

**OPERATIONS COMMITTEE held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN at 7.30 pm on 22 MARCH 2007**

Present: Councillor S C Jones – Chairman.
Councillors M A Gayler, D W Gregory, R T Harris, A J Ketteridge,
T P Knight, V J T Lelliott, M J Savage, G Sell, and P A Wilcock.

Also present: Councillors J F Cheetham, S Flack, B M Hughes and D J Morson

Representing the Museum Society: R Wallace (Chairman) and
D Laing (Treasurer).

Officers in attendance:- A Bovaird, S Hayden, S Martin, P O'Dell, C Roberts, and
C Wingfield.

OP47 APOLOGIES AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors R P Chambers,
M L Foley, E Gower and A R Row.

Councillor S C Jones declared an interest in so far as he was a Member of the
Museum Resources Centre Project Team.

OP48 MINUTES

The Minutes of the meeting held on 1 February 2007 were received confirmed
and signed by the Chairman as a correct record.

OP49 BUSINESS ARISING

The Chairman of the Committee reminded Members that a number of items had
been progressed direct to the Council meeting on the cancelling, due to snow, of
the Operations Committee meeting scheduled for 8 February.

**OP50 MUSEUM HERITAGE QUEST CENTRE : INTERIM REPORT AND
TIMETABLE**

(Councillor S Jones had declared an interest in so far as he was a member of
the Museum Resources Centre Project Team).

The Chairman with the consent of the meeting advanced this item since
members of the Museum Society were present to speak.

The meeting was provided with copies of the recommendation by the Community
Committee to the Operations Committee that officers prepare and submit the

Heritage Lottery Fund application and commit funding to the project. A paper by the Museum Curator was also circulated giving estimated running costs, savings and income generation from the Heritage Quest Centre, with assurances about the low level of consequential staff requirement.

The Museum Society representatives stressed the importance of the project to the future of the Museum. The Museum Society had fund-raised for a long time to achieve this project and made contributions from its own funds as well as buying in relevant expert advice using a windfall legacy. Use of the Society's own funds was restricted by the Charity Commission at present but the facility of the Resource Centre would lift the Museum into a different category for the purposes of using its own funds and making grant applications to major fund-holders.

Arising from Members' questions the Museum Curator explained that the Museum was very selective about its acquisitions but was nevertheless compelled to deal properly with artefacts from local sites which were being destroyed or had already been destroyed. The Museum also, to retain accreditation, had to report within a year on issues to which the Resource Centre was the comprehensive answer, and the Heritage Lottery Fund had expectations which needed to be met to obtain funding; their decision would be in about six months time.

Councillor Wilcock raised concern about capital risk and the Curator referred to the 10% contingency in the budget. Members noted that management of the project would be, throughout, by the Curator, the Architect and Property Advisor/Consultant and one of the Council's Accountants.

Councillor Gayler stressed that the Council had to prioritise use of its capital resources. He proposed that the Community Committee's recommendations be accepted subject to amendment of recommendation 2 to read "Capital funding totalling £100,000 is committed to the project, £60,000 in 2007/8 and £40,000 in 2008/9".

He added that though not ideal, it was necessary to prioritise capital resources, even though this was after the budget had been set. Councillor Gayler's proposal was seconded and discussed.

Councillor Ketteridge asked about revenue costs and Councillor Gayler questioned whether land already in the possession of the local authority could in fact be counted towards the contribution made by the Council. The Museum Curator undertook to revisit this to make sure that there was no possibility of counting the land already in possession of the local authority.

Councillor Ketteridge said he felt it was wrong to proceed with such a project not knowing where the council stood financially and Councillor T Knight seconded this observation.

The Director of Resources stressed that £60,000 was already within the capital programme and the real issue was that the revenue implications were around

the additional £90,000 requested. He estimated that the costs of those were the equivalent of around £8,000 per annum or 25p per annum added to band D of the Council Tax. In answer to a question from Councillor Ketteridge he affirmed that there would be no additional revenue cost in 2007/08 since the revenue implications of the £60,000 already approved for that year had been built into the budget. The additional revenue implications of the extra £90,000 or whatever the Council agreed would come on stream in 2008/09 and beyond.

