

FINANCE AND ADMINISTRATION COMMITTEE held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 26 JUNE 2008

Present:- Councillor R P Chambers – Chairman.
Councillors R Clover, J E N Davey, K L Eden, M L Foley, D M Jones, R M Lemon, H S Rolfe, R D Sherer and A D Walters.

Also present at the invitation of the Chairman:- Councillors J F Cheetham, A Dean and D J Morson.

Officers in attendance:- D Bradley (Interim Head of Finance), D Burridge (Director of Operations), J Mitchell (Interim Chief Executive), C Roberts (Committee Officer) and A Webb (Interim Chief Financial Officer).

FA1 MINUTES

The Minutes of the meeting held on 27 March 2008 were received, confirmed and signed as a correct record. There were no items of business arising.

FA2 CHAIRMAN'S VERBAL REPORT

The Chairman of the Committee made a statement in connection with the item on the agenda 'Draft Statement of Accounts' and a press statement issued by a member of the previous Liberal Democrat administration. The statement of the Chairman of the Committee is annexed to these minutes. Councillor A Dean referred to a claim deficit of £1.5m and asked for it to be justified in due course.

FA3 LEAD OFFICER'S REPORT

The Interim Director of Central Services gave a brief report presenting a programme of courses chosen for Members in the Autumn, informing the meeting of progress in supplying enhanced financial information for Members and submitting a work programme for 2008/09 for the Committee. The Chairman of the Committee congratulated the officer on his clear and concise report.

FA4 AREA FORUMS REPORT

The Chairman of the Committee informed the meeting that no financial issues had been raised by either of the two forums.

ITEMS REFERRED FROM OTHER COMMITTEES**(a) New Thaxted Day Centre**

The Committee received a reference from the Community Committee that it recommended an additional sum of £32,000 to be allocated to the capital programme for the new Thaxted Day Centre project in 2008/09. Copies had been circulated of a report by the Electrical Surveyor which explained that due to the discovery of unusually poor ground conditions and the finding of an underground chamber on the site it had become apparent that further ground investigation was necessary and a standard foundation design would not be suitable.

The Interim Chief Financial Officer confirmed that there were no other ways of funding the shortfall caused by the unexpected costs.

Councillor M L Foley, on behalf of the Chairman of the Thaxted Day Centre, spoke about the concern caused by various types of inconvenience resulting from the delay in the works. No day centre existed at present. The residents were squeezing into the Vicarage Mead kitchen and lounge for meals where the premises were excellent, but too small. They were also using the Handicapped Centre, where costs were high, depleting the Day Centre's funds. In answer to a question from Councillor Rolfe, he said that the process of waiting for the Committee's decision had caused some of their problem, but he asked that the Council now proceed with haste to prevent further inconvenience and problems.

RESOLVED that an additional sum of £32,000 is allocated to the capital programme for the new Thaxted Day Centre Project in 2008/09.

(b) Concessionary Fares

The Committee considered an item referred from the Environment Committee and were provided with copies of the report of the Director of Operations on Concessionary Fares and an extract from the Minutes of the Environment Committee of 17 June 2008, which showed a decision to secure extra funding to enable the Council to operate an addition to the National Scheme allowing travel to commence at 9.00 am for those holding passes issued within Uttlesford, subject to a check to establish legal authority to restrict the scheme in this way. It had become apparent that the decision was ultra vires because it proposed an increase in budget, which the constitution did not permit the Environment Committee to authorise. In the interests of efficiency, therefore, the Lead Officer had referred the item to the meeting of the Finance and Administration Committee, rather than referring it back to the next meeting of the Environment Committee on 16 September.

(Councillor D Jones declared an interest insofar as he had a bus pass).

The Chief Executive advised Councillors Cheetham, Morson and Dean that it was appropriate for them to stay and speak in this meeting, being members of the Environment Committee. He continued, informing the meeting that a subsequent estimate of the potential costs of the Environment decision had been made at £5,200.

