schedule 12A of the Local Government Act 1972.

C69 PROPOSED NEW MANAGEMENT STRUCTURE

The Interim Strategic Director introduced a report proposing that the Council agrees in principle to restructure the senior management structure and to widely consult the managers and staff about the proposal and related issues. He said that the proposals had been agreed with the Chief Executive Designate and the Acting Chief Executive and had the support in principle of all senior managers. He said that the Chief Executive Designate intended to convene a series of workshops to obtain Members' views on the proposals.

The Leader said that this was a most important issue and it was incumbent on Members to consider the matter seriously and make a clear decision. He thanked the Interim Strategic Director and other Officers involved in the preparation of this report and commended the proposals to Members.

Councillor Godwin said that the report needed to be properly thought through and there should be adequate time for proper consultation. She said that she had met with the Chief Executive Designate and it was clear that he was taking ownership of the matter.

Councillor Ketteridge said that he still believed that the proposal was premature until the Chief Executive Designate was in post and had sufficient time to assess the strengths and weaknesses of senior staff. He was also concerned at the financial consequences of the proposals and suggested that some of these had been underestimated.

Councillor Jones referred to the proposals for executive managers and considered that non financial officers should not be moving into a financial environment.

In response to questions from Councillors Artus and Silver the Interim Strategic Director said that the proposals would not cost more than the current structure and should deliver savings. Councillor Chambers also expressed concern at the financial implications and Section 151 issues. Councillor Flack said that it needed to be shown how the proposals would boost capacity.

RESOLVED that the proposed new management structure be approved in principle as a basis for further consultation with managers and staff and a further report be made to the Council meeting on 10 February 2004.

The meeting ended at 10.20 pm.

EXTRAORDINARY MEETING OF THE COUNCIL held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 26 JANUARY 2004

Present:- Councillor M A Hibbs – Chairman.
Councillors E C Abrahams, K R Artus, H D Baker, C A Bayley, P Boland, W F Bowker, C A Cant, K J Clarke, D Corke, A Dean, C M Dean, C D Down, S Flack, M A Gayler, E J Godwin, D W Gregory, R T Harris, E W Hicks, B M Hughes, S C Jones, A J Ketteridge, V J T Lelliott, R M Lemon, J I Loughlin, A Marchant, J E Menell, D J Morson, J P Murphy, V Pedder, M J Savage, S V Schneider, G Sell, E Tealby-Watson, A R Thawley and P A Wilcock.

Officers in attendance:- A Bovaird, W Cockerell, J B Dickson, B D Perkins, M J Perry and M T Purkiss.

C53 APOLOGIES

Apologies for absence were received from Councillors R P Chambers, J F Cheetham, R J Copping, M L Foley, R F Freeman, A R Row, F E Silver and A M Wattebot.

C54 DECLARATIONS OF INTEREST

Councillors K R Artus, C A Bayley, P Boland, W F Bowker, C A Cant, D Corke, A Dean, C M Dean, C D Down, S Flack, E J Godwin, R T Harris, B M Hughes, A J Ketteridge, J I Loughlin, A Marchant, J E Menell, D J Morson, J P Murphy, V Pedder, M J Savage, A R Thawley and P A Wilcock made the following declaration.

“I wish to declare a personal and prejudicial interest as a member of SSE but I hold a dispensation from the Standards Committee permitting me to speak and vote.”

Councillor D W Gregory declared a personal interest as a driver for Airport Carz.

C55 CHIEF EXECUTIVE

The Chairman welcomed to the meeting Alasdair Bovaird, the new Chief Executive.

C56 WHITE PAPER: FUTURE DEVELOPMENT OF AIR TRANSPORT AND STANSTED AIRPORT

Members considered a report on the Government's White Paper on the Future Development of Air Transport and the implications for Stansted Airport.

Councillor A Dean, the Leader of the Council, said that despite an invitation to attend this meeting, no response had been received from Alistair Darling, the Secretary of State. He said that the Council had been neglected and ignored throughout the consultation process. He said that he had written to the Prime Minister last year but had been ignored again. He expressed disappointment that ministers had chosen to ignore this Council and the residents of Uttlesford. He added that it was ironic that the Prime Minister had chosen to get involved in the work of the East of England Regional Assembly in relation to the proposals for housing along the M11 Corridor.

He emphasised that the White Paper was not a done deal but a statement of Government policy. There were many hurdles and barriers which would need to be overcome. He said that it was important that Uttlesford worked with neighbouring authorities and said that there was a need for further studies to be undertaken. He said that a meeting had been held with Essex and Hertfordshire County Councils and East Hertfordshire District Council and it had been agreed to continue to work together to ensure that this Government policy does not come to fruition. He also emphasised the importance of continuing to work with SSE.

Councillor Godwin endorsed everything which the Leader had said and stressed the importance of working together with other partners. She emphasised that it was not a done deal as the airlines and passengers did not want to come to Stansted and BAA and the Government would not pay for it. She said that it was disrespectful that despite numerous invitations the Secretary of State had chosen not to visit the district or talk to its residents or the Council. She said that the Government had looked for an easy option and had failed to consider the infrastructure and environmental implications. She added that BAA had grossly underestimated the cost of providing the necessary infrastructure and there was no indication of how it would be funded when there would be no cross subsidy. She said that a second runway could not be provided without the proper infrastructure being put in place. She concluded that the White Paper also failed to take into account health issues and said that it was a flawed paper open to challenge on many counts.