The Chief Executive advised Members regarding procedural matters reminding the meeting that the recommendation would have to be forwarded to Council. He nevertheless assured Members that, if it was possible to find information before the Council meeting to support a larger award, information would be brought to the Council to enable any amendment. It would in any event be necessary to pass a resolution to amend the Capital Programme.

RECOMMENDED that the Council

- 1 asks officers to prepare and submit a formal application to the Heritage Lottery Fund for the Heritage Quest Centre Project
- 2 approves capital funding totalling £100,000 for the project: £60,000 in 2007/08 and £40,000 in 2008/09

OP51

PROCUREMENT STRATEGY – PRESENTATION

The Chairman of the Committee took this opportunity to congratulate Simon Martin on his appointment as Head of Revenues and Procurement.

John Wickes, the Manager of the Procurement Hub, gave a presentation which is annexed to these Minutes. He explained that the Procurement Agency for Essex was an extremely small team and that nine authorities had no staffing to deal with many practical procurement resource issues. The Hub, of Braintree, Uttlesford, Maldon, Castle Point and Epping Forest had been created to meet this need. The Hub had been operating for a year or so and had a series of framework agreements in place. Members were concerned that most parish councils did not know about the Hub and John Wickes agreed that he would advertise it to them.

Members stressed the importance of providing three quotations for parish councils and John Wickes said that he would be happy to do this.

OP52

DRAFT PROCUREMENT STRATEGY AND PROJECT PLAN

The new Head of Revenues and Procurement explained that the strategy document before the Committee set the framework in which the Council would conduct its procurement activity and set the Council-wide Procurement Strategy, which would embed this practice for the future. It would be necessary to develop

procurement further and Simon Martin and John Wickes would meet all new Heads of Divisions to brief them on embedding the Procurement Hub practice.

Councillor Ketteridge asked how the activities of the Hub itself would be reviewed and Simon Martin said there would be performance targets and measures which would enable the Hub to demonstrate its effectiveness. The Chairman of the Committee pointed out that items 22 and 23 of the Procurement Project Plan covered continuous review and Councillor Gayler expressed his agreement with Councillor Ketteridge that the Hub should be continuously reviewed.

RECOMMENDED that the Council agrees the draft procurement strategy and project plan.

OP53 **BUDGETARY CONTROL 2006-07**

The Committee considered the report of the Director of Resources, providing an update on the 2006/07 General Fund Budget position at the end of the financial year.

The report explained the various projections which had been given by the Government and the County Council about the District Council's potential receipts under the Local Authority Business Growth Incentive Scheme for encouraging economic growth. As a result of these the 2006/07 revised budget for LABGI grant had been set by the Director of Resources at £600,000, but the actual figure had been disclosed, after the Council's budget, at £217,370, leaving a shortfall of £382,630 on the revised budget.

Legal action was being brought by some authorities the result of which might be an additional sum to Uttlesford of £91,868 in the 2006/07 budget.

The same sum of £600,000 had been assumed in the 2007/08 budget but was now being reduced to around £350,000, adding a pressure of £250,000 to the 2007/08 budget. The Strategic Management Board would bring a report to the next meeting of the Committee on ways to address this.

The Director of Resources reported that of the other General Fund Budgets variations from budget broadly cancelled out, leaving the LABGI issue as the main problem.

The Director of Resources said there was a significant problem in the revised budget and that it would be necessary to examine the use of reserves to deal with the problem at the year end.

Whilst he would be consulting staff, it was necessary to have an actionable plan very soon, probably by the end of April.

Councillor Gayler stressed that the issues arising from the financial situation must be identified early. The Strategic Management Board must put together an

action plan including a budgeting exercise to meet the shortfall and must set new targets to make savings.

Councillor Ketteridge said the problem was that there was no substantial financial management reserve as that large sum had been taken out. Decisions had effectively been shuffled to the other side of the election. The Council should know what earmarked reserves would be lost. It appeared there would be non-existent reserves.

Councillor T Knight asked for the figures for expenditure on overtime in the introduction of the new waste strategy. The Director of Resources assured her that she would receive those figures. In answer to questions he said that a revision of budget would take place by the end of April. The Chief Executive confirmed that a report would be brought to the Council meeting on 17 April.

