

FINANCE AND ADMINISTRATION COMMITTEE held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 20 SEPTEMBER 2007

Present:- Councillor R P Chambers – Chairman.
Councillors R Clover, M A Gayler, D M Jones, A J Ketteridge, R M Lemon, H S Rolfe, G Sell, A D Walters and P A Wilcock.

Also present:- Councillors S Howell, C C Smith and A C Yarwood.

Officers in attendance:- A Bovaird, R Auty, G Bradley, M Brean, D Burridge, A Clarke, P Hunt, J Mitchell, P O'Dell, M Perry, R Pridham, R Proctor, C Roberts, J Roos, T Turner and A Webb.

FA1 APOLOGIES AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors K L Eden, M L Foley, T P Knight and R D Sherer.

Declarations of interest were made as follows:-

Councillor R P Chambers insofar as he is the Chairman of the Police Authority and a member of the Essex County Council (Personal).

Councillor A J Ketteridge insofar as he is a member of the Saffron Walden Town Council, with respect to a request for further land adjoining Peaslands Road to be leased to Saffron Walden Town Council. (Prejudicial).

FA2 MINUTES

The Minutes of the meeting of the Operations Committee held on 28 June 2007 were approved and signed as a correct record.

Councillor G Sell requested that names be supplied in the Minutes where Members' comments were reported, and there was a consensus in favour of this.

FA3 FURTHER BUSINESS – MINUTE C19 OF THE COMMUNITY COMMITTEE HELD ON 6 SEPTEMBER 2007 – SAFFRON WALDEN SKATEPARK LAND ADJOINING PEASLANDS ROAD

(Councillor Ketteridge left the room for the whole duration of this item and took no part in the debate or decision)

Members were informed by the Leisure Manager that the Community Committee was sympathetic to a request from the Town Council for the whole of the grassed open area at the skatepark to be leased to the Council to enable it to maintain the land, install children's play equipment and install a path to provide access to the site. The approval of the Finance and Administration Committee was necessary for this transaction.

RESOLVED to approve the request from Saffron Walden Town Council to add into the existing skate park lease to the Saffron Walden Town Council an area of land shown hatched red on the plan attached to appendix 1 of the report to the Community Committee, subject to the following:

- 1 The existing covenant for the open space land to be used for sporting purposes to be retained, but widened to include recreational purposes.
- 2 No permanent structures to be constructed alongside the leisure centre and Turpins Indoor Bowls Club that would preclude development of either of these buildings in future
- 3 The provisions of the existing lease to be applied to this area of land, ie a term of 99 years at a peppercorn rent per annum and a break clause in the year 2034.

FA4 **CHAIRMAN'S VERBAL REPORT**

The Chairman of the Committee referred to the financial situation and assured the meeting that Members and officers were working hard to ensure a good result, the aim being to give the public good service and to ensure that the plan was sensitive to the needs of staff.

FA5 **LEAD OFFICER REPORT**

The Director of Resources referred to his report set out in the agenda and invited questions.

In answer to a question from Councillor H Rolfe he said that the meeting of 17 October 2007 with the Audit Commission was not necessarily going to take place and that he would confirm the position later.

Councillor G Sell asked about provision of a Head of Finance and the Chairman said he hoped that the situation could be more permanently established in the next cycle.

FA6 **UTTLESFORD IN 2011 TRANSFORMATION PROGRAMME – PROGRESS REPORT**

The Committee considered the progress report of the Director of Business Transformation which covered progress of each of the Transformation work streams and recommended approval of climate change targets (a climate change strategy and action plan were attached as part of the report) and use of £50,000 for organisational re-engineering in Development Control.

The Director of Business Transformation explained that the climate change aspect was the province of Jake Roos and the Chairman invited him to speak.

Jake Roos explained that the Climate Change Strategy was a draft and had been approved by Scrutiny and the Environment Committee. The report before

the Finance and Administration Committee added operational detail and targets regarding gases and emissions and notifications to the Carbon Trust. The Strategy was being brought to the attention of the Committee for endorsement so that it could be published.