Councillor Ketteridge read a statement from Councillor Cheetham in which she confirmed her total opposition to the White Paper. She said that there was much to fight for and the Council must prove that a second runway would be an environmental and financial disaster in the wrong location. She urged all Members to unite and work with partners and local residents to oppose the White Paper. Councillor Ketteridge said that he had written last year inviting the Prime Minister to the district but after a long delay only received a pre-printed card saying that he was unable to attend. He said that the Government had had a dialogue with BAA and it was disrespectful not to speak to the Council. He urged all councillors to work hard to illustrate to residents the consequences and impact of a second runway.

Councillor Sell said that the airport was continuing to grow and its appetite was never sated. Changes were already taking place in the district which could lead to an imbalanced economy. He said that the Council must work

together with other local authorities and asked whether the public relations consultants would be retained. The Leader agreed that it was vital to work together with the other local authorities. He said that the direction of the campaign had now moved away from influencing ministers and it was not intended that the consultants would be retained in the same way.

Councillor Morson said that the Council needed to look at strategies that were practical. He said that the Council needed to promote the fact that the White Paper was only a statement of intent that could be challenged. He said that it was unlikely that airline operators would want to pay the increased charges at Stansted Airport and said that it was unrealistic that the White Paper concentrated two thirds of future airport growth in the southeast. The White Paper had also dismissed all environmental arguments and the suggestion of VAT being payable on aviation fuel. He then said that the Government needed to be reminded that at the Public Inquiry in 1985 the Inspector had said that environmental issues should be paramount and in 1999 the World Health Organisation had made it clear that future airport expansion must consider the impact on health. He said that BAA were not qualified to monitor health issues. He said that SSE must be given every opportunity to challenge expansion through the planning process and the Council needed to co-operate with all partners.

Councillor Wilcock emphasised that the White Paper had not been approved by Parliament and could be changed. He considered that there could be a further challenge on economic grounds and he hoped that the White Paper could be challenged through the legal and regulatory processes. He concluded that the Council must send a clear message that the fight is not over and he hoped that the vote later in the meeting would be unanimous. Councillor C Dean said that following the announcement of the White Paper BAA had sent a document to Uttlesford residents and she urged that the Council should publicly refute and challenge some of the claims made in this document. Councillor Corke said that he owned a few shares in BAA and said that these were low in value, partly because of the loss being made at Stansted Airport. He considered that major shareholders in BAA should be encouraged to "revolt" over plans for the second runway.

Councillor Tealby-Watson said that she was dismayed at a recent press report which claimed that Saffron Walden residents were not opposed to a second runway. She said that in the Council's independent referendum 89% of those taking part had said "No" to further runways and the Council had a duty to make their voice heard. Councillor Cant said that the White Paper contained many statements about minimising or reducing the impact of a second runway but much of this was qualitative and could be meaningless. She urged the Council to continue its work in establishing the real impact of a second runway and ensuring that all residents were aware of this. Councillor Clarke said that once the planning application was submitted an environmental impact assessment would be required and he said that if this was not satisfactory permission should not be granted. He said that the Council needed to obtain the advice of environmental experts and make its views known forcefully. Councillor Thawley said that he would be attending a meeting of the East of England Regional Assembly next month and would try to get the message

across to representatives at that meeting. He concluded that the Council needed to carry on the fight on behalf of all of the residents of Uttlesford.

The Chairman then concluded the debate and said that there had been good reasoned arguments against an irrational decision which had led to frustration and annoyance. He hoped that all Members would support the motion.

The Chairman then asked members of the public if they wished to make a statement before a vote was taken. Three members of the public then made statements opposing a second runway at Stansted Airport.

The motion proposed by Councillor A Dean and seconded by Councillor E J Godwin was then put to the vote and it was unanimously

RESOLVED that

- 1 The Council does not accept, nor agree with, the Government's support for a second runway in its Air Transport White Paper and therefore re-affirms its opposition to such development at Stansted Airport.
- 2 The Council agrees to continue its campaign against a second runway to protect the rural quality of life in its area and, in particular, it will
 - consider any legal action which seeks to prevent a second runway
 - consider any studies which seek to prevent a second runway
 - work with other local authorities and organisations to further its policy
 - work with SSE to prevent a second runway
 - continue to inform and consult the public on the issue of a potential second runway
- 3 The Council re-affirms its existing arrangements, namely the Chief Executive in consultation with Group Leaders, to continue the Council's campaign for opposing a second runway.
- 4 The Council writes to the Secretary of State for Transport to express its disappointment that he has not accepted the Council's invitation to visit the area to see the adverse impact of a second runway at Stansted.

C57

EXCLUSION OF THE PUBLIC

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of Exempt Information as defined in Paragraph 12 of Part I of Schedule 12A of the Act.

LEGAL OPINION

Prior to the meeting all Members had received a copy of Counsel's advice as to whether there were any grounds for bringing a legal challenge against the validity of the recent White Paper on the Future of Air Transport. Members then considered this advice together with the advice of the Head of Legal Services. It was noted that on 30 January a meeting would be held with three members of the Bar and representatives of Essex and Hertfordshire County Councils and East Herts District Council to give further consideration to a possible legal challenge. The Head of Legal Services advised Members of the likely costs of bringing legal action and answered Members' questions.

In response to a question from Councillor Flack, the Leader said that the Council had not provided funding direct to SSE but had paid for some pieces of work to be undertaken. He said that the Council would continue to work with SSE and would not be limited by what was in the budget.

The Chief Executive said that following the meeting on Friday the Council would know the strength of the legal position and the views of partner local authorities and could then proceed to a costed strategy.

