

**FINANCE AND ADMINISTRATION COMMITTEE held at COUNCIL
OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 27 MARCH
2008**

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

Also present at the invitation of the Chairman – C Rockall (Audit Commission)
and W Roots (EERA).

Officers in attendance:- R Auty (Head of Community Engagement),
D Burrige (Director of Operations), D Bradley (Interim Head of
Finance), J Mitchell (Interim Chief Executive), M Perry (Assistant
Chief Executive), C Roberts (Committee Officer), J Roos
(Energy Efficiency Surveyor), A Webb (Interim Chief Financial
Officer) and C Wingfield (Museum Curator).

FA44 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors T P Knight, R D Sherer
and P A Wilcock.

FA45 MINUTES

The Minutes of the meeting held on 7 February 2008 were received,
confirmed and signed as a correct record. There were no items of business
arising.

FA46 CHAIRMAN'S VERBAL REPORT

The Chairman of the Committee explained that there would be no report at
this point in the meeting, but that he would make a statement in connection
with the item on the Independent Financial Review at a later stage in the
meeting.

He asked for the agreement of the Committee to a re-ordering of the agenda
so that items 6 and 10, both affecting the Museum, might be considered
together and Members agreed.

FA47 LEAD OFFICER'S REPORT

The Interim Director of Central Services submitted a report updating Members
on matters arising including an order for replacement noise monitoring
equipment; the progress of the new Human Resources Partnership with
Essex County Council, the programme of redundancies, capitalisation of
redundancy costs, which had now been approved by central government in
the sum of £489,763, and lack of progress by central government on paying

local authorities the balance of £217,700 outstanding for local authority business growth initiative.

Mr Webb also reported upon arrangements to resolve the need for recruitment of an HRA accountant within the finance division.

RESOLVED that the report of the Interim Director of Central Services be noted.

FA48

SPECIAL ARRANGEMENTS FOR RETIREMENT AND RECRUITMENT OF MUSEUM EDUCATION OFFICER

The Committee received a report and presentation by the Curator regarding the appropriate course of action for recruitment of a new Museum Education Officer, following the retirement of the current post holder in May 2008.

(Councillor K L Eden declared an interest insofar as he was a Director of the Saffron Walden Museum Society).

The Curator stressed that the post was important to the Lottery funding of the Resource Centre as well as for generating visitors' income and a public profile of the Museum Service.

Councillor H Rolfe offered congratulation to the Museum Curator on the award of a Lottery Heritage Grant and in answer to a question from him the Curator gave a detailed explanation of the work which would be undertaken by the Education Officer, both in the new Lottery funded project and otherwise in the Museum service.

(Councillor H Rolfe declared an interest insofar as he was a member of the Resource Committee of the Museum).

In answer to questions from Members the Curator confirmed that she believed that it would be possible to obtain recruitment of the right person even though the pay scale was a low one.

RESOLVED that

- 1 the Saffron Walden Museum Society be thanked for offering to offset the costs of maintaining the Museum buildings in 2008/09 with an exceptional contribution up to a maximum of £24,000 to enable the Council to make a similar sum available to recruit and employ a new Education Officer as set out in the Society's letter of 3 March 2008.
- 2 Recruitment of a new Education Officer is allowed to commence in April 2008 with the intention of appointing a new post holder to start in August or September 2008 on a permanent contract and the Museum Society's offer as set out in their letter be accepted.

FA49

RECOMMENDATIONS FROM THE COMMUNITY COMMITTEE ABOUT MUSEUM SERVICE CHARGES FOR EDUCATIONAL SERVICES AND ENTRY FEES

The Committee considered the report of the Curator on the level of charges for educational services and entry fees at Saffron Walden Museum from 1 April 2008.

The report stressed, in addition to financial considerations, implications for access, visitor user numbers and the general 'Market for Museum Charges in Essex'.

(Councillor D Jones declared an interest in this item insofar as he was an LEA governor at a local school).

Members were made aware that current charges to schools were not high and it was felt that they could pay more. By contrast admission charges to the public represented only a small part of the Museum's income, and an increase in them could discourage visitors and increase costs due to the need to change prices in public literature.

Councillor Rolfe asked that the Museum be encouraged to explore other commercial opportunities and to let Members know of any income raising suggestions from the Museum staff.

RESOLVED that

- 1 the Council increases education charges for schools booking taught sessions and adult groups requesting talks on or off site, from the current rate of £2-00 per pupil to £2-50. The minimum group rate to rise from £35 to £40, but with discretion to waive the minimum charge for small special needs groups and charge them at 'per pupil' rate.
- 2 admission charges be retained at the current level for 2008-09, to maximise access to and use of the Museum, but subject to longer-term review in the context of the Museum Service's Forward Plan (Stage II).
- 3 the Museum be encouraged to explore other commercial opportunities and to respond to the Committee. The Chairman and Members were also to contribute any suggestions for income-raising schemes.
- 4 the Minutes record the Committee's gratitude to the Museum Curator for her hard work and successful bid to the Heritage Lottery Fund.