Councillor Ketteridge suggested himself, the Chief Executive and Councillor David Sadler meet with Jake Roos to finalise the wording of the strategy so that it could be published. In answer to a question from Councillor D Jones, Jake Roos confirmed that the Salix funding was fully recoverable by Salix, but said that there was provision for repayment of savings and keeping of funds for a new project.

The Director of Business Transformation and Councillor Howell, the Chairman of the IT Working Group, commented that in the light of the current financial situation they would not now recommend the Council to engage Northgate to carry out the organisational re-engineering in planning at a cost of £50,000. The Chairman of the Committee then invited the Committee to refuse the recommendation, whilst appreciating that organisational re-engineering was necessary by some other means.

Councillor H Rolfe asked how it was planned to undertake organisational re-engineering at the same time as actioning a plan for devolution to partners which could change the whole work scene being examined by the organisational re-engineering.

The Chief Executive said that the proposal was to accelerate the cost reduction process. The work streams and organisational re-engineering were the answers to financial needs and the financial problem made them more urgent.

Councillor Rolfe said that he was not comfortable with this since things would take longer but be less measured. Since people were involved in the process it was important to understand what the process was and it was important that it should be neither slow nor unmeasured. It was necessary to be very clear quickly about what the strategy was for meeting the Council's objectives.

The Chief Executive said that because it was necessary to achieve cost reduction fast, the Council did not have the luxury of a fully explorative approach. It would be about dealing with enquiries without using expensive specialised staff and increasing the use of technology. That would be the end result; officers were knocking off bits of the organisation that did not look like the end picture. The process would be expeditious, but not unmeasured. If in the next Committee cycle officers thought they should advise expenditure of the £50,000, they would do so.

Councillor M A Gayler referred to para 17 of the progress report which quoted estimated target figures of £300,000 included in para 30 as the projected result of the OR programme. He questioned whether those amounts would actually be saved and whether the rest of the projected expenditure of £820,000 on the Ocella replacement ought to go ahead in the current financial situation.

The Director of Business Transformation said that the £300,000 savings were based on benchmarking against other authorities and that in the absence of the Northgate Organisational Re-engineering it was not certain what level of savings

would be achieved. It was however a possibility that Ocella could be enhanced rather than replaced.

Councillors Wilcock and Sell stressed the importance of having a clear idea of potential savings before the next cycle.

Councillor A J Ketteridge referred to paragraph 44 of the report in the context of work stream 9 – communication, and said that he was surprised that further work was suggested regarding a logo change. He felt that a great deal of money had been spent on consultants in this context already. The Chief Executive explained that this aspect was in connection with the Council's presentation of itself or branding. The Director for Communities added that this was not a matter of a new logo, but of tweaking the logo design so that it would become more cost effective to produce.

RESOLVED that

- 1 the progress of the work streams is noted.
- 2 the use of £50,000 from the earmarked capital (Ocella replacement) of £820,000 for the carrying out by Northgate Information Solutions of phase III of the organisational re-engineering in Development Control be not approved at present
- 3 regarding the targets relating to climate change as set out in paragraphs 25 and 26, Councillor A J Ketteridge, the Chief Executive and Councillor David Sadler meet with Jake Roos to finalise the wording of the strategy (Details of changes to be circulated to all Members in due course)
- 4 no further money or time be expended on another logo for the Council

FA7

STAFF SUGGESTION SCHEME

The Committee considered the report of the Executive Assistant to the Chief Executive which set out potential benefits to the Council of a Corporate Staff Suggestion Scheme.

The Executive Assistant gave a presentation on this matter and the Chief Executive added that there was within the Human Resources budget an item for staff rewards which was significantly uncommitted.