RESOLVED that a progress report be submitted to the Council Meeting on 10 February 2004.

The meeting ended at 9.25 pm.

AGENDA ITEM 11

RE75 **RESOURCES COMMITTEE POLICY PRIORITIES AND BUDGETS 2004/05**

The Committee received a report which finalised the Committee's General Fund Budgets for 2004/05, based on guidance issued by the Council and subject to this Committee's review of the Council's overall financial position at its meeting on 3 February 2004. The report contained details of the Committee's base budgets, including direct costs and recharges, together with budget growth or reductions previously considered. The report also reflected the decisions taken at the Council meeting on 16 December to reduce the previously set savings targets for this Committee. The figures contained in the report were subject to final checks for consistency and accuracy and did not include the revenue effects of any new capital programme items, the impact on internal charges of any growth or savings, or effect on this Committee of budget items included within the Corporate Quality of Life Plan.

RECOMMENDED TO COUNCIL that

- 1 the draft budgets for 2004/05 contained in Appendix 1 be approved;
- 2 the savings options contained in paragraph 9 of the report be approved;
- 3 the budget for the appointment of a part-time audit post for a fixed term of one year as outlined in paragraph 10 of the report be approved.

RE76 **BUDGET STRATEGY – GENERAL FUND SUMMARY – 2004/05**

The Committee considered a brief summary report on the updated overall estimated General Fund budget position for 2004/05. Due to several outstanding issues being delayed it had not been possible to produce the usual comprehensive overall summary. This would now be submitted to the Extraordinary Resources Committee on 3 February 2004.

RESOLVED that officers be instructed to prepare the final budget report to the Extraordinary meeting of this Committee on 3 February 2004.

COUNCIL – 10 FEBRUARY 2004

AGENDA ITEM 12

Committee: Health and Housing Committee

Date: 2 February 2004

Agenda Item No: 2

Title: Draft Housing Revenue Account Estimates and Rent Setting 2004/05

Author: Michael Dellow (01799) 510310

Summary

- 1 The two objectives of this report are firstly to set out the draft estimates for the Housing Revenue Account (HRA) and explain the significant items and changes included within the figures, and secondly to determine the rent levels for 2004/05 in the context of the statutory requirements for rent restructuring and convergence ("Formula Rents"). Consideration is also given to major changes in the treatment of HRA rent rebates and the HRA capital framework.

Base Position

- 2 The HRA working balances at 1 April 2003 were maintained at their budgeted recommended minimum level of £500,000.
- 3 Lower than estimated net costs, particularly on supervision and management, permitted an increase in the HRA's contribution to the Housing Repairs Account. Some of this increase went to fund additional repairs expenditure but the balance of £449,450 on the Repairs Account at 1 April 2003 was £164,000 more than the Revised Estimate. This will act as a useful cushion for the current peak in the repairs Programme.

Revised Estimates 2003/2004

- 4 It appears that a similar picture is emerging for 2003/2004. At this stage, it is expected that an additional £65,310 will be added to the Repairs Account, although £22,500 of this relates to the sheltered accommodation furniture budget being transferred to the Housing Repairs budget. This follows from the decision taken last year not to make furniture replacement the subject of a service charge to tenants.
- 5 The projections for rent rebates show an increase of £85,000 from the original budget. However, because of the HRA subsidy calculation, such changes are largely neutral for the financial position of the HRA itself. Instead, this change is reflected in the lower transfer for negative subsidy. A reduced sum of £122,000 is now expected to be transferred out of the HRA, but to the Council's General Fund not to the First Secretary of State as originally expected.

- 6 A £23,500 reduction in the estimated cost of transitional protection to existing tenants, in this first year of the new "Supporting People" arrangements, is the largest of a number of other relatively small variations which act to cancel each other out. The revenue contribution to capital has been retained at £70,000 despite the fact that the upgrade to the Housing IT system will now be delayed until 2004/05. This capital funding will of course remain available until required.

Revised Estimate 2003/04

- 7 The Housing Revenue Account's revised estimate 2003/04 for the direct costs of Management and Maintenance excluding internal charges is £2,684,400. This is an increase of just £9,070 from the adjusted base budget. The major components of this variation are explained in the table below:-

	£'000	£'000	£'000
Base Estimate 2003/2004			3,190.8
<u>Less</u> HRA Share of Corporate Costs		(199.5)	
<u>Less</u> Internal Charges		(316.0)	(515.5)
Adjusted Base Direct Costs			2,675.3

Repairs and Maintenance

Additions to Programme

<u>Plus</u> Legionella Management	55.0		
<u>Plus</u> Pre-painting Repairs	10.0		
<u>Plus</u> Response Repairs	3.3	68.3	

Reduction to Programme

<u>Less</u> External Decoration Schemes		(84.5)	(16.2)
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Supervision and Management

Inflation

<u>Plus</u> Gas, oil and electricity		2.1	
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Other Variations

<u>Less</u> Staffing turnover etc (net)	(10.3)		
<u>Plus</u> Independent Tenants Advisor	3.0		
<u>Plus</u> Lighting and Lifts	15.4		
<u>Plus</u> Reduced Service Charge income	9.8		
<u>Plus</u> General Fund Valuations (rechargeable)	7.5		
<u>Less</u> All other variations (net)	(2.2)	23.2	

25.3

Total Variation **9.1**

Revised Estimate 2003/2004 - Direct Costs **2,684.4**

<u>Plus</u>	HRA Share of Corporate Costs	199.5	
	Internal Charges (net)	264.3	463.8
	Revised Estimate 2003/2004		<u>3,148.2</u>

Estimates 2004/2005

- 8 The Housing Revenue Accounts Estimate 2004/2005 for the direct costs of Management and Maintenance excluding internal charges is £2,802,390. This is an increase of £134,860 against the adjusted 2003/2004 base budget. The major components of this variation are explained in the table below.