Councillor S Flack asked whether the lack of money affected cash flow and what implications this had for the Council's debt free status. In reply the Director of Resources said that he would look at the cash flow and interest receivable budgets again, but that other changes meant this was not a concern. He stated that the shortfall on the budget was a revenue issue, therefore not affecting the Council's debt free status, which would continue until 2008/09.

RESOLVED that the Senior Management Board puts together an action plan including a rebudgeting exercise to meet the shortfall disclosed and that it sets new targets to make savings.

OP54

COUNCIL TAX REVIEW OF POLICY ON LONG TERM EMPTY HOMES

The Committee considered a report asking them to reconsider the level of the long term empty homes discount available to council tax payers on properties which had been empty six or 12 months after the initial exempt period had expired. A key driver of this issue was the potential financial hardship for council tax payers who were having difficulty in selling properties in the light of the Stansted Airport second runway proposal. Members were asked to consider either retaining the current zero discount on long term empty properties or increasing the discount with effect from 1 April 2008.

The report made clear that the local authority did not retain monies raised from charging council tax on long term empty properties since these sums were pooled nationally and redistributed. It was not possible to calculate with total accuracy but it looked as if the Council could lose in the region of £10-£20,000 per annum from the Revenue Support Grant.

The Local Authority had, however, to fund locally any discount provided to these properties. Any change could not be made until 1 April 2008 as the year's council tax base could not be amended.

Members debated this matter at length. The Chairman of the Committee stressed that when residents had only owned a house for a few years this placed

those in the BAA areas in an extremely difficult situation. Councillor Gayler agreed that a blanket policy was inappropriate. The scheme needed to be a very clearly defined one.

RESOLVED that the Council develops a broad policy on the level of the long term empty homes discount available to council tax payers with scope for differences in exceptional circumstances.

The meeting ended at 9.45 pm.

ANNEX

Uttlesford Update on The Essex Procurement Hub
Operations Committee 22nd March 2007

JOHN WICKES
Procurement Manager
The Essex Procurement Hub



Re-cap on the creation of the Essex procurement hub

- o ECC led procurement net-working.
- o ECC adoption of the Improvement and Development Agency (IDeA) marketplace e-procurement system, and its roll out to initially eight Authorities.
- o Creation of the Procurement Agency for Essex (PAE) by Essex Chief Executives
- o Identification of scarce strategic procurement in many Essex Authorities.
- o Creation of the Essex procurement hub to meet this need.

Uttlesford savings to date

- o Savings at Uttlesford to date, since joining the hub stand at £18,000
- o Uttlesford's Annual subscription to the hub is currently £24,000
- o Considerably more savings are anticipated before 31st August (hub's Anniversary) with two major Housing Tenders contributing.
- o In addition to savings, the hub offers advice, consultancy and help with process and documentation in relation to procurement.

Income

- o The Essex procurement hub's first year income target of £100,000 is on target.
- o Of the £70,000 set up costs pledged by the Regional Centre of Excellence, (RCE) £20,000 has been received, some of which has been spent on equipment and technology.

Existing contracts which are / could benefit Uttlesford

- o Purchase of refuse Freighters.
- o Staff cars.
- o Light commercial vehicles.
- o Refuse sacks.
- o Janitorial supplies.
- o Grounds maintenance / Horticultural equipment.
- o IT Hardware
- o Sweepers

Projects being worked on which will benefit Uttlesford

- o Personal protection equipment. (PPE)
- o Light commercial vehicles. (outright purchase)
- o Playground equipment.
- o Self drive vehicle hire.
- o Refuse Freighter hire.
- o Clearance of void properties.
- o Sandbags.
- o Cash in transit.



Individual Uttlesford projects

- Windows and doors replacement.
- Pre-painting repairs and painting.
- IT system for Stores to connect to 'Marketplace'
- Window cleaning.
- Review of Leisure PFI contract.
- Review of Contract procedure rules.
- Review of print and graphic design.



Future planned developments

- PAE contracts register.
- PAE supplier portal.
- PAE procurement tool-kit
- Hub projects data-base
- Hub News-letter



Any questions?

Thank-you for your attention.