Members discussed the matter and were concerned about the need to review actual figures before committing the Council to any budget figure in this context. Councillor A Dean took the view that the Environment Committee had been resolving to spend its own budget, not to spend money from anybody else's budget. The Chairman of the Committee, in answer to questions assured Members that the Committee would have a better idea of costs after six months operation, because this was a new scheme. The Interim Chief Executive added that there was the possibility of making comparisons with results from other authorities which had undertaken the scheme in advance of Uttlesford. He suggested that the matter should go to the Environment Committee at the end of September. Councillor Eden expressed doubt as to how the comparisons, geographical and time based, would be able to be achieved. Councillor H Rolfe, thought that they were results which would be accessible from usual statistics. Members were concerned to move towards increased provision for users of the national concessionary travel fares scheme, whilst taking appropriate steps to avoid financial shortfalls.

RESOLVED that authority be refused to authorise expenditure to enable the Council to operate an addition to the National Concessionary Fares Scheme (so that travel may begin at 9.00 am for those holding passes issued within Uttlesford) pending assessment of the full costs of implementation of the time extension and that the Environment Committee determine at a future meeting from within its existing budget, whether to agree to the extension of concessionary fares to start at 9.00 am.

FA6

MOVING THE DATE OF ENGLISH LOCAL GOVERNMENT ELECTIONS TO THE DATE OF THE EUROPEAN PARLIAMENT ELECTIONS IN 2009

The Committee considered the report of the Committee and Electoral Services Manager on a consultation by the Department for Communities and Local Government about the possibility of combining the English Local Government Elections in 2009 with the election to the European Parliament. Comments were invited by no later than 11 August 2008. The Committee and Electoral Services Manager spoke about the advantages and disadvantages of the possible electoral combinations envisaged and the associated question of which boundaries were to be used for the European Elections.

RESOLVED that for the reasons set out in paras 6 and 8 of the officer's report, the Department for Communities and Local Government (DCLG) be informed that the Uttlesford District Council favours the possibility of combining the English Local Government Elections in 2009 with the election to the European Parliament and is concerned that local government boundaries should be used for administering such elections.

FA7

RECOMMENDATION FOR A NEW PARISH OF FLITCH GREEN

The Committee considered the report of the Committee and Electoral Services Manager on the parish review concerning Little Dunmow and the new parish proposed of Flitch Green. The matter had been formally transferred back to the Council under new legislative provisions which devolved decisions on community governance arrangements to district councils.

Councillor H Rolfe expressed concern that since it was now two years from the beginning of the Parish Review process, opinions could have changed and he sought reassurance that the local community was as supportive as it had been in 2006 of the proposed new parish. It was agreed that this reassurance be sought from the parish at its next meeting.

RESOLVED that subject to the confirmation by Little Dunmow Parish Council of its wish to complete arrangements for Flitch Green, and to enable smooth running of electoral, polling and community governance in this context

- 1 An order be made under Section 86 of the Local Government and Public Involvement in Health Act 2007 creating a new parish, and new parish council, of Flitch Green from 1 April 2009, based on that part of the existing parish of Little Dunmow comprising the residential development area known as Oakwood Park, as originally recommended to the Secretary of State on 23 May 2006
- 2 The name of Flitch Green be adopted for the new parish
- 3 The new parish boundary to follow the development limits of Oakwood Park and to be defined as follows: 'that part of the existing parish of Little Dunmow comprising land within the area starting from where the parish boundary meets with Felsted parish on Station Road and then following a line along the centre of that road in a north-westerly direction, then in a south-westerly direction along the northern boundary of Oakwood Park, immediately to the south of Gypsy Lane, then in a generally southerly direction along the western boundary of Oakwood Park to the parish boundary where it joins with the River Chelmer'
- 4 That Little Dunmow should continue to have a parish council, and that the electoral arrangements be agreed as follows:
 - that seven parish councillors be allocated;
 - that the term of office of the existing parish councillors elected in May 2007 be terminated with effect from the fourth day after the ordinary election of parish councillors in 2009;
 - that the ordinary day of election of parish councillors be determined as 7 May 2009; and
 - that the initial term of office of the elected parish councillors be agreed as two years and that the next election of parish councillors take place on the ordinary

day of election in 2011, so that the parish reverts to the pattern of ordinary parish council elections in Uttlesford.