	£'000	£'000	£'000
Adjusted Base Direct Costs (as Revised)			2,675.3
<u>Less</u> 2003/04 one-off cost – Satisfaction Survey			<u>(7.8)</u>
Adjusted Base Direct Costs for 2004/05			2,667.5
<u>Supervision and Management</u>			
<u>Plus</u>	Inflation		
	April 2004 Pay Award	33.8	
	Gas, oil and electricity	13.1	
	Other Inflation	<u>2.2</u>	49.1
	Other Variations		
<u>Plus</u>	Staffing Costs – increments etc.	3.1	
<u>Less</u>	Supporting People Charge Increase	(8.7)	
<u>Plus</u>	Added for Capital Programme growth	90.0	
<u>Plus</u>	General Fund Valuations (rechargeable)	7.5	
<u>Plus</u>	Options Appraisal	25.0	
<u>Plus</u>	Reduced Service Charge income	9.8	
<u>Plus</u>	Estate Maintenance	22.2	
<u>Plus</u>	Independent Tenants Advisor	2.0	
<u>Plus</u>	Other Variations (net)	<u>0.4</u>	152.3
			201.4
<u>Repairs and Maintenance</u>			
Housing Repairs Account			
<u>Less</u>	Programme changes for 2004/05		(66.5)
Total Variation			134.9
Base Estimate 2004/2005 - Direct Costs			2,802.4
<u>Plus</u>	HRA Share of Corporate Costs	200.5	
	Internal Charges (net)	155.3	<u>355.8</u>

The budget position for 2004/2005

- 9 The major changes relate to the implications of the expanded capital programme taking advantage of the transitional measures for debt-free authorities to use 75% of right-to-buy receipts which would otherwise be paid over to the government under new pooling rules. The allowance shown of £90,000 for additional works supervision is equivalent to about 2.5 staff. These costs, and more, will be recovered by way of increased recharges to capital. The overall effect is shown in the reduced internal charges figure near the foot of the preceding page.
- 10 The balance on the Housing Repairs Account is shown as increasing slightly by the year end, from £385,460 to £395,730. This demonstrates that the HRA contribution is set at a level sufficient to be sustainable. The balance itself provides a prudent level of reserves against year on year or unexpected fluctuations in the repairs programme. Setting the HRA contribution to the Repairs Account at this level still permits a revenue contribution in further support of the capital programme of £350,000.
- 11 From April 2004 Rent Rebates will no longer be accounted for in the HRA. This expenditure will appear in the General Fund in future, offset by 100% rent rebate subsidy from the Department of Work and Pensions (DWP). Although the subsidy is nominally 100%, there still remain elements of expenditure that do not qualify for subsidy, in particular overpayments of one sort or another.
- 12 The existing HRA subsidy rules give a limited allowance towards such elements which the DWP say will not be given to the General Fund. For the next three years, therefore, arrangements have been made by the government to allow time for the General Fund to adjust. In practice this will take the form of a transitional transfer from the HRA to the General Fund. An amount of £76,000 has been included for 2004/2005. This would be expected to reduce to 38,000 for 2005/2006, and to £19,000 for 2006/2007.

Accounting Notes

- 13 The HRA summary is presented to reflect the resource accounting layout expected under the new financial framework since April 2001. The figures shown for capital charges are quite large and in some cases vary considerably from the original estimates. The cost of capital figures is calculated as a percentage of the housing fixed asset values. Although the valuations at the beginning of the year were increased, the percentage rate applied has decreased, resulting in the net change as shown. However all such changes are reversed out again and are neutral in revenue budget terms. The increase in the dwelling depreciation figure reflects amounts allowed for the Major Repairs Allowance in the subsidy calculation. The full amount is earmarked for capital funding.

Impact of ODPM Subsidy Rules

- 14 The ODPM issued its final rent guidelines and subsidy determinations for 2004/05 on 18 December 2003. The guideline rent for 2004/05 is set at £57.96, an increase of £2.87 per week over last year. The limit rent is increased by £2.55 to £61.11. Both amounts are based on a 3.96% increase on last year's recalculated amounts, plus or minus one eighth of the resulting difference from the average formula rent for 2003/04 of £62.86.
- 15 The subsidy mechanism works by using the guideline rent increase figure to calculate the notional surplus or deficit on the HRA. Until 2003/04, where the HRA was still in surplus after deducting the cost of rebates, any surplus had to be transferred to the Council's General Fund. In future rent rebates will no longer be accounted for in the HRA and, as from April 2004, any calculated surpluses will be paid over to the First Secretary of State. This change is a year later than we were led to expect and a negative subsidy surplus will now be transferred to the General Fund for the last time in respect of 2003/04.
- 16 The surplus to be paid over for 2004/2005 will be £3,761,000. This figure is lower than the rent rebate subsidy the HRA would have received under the old rules. It thus represents a pool of additional resource that the government is making available for housing purposes. These more generous subsidy arrangements are the prime reason for being able to significantly increase the revenue contribution to capital.