FA50

CARBON MANAGEMENT PROGRAMME – IMPLEMENTATION PLAN

The Committee considered the report and presentation by the Energy Efficiency Surveyor on the Carbon Management Programme and the proposed implementation plan (circulated at the meeting). The Energy Efficiency Surveyor explained the details of the financial risks inherent in proceeding without an energy plan. In answer to a question from Councillor H

Rolfe he confirmed that the sum of £444,000 was a cost to the Uttlesford District Council, notwithstanding the Salix funding.

In answer to a further question from Councillor Rolfe, he explained that the financial value benefit within the period of the Plan was £780 which rose to £2.4m in terms of cumulative avoided expenditure when projected to the year 2015 – 16.

Councillor Rolfe congratulated the Energy Efficiency Surveyor on being short listed for excellent work on carbon control growth and the Chairman of the Committee expressed his thanks for Mr Roos' work and hoped that he would win the award.

Councillor M Gayler questioned the lack of a financial summary in the report and Mr Roos referred him to the graphs on page 5 of the Strategy and Implementation Plan, plotting value at stake against years. In answer to a question the Head of Community Engagement confirmed that a press release had been issued on this matter.

RESOLVED that the Strategy and Implementation Plan for the Carbon Management Programme be noted.

FA51

INDEPENDENT FINANCIAL REVIEW

The Chairman of the Committee, Councillor Chambers, introduced Mr W Roots of EERA, who was in attendance to present and discuss the findings following his investigation into the financial position of the Council earlier in the year.

Councillor Chambers then made a statement, a copy of which is appended to these Minutes, in response to the report of Mr Roots.

Mr Roots offered his personal congratulations to Adrian Webb, the Interim Director of Central Services, without whose work he could not think where the Council would be. Much had happened since the 16th of January 2008. Most of Mr Roots' recommendations had already been implemented. He wished to stress that the key was rigorous monitoring which had not been carried out in the Council for some years. He added that the 5% vacancy factor built in to the budget was not usually the norm in Councils and it was necessary to plan ahead for staff vacancies.

The programme of redundancies was good news, but it was also necessary to go behind the redundancy figures and find economies. It was vital that a Chief Executive be recruited. Much of the change management had been carried out and the addition of Colin Rockall gave valuable Chief Executive experience.

Mr Roots stressed that it was important to move quickly on long term planning and also to meet the issues raised by Stansted. He was concerned to see the addition of service performance and key actions as a high priority.

Councillor Ketteridge thanked Mr Roots for his report and observations. He informed the meeting that an advertisement would be placed next month for a Chief Executive Officer and two principal officers would be appointed. He thanked John Mitchell for his expedition in the matter and commented that the culture of change since the Interim Chief Executive had taken up his position had been most impressive.

In answer to questions from Councillor Sell, Mr Roots affirmed that the introduction of Colin Rockall was a great advantage and that the Council needed the experience of someone who had run a local authority.

In connection with mention of expenditure of capital receipts, Councillor Gayler commented that he recommended and wished to defend the two decisions to invest capital receipt money in the pension fund and in expenditure on decent homes. He continued that the capital receipts were still higher than they had been in the 1990s and that the problem was quick and unplanned loss from the revenue reserves. The overspend had been combined with a late set budget. He had been trying to obtain financial information from the finance department, but they had been struggling to produce the necessary reports. He disagreed with the content of para 7e of Mr Root's report, but agreed that rigorous monitoring was necessary and stressed that it had been a struggle to recruit the necessary staff and pay them; a catch 22 situation.

Councillor Rolfe thanked Mr Roots for his excellent report and raised the question how monitoring should take place.

Councillor Lemon referred to the need set out in para 8c on page 9 of the report for an effective process to prepare the Council's budget and then monitor performance, and sought confirmation of the value of the proposed bi-monthly reporting system. He added that the Performance Select Committee was clearly the Committee to monitor the budget, but he suggested it would be useful to have an independent Member on it.

Councillor Sell said that all three groups should be represented and Councillor Chambers confirmed that an appropriate monitoring system, including representation on the Performance Select Committee, would be in place by June.

RESOLVED that Mr Roots be thanked for his excellent report and that the statement of the Chairman of the Committee be noted with the progress made to date on Mr Root's recommendations, the aim being to progress the financial recovery and contribute to the Council's recovery strategy as it develops.

FA52

MEDIUM TERM FINANCIAL STRATEGY

The Committee received the report of the Acting Head of Finance providing a Medium Term Financial Strategy for 2008/9 to 2010/11. He explained that there was a need to revise the Strategy on an annual basis, but that given the financial challenges currently facing the authority it was felt prudent to set out details of where the Council needs to be, in financial terms in three years time

and to issue a three year medium term financial strategy which could be aligned with other financial strategies, such as the capital programme. He gave details of the assumptions which had been made regarding investment income and explained that a link had been set up between the strategy and the corporate plan.

