

Committee: FINANCE & ADMINISTRATION COMMITTEE

Agenda Item

Date: 27 March 2008

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Title: LEAD OFFICER'S REPORT

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Item for decision

Summary

1. This report updates Members on matters arising from the minutes that are not otherwise on this Agenda and other items of interest.

Recommendations

2. That the report is noted.

Background Papers

None

Situation/Update

3 Replacement Noise Monitoring Equipment

The equipment has been ordered, delivery and installation is arranged for 25 March 2008.

4 Human Resources Partnership

The partnership with Essex County Council (ECC) commenced on 5 March 2008. The cost for 2008/09 is being met by ECC with the 2009/10 and beyond cost being met from existing budgets. There is also a separate piece of work being undertaken by ECC around training and learning that is being funded, both the review and training delivery, from existing budgets.

At the Full Council meeting on 18 February 2008 Members were informed of the probable need to transfer one member of staff from UDC to ECC. Unfortunately when this proposal was looked at more carefully, it appeared that there were economic, technical and organizational reasons which prevented the transfer and therefore the individual in question was with regret made redundant on 7 March 2008.

5 Redundancies

The programme of removing £1million of staff costs from the 2008/09 budget is drawing to a conclusion. It is likely that there will be no more than seven actual redundancies with a total of 41 posts being removed. There has been a delay in the

process in one area however that has now recommenced and a further update will be given at the meeting.

6 Capitalisation of Redundancy Costs

Members may recall that a bid had been submitted to central government for authority to capitalise redundancy costs in 2007/08. Guidance indicated that if approval were to be given it would only be for statutory redundancy pay and would not include extras such as pay in lieu of notice, enhancements, pay for annual leave not taken etc. as they were not 'unavoidable'. This part of our bid amounted to £236,735

However a bid was also submitted to include the other items as we have a number of policies in place which actually makes the payments unavoidable. This total bid was for £489,763

In advance of the submission officers spoke to their counterparts in central government who confirmed the guidance and that it was likely that any approval would be for the lower figure only. With this in mind the lower figure was included in the 2007/08 revised budget papers presented to this Committee on 7 February 2008.

On 3 March 2008 the council was advised by central government that our bid for the whole amount (£489,763) had been successful. This will have a significant affect on the level of balances available at year end and therefore brought forward in to 2008/09.

7 Local Authority Business Growth Initiative (LABGI)

This is the one remaining assumption in the 2007/08 budget. A number of local authorities have made legal challenges to the scheme which has delayed payment. Central government has also indicated that they will 'top slice' the award to cover the cost of the legal challenges.

Members will recall that the original budget assumption for 2006/07 and 2007/08 for LABGI was £600,000 and we actually received only £236,700 in 2006/07. Subsequently we received a further £19,000 in 2007/08 relating to 2006/07 but which was received too late to put back into the 2006/07 accounts.

The 2007/08 revised budget is now set at the actual amount received in 2006/07 (£236,700). With £19,000 already received in 2007/08 we have a budget expectation remaining of £217,700 which is 85% of the figure actually received for 2006/07.

At the time of writing this report no date had been set for payment to be sent to local authorities. Providing the money is received by the time we close the accounts (26 June 2008) the money can be allocated back to the 2007/08 year.

8 Finance Staffing

At the 15 November 2007 meeting of this Committee it was reported that 'It is hoped the remaining person on a short term contract, covering maternity leave, will shortly join the council on a permanent basis as the Housing Revenue Account (HRA)

accountant.' The person in question initially accepted the position but has subsequently decided to decline the offer and will leave the council when their short term contract expires. Due to stock transfers there are declining numbers of HRA accountants in the market place and we have therefore decided to split the work into technical and service roles and the workloads will be picked up by the Capital Accountant and one of the service accountants. This arrangement will be reviewed after six months.

It is anticipated that other announcements around the management of the Finance Section will be made in response to item 8 on this agenda.