<u>Elements of the Calculation</u>	2002/2003	2003/2004	2004/2005
	£'000	£'000	£'000
Management and Maintenance	2,733	2,749	3,112
Anti-social Behaviour Strategy	0	0	1
Major Repairs Allowance (MRA)	1,660	1,658	1,782
Rent (based on guidelines)	(8,236)	(8,487)	(8,701)
Interest Receipts	(20)	(11)	(2)
Capital Charges	12	12	47
Sub-total – fixed by ODPM	(3,851)	(4,079)	(3,761)
Rent Rebates (as shown)	3,845	3,845	N/A
Overpayments Recovered (net)	30	30	N/A
Adjustment for backdating etc	13	13	N/A
Total notional deficit / (surplus)	37	(122)	(3,761)

- 17 It will be noted that, for next year, the calculation includes a nominal amount of £1,000 towards the cost of preparing an anti-social behaviour strategy in line with government expectations. The more significant increases are for maintenance, capital charges and the Major Repairs Allowance. All of these are designed to encourage more resources to be targeted at "Decent Homes".

Dwelling Rent Increases

- 18 The concept of formula rents is a relatively simple one. The ODPM is continuing the process which, over the ten year period from April 2002, is designed to bring about, by using a formula method, a converging pattern of rents for all similar social housing properties. Rent levels will still vary according to local property values and manual earnings. Over the next eight

years current rents must, alongside the usual increases for inflation, be gradually adjusted year by year to move closer to the formula rent derived from the ODPM formula.

- 19 Using an extensive spreadsheet containing all the data necessary to calculate formula rents, officers are able to model formula rent increases on an individual property basis. There is now a definite expectation on the part of the ODPM that its methodology and percentages will be used by every authority. Failure to increase rents in line with these expectations will make it increasingly difficult to pay the calculated HRA surplus to the Government.
- 20 Any real options for rent increases are now very constrained. An average increase much below the "3.96% plus or minus an eighth" assumed by the ODPM in its guideline and limit rents is not advised. This is therefore the default increase assumed when preparing the detailed figures presented which show that this order of increase gives the HRA a sustainable budget position and permits increased capital investment to progress "Decent Homes". A higher or lower percentage rent increase is therefore not recommended.
- 21 The ODPM continues to expect that no tenant should be faced with a rent increase exceeding inflation plus 0.5% plus £2. The higher the rent increase percentage the more likely it is that individual rent increases are limited to the 3.3% plus £2 maximum. At "3.96% plus or minus an eighth", about 5% of tenants will benefit from this protection. The amounts though are relatively small, making only 1p a week difference to the average unprotected rent increase.
- 22 Overall the modelled result is an average protected increase of £2.64, just over 50p more than the average increase for 2003/04. This is equivalent to an average of 4.57% on current rents but does vary considerably from tenant to tenant. Some representative examples are given in Appendix HRA2.

Supporting People

- 23 New "Supporting People" arrangements from April 2003 mean that tenants receiving warden services now pay charges designed to recover the full cost of those services. Those tenants who qualify receive assistance with these charges through the County Council. Those who would not otherwise qualify, but who were tenants when the scheme began, are partially subsidised from the HRA.
- 24 Under the contractual arrangements with the County Council, charges may only be increased as permitted by government guidelines. This would normally be expected to be in line with inflation. At the time of writing, the increase for next year had yet to be confirmed. Increases in line with inflation have been assumed for budget purposes but the recommendations made below have, of necessity, to be for increases at levels yet to be confirmed.
- 25 When the charges were first set, some limited leeway existed for a level of voids from under-occupation. When the position was assessed for this report, voids were running rather higher than hoped, but still just about allowed for a

break even position as budgeted. It is therefore important to make every effort to minimise void levels on sheltered schemes otherwise the Council's financial position is threatened.

Charges to Tenants for Common Services

- 26 One characteristic of formula rents is that they do not take account of the differing levels of common services provided at each block of flats. The former points system based rents did, to some extent, reflect such local circumstances. Unless corrective action is taken at some stage, the progression to formula rents will mean that a growing proportion of the costs of providing these services will gradually become pooled costs borne by the tenants as a whole.
- 27 Last year, it was recommended that the job of separating out service charges where appropriate should be deferred. Unfortunately, recent staff sickness has precluded the progression this year of what has turned out to be a task beset with difficulties. On the one hand, government guidelines encourage the creation of new service charges. On the other, they discourage charging for facilities that might be normally expected for a particular dwelling type. The classic example is not charging for lifts in high rise flats. Such distinctions are easier said than made. There are one or two other practical difficulties in addition.
- 28 The outcome of the exercise would be simply to identify the service charge element separately from the rent. Over the course of the next eight years the underlying rent would still be expected to progress towards the ODPM formula rent. Although eventually the service charges would indeed represent extra income above the formula rent level to cover the cost of service provision, such gains would not be immediate and thus not high priority. It is concluded under the circumstances that this job should again be deferred.

Charges to non-tenants

- 29 Charges for services initially shown within the HRA must by law be charged on where they are provided for the wider use of the community. For Uttlesford, this refers particularly to sewerage and service charges for non-tenants. Although not necessarily reflected in the base figures at this stage any necessary adjustments to charges must be made.
- 30 The effect of all such changes is relatively small. In practice, prudent adjustments to the provision for bad debts in respect of rent arrears are likely to cancel the effect of these altogether. For this reason no further specific reference is made to such recharges to non-tenants in this report.