Members discussed possible ways of encouraging contributions to the scheme and were particularly concerned to improve staff morale. Councillor D M Jones and Councillor G Sell suggested that the rewards suggested were insufficient and that a financial reward should be given indexed to the amount of saving achieved.

RESOLVED that

- 1 the Executive Assistant be thanked for her work in liaising and obtaining benchmarking to obtain information for this exercise.
- 2 the adoption of such a scheme for Uttlesford's employees be undertaken.

FA8

ELIZABETH WAY CULVERT SAFFRON WALDEN

The Committee considered the report of the Engineering and Safety Officer advising them that an Environment Agency Survey of the Council owned culvert at Elizabeth Way and behind Radwinter Road, Saffron Walden, had shown the need to carry out urgent work on the structure.

RESOLVED that the Council be requested to add £270,000 to the capital programme for 2007/08 to allow reconstruction of the failed section of culvert as a matter of urgency and necessary maintenance of the other sections of the culvert as appropriate.

FA9

GENERAL FUND BUDGETARY CONTROL 2007/08

The Committee considered the report of the Director of Resources on General Fund Budgetary Control during the period 2007/08 containing changes, projections and an action plan, progress on which would be reported back to the Committee.

The Chairman of the Committee stated that the Council was in a serious, but not irrecoverable financial position and there were projects which the Council would not be able to carry out immediately, eg using Northgate OR Services.

Action would be needed immediately regarding agency staff. A surprising amount of money had been spent on officer seminars and this needed to be brought down. Insurance also required review to ensure that no more was being spent than was necessary.

Councillor H Rolfe asked what targets had been set for the current year and the Director of Resources said that no targets had yet been set. Budget exercises and slowing of spending were planned. Staffing, use of agency, and placement of orders were all being challenged.

Councillor Rolfe suggested that the Committee should set a target deficit of £600,000 for the current year and one of break even for the following year. He commented that there was much internal talent to work within the budget area and names should be placed against responsibilities. Clear management was required at high level and there were too many lines in the budget.

The Chairman of the Committee confirmed that he had asked for these targets for each department, with a monthly report on budget progress.

Members asked what progress there had been regarding partnership arrangements and the Chief Executive enumerated attempts to date which had

not been completely successful. He thought it would take time to develop further relationships so it was unlikely that anything would be achieved in time to deliver savings in the current year.

Councillor Sell agreed with Councillor Rolfe that the essentials were restoration of confidence and a sense that the financial functions were fit for purpose so therefore targets were essential.

Councillor Lemon asked for work to be carried out on cost effectiveness of Area Panels where he felt there was much duplication and the potential for savings.

RESOLVED that

- 1 the Action Plan contained in paragraph 13 of the report be noted.
- 2 monthly reports on departmental budgets be submitted to the Committee to inform consideration of targets (currently seen as £600,000 deficit in 2007/8 and break even in 2008/09)
- 3 reports on progress of partnership initiatives be made to the Committee each cycle.
- 4 the Committee reconsiders the matter of targets in the next committee cycle without setting a figure, but specifying instead a mechanism (eg a percentage). (In this context the Chief Executive assured Members that he would bring a report on targets to the meeting of the Council on 9 October).

FA10

MEDIUM TERM FINANCIAL STRATEGY AND 2008/09 BUDGET

The Committee considered an update by the Director of Resources on the Medium Term Financial Strategy.

Councillor H Rolfe asked whether the Council had already approved 3.5% Council Tax and the Director of Resources said that this was an indicative figure only.

Members noted the importance of consulting focus groups on this type of matter, but felt that it was important to curb the expenditure on such exercises. The Chairman of the Committee and the Director of Resources were asked to make suggestions as to the best methods of such consultation.

RESOLVED that the Committee

- 1 approves the updated position with regard to the Medium Term Financial Strategy
- 2 notes the uncertainties that would impact on budgets for 2008/09 and beyond
- 3 determines the preferred methods for consultation with stakeholders and considers cheaper alternative methods of consultation.

The meeting ended at 9.07 pm. Page 6