Councillor Lemon thanked Mr Bradley for the coherent and understandable policy and this view was endorsed by other members.

RECOMMENDED that approval is given to the 2008/09-2010/11 medium term financial strategy and the actions included within it

FA53

STANSTED AIRPORT ADVISORY PANEL – DISPLAY OF BANNERS ON RECYCLING FLEET – URGENT BUSINESS

The Chairman of the meeting reminded Members that at the meeting of the Stansted Airport Advisory Panel in September 2007 there had been a recommendation that the Finance and Administration Committee be requested to finance the display of banners on Uttlesford's recycling fleet at a total cost for 32 banners of £240.

RECOMMENDED that the Council finances the display of banners on Uttlesford's recycling fleet in the sum of £240.00.

The meeting ended at 9.00 pm.

Statement by Robert P Chambers

May I welcome Mr Bill Roots and thank him for his financial diagnostic report of February 2008 instigated by the Audit Commission.

I believe it is important for Uttlesford District Council and its taxpayers to know exactly what the Conservative Administration is doing to address the serious financial situation it finds itself in.

In 2003 when the Liberal Democrats took control the Council were in a very strong financial position with over £10m capital receipts and over £3m revenue reserves.

In August 2003 the Council advertised for a new Chief Executive and in that information pack the then leader of the Council said, and I quote “we need to strengthen our strategic leadership and bring into sharp focus the direction and priorities of the Council”.

Unfortunately, these words were not carried out by actions and we find ourselves in the state that we are in now.

However, since the Conservatives took control in May 2007, we have started to address the problem and are well on our way to achieving financial stability by 2009.

I will now turn to paragraph 7 which states Mr Roots reasons why he believes the Council is in the position it is.

In paragraph...

8 (a) - I have already mentioned the difficulties with the capital receipts and revenue reserves. What we are doing is to ensure that future spending is sustainable over the long term rather than the short.

8 (b) - The Administration has put in place strong financial control both by members and officers.

The leader of the Council and the Chairman of Finance & Administration have regular meetings with the Acting Director of Central Services to make sure that the relevant departments do not overspend and indeed make savings where at all possible. The Administration have taken some very difficult decisions with regards to both voluntary and compulsory redundancies and the Council has set a legal budget with over £1,000,000 savings and well within the capping limit of 5%.

The targets set for each department are very challenging but we believe very achievable.

8 (c) - We have recruited sufficient staff in the financial department to bring it up to full establishment albeit with the help of an agency officer who has had experience at being a section 151 officer.

The process to prepare next year's budget has already commenced and the Performance Select Committee will be monitoring very carefully this years spend.

8 (d) - The appointment of an acting Director of Central Services has, I think you will agree, been a great success so far, but we will ensure that he has all the help and training that is required to fulfil his duties to the highest standard. The more junior officers will be monitored very carefully but given every opportunity with regards to training and support to carry out their respective functions.

8 (e) – The financial function is at the top of every senior management meeting and remains so.

8 (f) – The budget assumptions for 2008/9 have been very prudent and we fully expect that there will be extra money coming in.

8 (g) – The mistakes made during the budget of 2007/8 will not be repeated as the people concerned have already left the Councils' employment.

In paragraph 10, nobody can give a categorical undertaking that there are no more anomalies, but I believe whatever comes out from now will only be small and will be overcome able.

With regards to budget options, the £500,000 vacancy factor has now become a general saving that will be achieved throughout all departments.

Other budget options in paragraph 9 include capitalisation, which we have done very effectively with regard to redundancies totally £489,723. We have got a maximum contribution from the Capacity Building Fund from G-East, which we are very grateful for.

We have curtailed the capital programme so that we can proceed with our priorities.

We are, where possible increasing our fees and charges.

We are looking at partnerships wherever possible and indeed have recently entered into an agreement with Essex County Council to supply us with a high quality human resource capability.

We will, and are at present, looking to increase our capital receipts by whatever means such as entering into, an agreement with Essex County Council to deliver shared services in the new Dunmow library which releases the possibility of selling the office in the town, but at the same time increasing our service to the public in Dunmow.

I will not go into too much detail with regards to a new Chief Executive but I must stress that we have looked long and hard about the best way forward. The hard working staff at Uttlesford have had more change recently than ever before. Our aim and, I believe it is working, is that we get back to high morale so that we can maximise the obvious potential we have written the Council.

Our interim Chief Executive is well respected and has been with us for some years. His local knowledge, coupled with the vast experience of Mr Colin Rockall to help and assist him will enable us to move forward whilst we put in place the appointment of a new Chief Executive.

In conclusion, may I thank you for all your constructive recommendations which have or will be acted upon.

Uttlesford District Council is now in a position to move forward with reinvigorated staff, and an administration clear in its priorities to give the taxpayers of Uttlesford a good value for money service which they richly deserve.

27th March 2008