Other rents and charges

- 31 Heating charges to tenants on communal boiler systems were last reviewed and increased last year. Again, this is an area where income levels appear to have been influenced by levels of voids. Accordingly, it is felt that a full year's performance of income against actual costs needs to be undertaken before firm recommendations for a further increase be recommended. The sums

involved are relatively small, last year's increase being nominally equivalent to £3,300.

- 32 Garage rents were also increased last year from £5.00 to £6.00 per week, the second £1 increase in three years. The increase was based on comparison with nearby authorities. Officers have no identified reason yet to recommend a further increase this year.
- 33 The extent to which sewerage charges recover costs still varies between locations. In some instances the charges have now reached a level to cover costs, in a few cases there is still some way to go. Historically, individual increases year on year to bring charges into line with costs have been limited to a maximum of 5%. No change in practice is being recommended.

Feedback from Tenants Panels

- 34 A combined meeting of the Tenants Panels is scheduled before the Committee meeting where the contents and recommendations of this report will be considered. A report on the results of this consultation will be given orally when this report is presented.

Conclusions

- 35 The figures presented with this report demonstrate that a rent increase for 2004/2005 based on the ODPM's expected "3.96% plus or minus an eighth" should produce an average £2.64 per week and a level of income sufficient to increase the HRA capital programme to meet government expectations. The recommended increase is about 50p per week more on average than last year. Officers are not recommending any increase to current levels of service charge to tenants, except as needed for the "Supporting People" charges.
- 36 The Health and Housing Committee is asked, with the benefit of feedback from the Tenants Panels, to confirm that rent increase and the other changes built into the budget. Confirmations are also sought on service charges and garage rents.

RECOMMENDED that this Committee:

- a) Accept the draft estimates as presented reflecting the following ODPM expectations for 2004/2005 on the basis that any effect of its further decisions below will be reflected in the published Budget Book;
- A weekly dwelling rent increase of 3.96% plus or minus one eighth of the resulting difference from the ODPM formula rent for 2004/2005 limited so that no tenant shall have an increase exceeding 3.3% plus £2,
 - Supporting People current weekly charges to tenants of £13.94 for warden services and £3.09 for Lifeline services, be increased from April 2004 in accordance with the contract with the Commissioning Body,
 - Protection be likewise increased against the "un-pooled" £8.38 element of the warden services charge for all those tenants at

31 March 2003 ineligible for grant assistance under “Supporting People” from April 2004;

- b) Do not increase garage rents or heating charges from April 2004
- c) Defer consideration until 2005/2006 of new charges for common services at flats

Background Papers: Uttlesford DC Housing Strategy 2004/2008
 ODPM HRA Determinations 2004/2005
 ODPM HRA Subsidy Determinations 2004/2005

AGENDA ITEM 13

RE79 **SEWARDS END PARISH COUNCIL**

The Electoral Services Officer reported the arrangements for the creation of a new Parish Council in Swards End. He outlined the details of the level of precept that would be required by the Parish Council for the first year of operation and other administrative arrangements.

RESOLVED that the proposed precept of £11,080 on behalf of Swards End Parish Council for the year commencing 1 April 2004, as set out in detail in the Appendix attached to the report, be approved.

RECOMMENDED TO COUNCIL that the proposed arrangements for the appointment of Parish Councillors to take office on 1 April 2004, until 31 March 2005, or until such time as an election of Parish Councillors could be held, whichever is the earlier, be approved.

RECOMMENDED TO COUNCIL that

- 1 the overall District Council Requirement of £7,253,960 be confirmed;
- 2 the preferred 2004/05 indicative Council Tax increase of 7.5% be confirmed.

Committee: Council
Date: 10 February 2004
Agenda Item No: 14
Title: Organisational Restructure
Author: Alasdair Bovaird (01799) 510400

Summary

- 1 Following the decision in principle of Council on 16 December 2003 to restructure the Senior Management structure, the report outlines the proposed new structure and the necessary key steps towards implementation by 1 June 2004.

Recommendations

- Agree the outline new structure;
- Authorise the Chief Executive to take all necessary steps to implement the structure as agreed, subject to:
 - progress reports to Council and/or Resources Committee
 - consultation, as appropriate, with group leaders
 - any significant variation from the outline to be agreed by Council in advance of implementation
- Note that while the restructuring of services within the Council will require a consequential rearrangement of budget, the overall resource requirement and the purposes for which resources have been agreed will not change.
- That subject to the above the Chief Executive and the Section 151 officer be jointly authorised to prepare a revised statement of the Council budget.

Background

The Council meeting of 16 December 2003 considered a report entitled: "Moving Uttlesford District Council Forward: Proposed new management structure – for consultation". Having considered the report it made the following decision

RESOLVED that the proposed new management structure be approved in principle as a basis for further consultation with managers and staff and a further report be made to the Council meeting on 10 February 2004.

Staff consultation

Since taking up the post on 5 January 2004, I have been engaged in a continuous consultation process with Council staff. This has included:

- a series of staff meetings with the full range of Council staff, between 6 and 21 January;
- several meetings with Heads of Service, the Contract Services Manager and Directors;
- a meeting with the Branch Chair of Unison

In addition, a number of staff have taken up my invitation to let me have comments by e-mail, in writing or face to face. A summarised version of the comments received and my response to them is appended to this report.

This process of dialogue and consultation must continue: although Councillors are being asked to agree a new structure today, the detailed implementation of this structure will need to be informed by the knowledge, involvement and commitment of the staff delivering the service as well as members’.

Quality of Life Corporate Plan

The Corporate Plan was also agreed by the Council at its December meeting. The achievement of the objectives in the plan is the main organisational objective for 2003 to 2007. The restructure needs to put in place an effective structure which will enable the organisation to deliver on its plans.

The plan itself is a ‘living document’ which – while representing a clear statement of intent – needs to be capable of adapting to changing circumstances. It follows then that the structure to deliver the plan needs to be similarly adaptable, while ensuring the continued secure delivery of quality services by Uttlesford District Council.

Approach to structural question

It follows that this report can only set out an *initial* structure. Over the coming years it is likely that Uttlesford District Council will require further structural change. My objective is to establish a culture in the organisation which is dynamic and flexible and which will enable Uttlesford District Council to adapt more readily to changes in circumstances.

In designing this initial structure, I have tried to:

- remove some anomalies in the configuration of services;
- remove – or at least minimise – areas of duplication in our operations – the most obvious being the current client-contractor split
- create the opportunity for synergy by bringing together service areas which have purpose, skills or clients in common
- ensure that no-one in the organisation is unclear about who their manager is.

Organisational roles

The initial structure is based on a division between four sets of organisational roles:

1. The Front line – dealing directly with customers;
2. Expert, Professional, Technical – providing expert advice to customers and members and developing our technical response to issues;
3. Resource and support – who ensure that the all parts of the organisation have the tools for the job;
4. The ‘General Staff’ – who manage the organisation’s business development; take a longer view of questions; establish the appropriate measures to ensure propriety etc.

Business Development Manager

There is a clear intention in the Quality of Life Plan and in members’ other decisions to increase Uttlesford District Council’s capacity to promote and support the economic development of the area. This report recognises that intention.

In the proposal which follows, economic development activity has been located alongside other similar professionals in Development Services. Responsibility for strategic partnerships in general and the LSP in particular have been added to the Communications and Performance Management roles to create a redesigned unit designated as ‘Strategy and Performance’.

This should not be taken to mean that the structure downgrades the Economic Development activity – an appropriate resource devoted solely to economic development will be established and the relevant actions within the Corporate Plan will be delivered to the timescale determined.

Outline Structure

Applying the organisational roles identified above to the Council structure leads to the following units: each of which will be headed by an Executive Manager.

Front Line	Customer Services
Experts	Environmental Services Housing Services Development Services Community & Cultural Services
Resources	Human Resources Finance and Asset Strategy
‘General Staff’	Corporate Governance Strategy and Performance

In addition, there will be the two agreed Corporate Project Managers who will take forward an agreed programme of corporate, cross-cutting projects.

The Chief Executive, the nine Executive Managers and the two Corporate Project Managers will collectively form the new 'Executive Management Team' which will be responsible for the overall management of the Council's activities and performance.

The content of the new services is set out in the table below:

<p>Customer Services</p> <ul style="list-style-type: none"> • ICT • Revenues and Benefits • Cashiers • CICs • Post • Reprographics • Reception • Telephony 	
<p><u>Environmental Services</u></p> <ul style="list-style-type: none"> • Environmental Health • Waste Management • Pest Control • Animal Welfare • Licensing • Port Health • Recycling • Cleansing • Grounds Maintenance • Vehicle Maintenance • Health and Safety 	
<p><u>Housing Services</u></p> <ul style="list-style-type: none"> • Housing Strategy • Landlord Services • Repairs and Maintenance • Private Sector Housing 	

<u>Development Services</u>	
<ul style="list-style-type: none"> • Planning Policy • Development Control • Economic Development • Transport Strategy (including Highways LSA) • Building Surveying • Engineer • Architect • Car Parking 	
<u>Community and Cultural Services</u>	
<ul style="list-style-type: none"> • Leisure • Sports Development • Youth and Arts • Museums • Health Improvement • Concessionary Fares • Day Centres 	<ul style="list-style-type: none"> • Community Development • Community Safety • Road Safety • Bridge End Gardens • Grants • Tourism
<u>Human Resources</u>	
<ul style="list-style-type: none"> • Personnel Services • Staff and Management Development • Corporate Administration • Stewarding 	
<u>Finance and Asset Strategy</u>	
<ul style="list-style-type: none"> • Financial Strategy • Capital Strategy • Asset Strategy • <i>Section 151 officer</i> 	
<u>Corporate Governance</u>	
<ul style="list-style-type: none"> • Legal Services • Democratic Services • Committee Services • Land Charges • Fraud • Internal Audit • <i>Monitoring Officer</i> 	
<u>Strategy and Performance</u>	
(formerly Business Development Manager)	
<ul style="list-style-type: none"> • Strategy Development and Co-ordination • Research and Policy Development • Communications and PR • Performance Management • Strategic Partnership Co-ordination • LSP 	

Outstanding issues

There are four areas of activity which require further discussion before they can be finally located:

Emergency Planning	The post of Emergency Planning Officer is not a full-time one has recently become vacant. It is vital that the post is filled urgently, but we are taking the opportunity to discuss how best to fill that role, what the main requirements will be and its eventual location within the new service structure.
Tourism	We have staff in TICs and we have a part-time tourism development officer. It seems likely that the TICs will - following the First Point of Contact review – form part of customer services which the tourism development officer will then best fit with Economic Development. Pending those changes, it is proposed that they remain as a single unit within Community and Cultural Services.
Parking	Similar to above, there is a distinction between the operational side of parking – enforcement, charges and the impact of decriminalisation and on an assessment of the strategic contribution car parking makes to the environmental and economic well being of the area. The consideration of the impact of decriminalisation will be taken forward by one of the Corporate Project Managers, and pending the completion of that exercise Car Parking will fall under the management of Development Services.
ICT	The ICT function will sit within Customer Services, but we will need to find ways to identify ICT staff who can assist the Corporate Projects Managers in taking forward their projects. This might require us to make a distinction between ICT operations and ICT development. This distinction will not be one in which staff stay permanently on one side or the other, but will be managed in a way which allows staff the opportunity to develop their skills in both areas.

Implementation

The planned implementation date for the restructuring is 1 June 2004. Senior Management Team has developed a framework of tasks required for implementation which indicates that the 1 June date is achievable.

The main aspects of the implementation plan are:

- staff communication and involvement

There will be an intensive and extended programme of communication with staff, including team briefings, use of e-mail, face to face meetings with the Chief Executive and managers, newsletters etc.

The basic structure outlined above is no longer subject to consultation, but the detailed implementation of it is.

- allocation of Executive Managers' roles

The nine Executive Managers and the two Corporate Project Managers are to be drawn from amongst existing Heads of Service and the Contract Services Manager. This will be done, following a Development Centre, by agreement between the Chief Executive and those individuals. This will occur before Easter 2004, with whichever of the eleven posts remains vacant being advertised externally shortly thereafter.

- reallocation of the necessary resources, accommodation and equipment
- development of third tier structure etc.

Both the above will be taken forward - on a cost-neutral basis – by the relevant Executive Managers.

- staff development programme

We will identify and develop a programme for staff development that works within a competency framework as agreed by Council on 16 December.

- Reintegration of contract services staff

The current terms and conditions which apply to Contract Services staff vary significantly from those in the rest of the Council. The reintegration also raises issues regarding the extent of contractual arrangements, trading activities and the transfer of funds currently between DSO and general funds. All these issues need to be addressed by the task group of the relevant Executive Managers.

A detailed project plan will be circulated to Members so that they are aware of the extent of the programme and the expected timescales. Progress on implementation will be reported regularly to both members and staff.

Getting it done

The delivery of the restructuring now falls upon the Chief Executive and Senior Management Team. In almost all instances the necessary decisions will be within the normal scope of managerial authority. In cases where I feel that some democratic guidance is required, the relevant issue will be discussed with the Leader, the relevant committee chairmen and the leaders of the opposition groups.

Appendix: Staff comments during consultation

The following table summarises (and in some cases anonymises) comments received from staff during the consultation period. It also gives my response to those comments.

Comment	Response
Will staff be given the opportunity to do new things, and will they be offered training to work in new ways?	Yes – see the section of the report on staff development
UDC is not always good at promoting the quality of its services: for example in 2001 we were the best in England/Wales at one Performance Indicator	I agree – this is one of the reasons that we have upgraded our communications capability.
Communications should remain with Committee Services – it works well there.	The change is not on the basis that things are not working now – but Communications/PR needs to be alongside strategic development if it is to play the role we want it to.
The project managers will need ICT support to deliver their projects	Agreed – and the report identifies a solution to that issue.
We need to find ways to reward staff that are seen as consistent and fair.	Agreed – and I will be asking the new HR service to look at that process. Remember that ‘reward’ is not always about money – though it can be.
Is there a risk in the new structure that units will not be managed by someone from their own profession?	That may happen, but I don’t regard it as a risk. Good professionals should be rewarded and developed according to their professional skills. Managers should be appointed because they are good managers – and rewarded/promoted accordingly.
The restructure will put a lot of pressure on heads of service/third tier managers	The changes will put pressure on all of us to deliver our services. We are doing this to increase the capacity of the organisation – that will only work if we are all prepared to take on more responsibility and prepared to take decisions ourselves rather than referring them upwards too easily. Of course that requires managers to understand that sometimes mistakes will be made. I also recognise (see above) that these sorts of changes cannot happen without support, development and training.
Our section does a good job and we should not risk ruining it. Also we believe our manager should stay in charge.	Agreed – changes have only been proposed where I believe they will add to the quality that the organisation can deliver. However, the changes cannot be designed on the basis of individuals remaining in their current roles forever.

Committee: COUNCIL
Date: 10 February 2004
Agenda Item No: 15
Title: COMMITTEE TIMETABLE 2004/05
Author: MAGGIE COX (01799) 510369

Summary

- 1 Attached is the draft timetable of meetings for 2004/05. The format is broadly similar to last year, avoiding holidays and giving sufficient time between the policy and scrutiny Committees.
- 2 It should be noted that Quality of Life Plan makes provision to review the Council's Committee System later in the year, and as a result it may be necessary to amend the timetable at that time.

RECOMMENDED that the Committee Timetable 2004/05 be approved.

Background Papers: none

COMMITTEE TIMETABLE 2004/05

	Day	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Community And Leisure	Tues	25				7	19			4		1		
Health and Housing	Thur	27				9	21			6 25 Tue		3		
Scrutiny 1	Wed		16			22		10		19		16		
Environment & Transport	Tue		8			14		2		11		8		
Licensing	Wed		9			15		3		12		9		
Resources	Thur		24			30		18		27	3 Thur	31		
Scrutiny 2	Wed			7			6		1		9		13	
Council	Tues	11 annual	22	20			19		14		15		26	17 annual
Development Control 2pm	Mon	17	7 28 tue	19	9 31	20	11	1 22	13	10 31	21	14	4 25	16
Standards Cttee* 4pm	Mon	24		19		27		15		17		15		

All meetings held at Saffron Walden at 7.30pm except Development Control which starts at 2.00pm and Standards Committee which starts at 4.00pm.