- 5 That as regards Flich Green, for the election of parish councillors:-
 - nine parish councillors be allocated;
 - that the ordinary day of election of parish councillors be determined as 7 May 2009;
 - that the initial term of office of the elected parish councillors be agreed as two years and that the next election of parish councillors take place on the ordinary day of election in 2011, so that the parish reverts to the pattern of ordinary parish council elections in Uttlesford.
- 6 That neither parish should be divided into wards.
- 7 That the necessary arrangements to prepare the initial budget and precept for the new parish be delegated to the Chief Executive, subject to the approval of the Council to the precept for 2009/10.
- 8 That arrangements are made to schedule community reviews, taking account of future commitments such as major elections and, to enable the detailed work of electoral and community reviews to be dealt with at member level, an Electoral Arrangements Working Group be established, consisting of five Members, three Conservatives, one Liberal Democrat and one Independent.

That the following be adopted as the terms of reference for the Electoral Arrangements Working Group

“To deal with the detailed consideration of all electoral, polling and community governance reviews on behalf of the Finance and Administration Committee and to make suitable recommendations to that Committee as appropriate.”

FA8

DRAFT STATEMENT OF ACCOUNTS

The Committee considered the report of the Interim Director of Central Services, setting out the summary of the main information of the Statement of Accounts for 2007/08 presented to the Committee for approval, subject to audit.

The Interim Director of Central Services explained that whilst the financial team had worked hard and well to produce these accounts, 60% of financial staff had never carried out a close down of accounts before and 40% had joined within the year 2008. Many of them had become experts in specific areas in the process of preparing the accounts, but even so there was a high risk of error. The Interim Head of Finance explained that the Audit of Accounts would start in the next month, July, and the accounts would be open for public inspection from August.

Councillor A Dean asked a number of questions and the Interim Director of Central Services confirmed that the final outturn of the 07/08 accounts had been within 1% of the original budgets set in February 2007 and that the variance figure was 5%. In answer to a question about expectation of LABGI funds, the Interim Director of Central Services explained to Councillor Dean that the Council had been allocated 72% of their allocation, the 28% being withheld for the purposes of 'legal challenge by the Government'. The total 100% amounted to £93,000, but only 72% had been received.

The Interim Head of Finance explained that of the reserves £1.1m was earmarked to the PFI fund and the General Fund balance was £904,000, the projected deficit of £892,000 having been reduced to £93,000 by avoiding expenditure of £1.4m.

The Chairman of the meeting stressed that what had been done was all within the public domain. The Roots report had anticipated a deficit of closer to £2m; the reserves had now been brought somewhat back, but it was necessary both to claw back the rest and to give the staff the boost in morale which they urgently needed.

Councillor Dean said that claims about lost income were not in fact lost income. The Chairman of the Committee pointed out that it was open to any person to go through the statement of accounts and inspect the final accounts working papers for 2007/08.

Councillor Mrs E Godwin expressed profound concern about the press releases issued concerning accounts and said that staff should be thanked and congratulated on the end result.

Councillor Lemon informed the meeting that he was in the process of meeting all staff and personally thanking them for their work in the difficult period. He was glad that he was doing this as some of them said that no one else had done it.

Councillor H Rolfe stressed that the Council had been advised professionally that the deficit was £1.4m and that figure had been turned around by hard work. It was well documented that there was a £1.4m deficit which had been brought down to £820,000. There was still £500,000 to find for the coming year, therefore prudence was essential and it was most important to move on.

Councillor M Foley, Councillor Chambers and Councillor Cheetham each expressed thanks to staff and concern for their morale. It was noted that the cuts had not been without price - 63% of the services were the same or worse than they had been before.

RESOLVED that the Council approves the Statement of Accounts for 2007/08, subject to audit.

FA9

BUDGET MONITORING 2008/09

The Interim Head of Finance, Mr D Bradley, presented the first budget monitoring report to the Committee for the financial year 2008/09.

Members were informed that the Performance Select Committee had, at its meeting on 29 April 2008 agreed the process for Members to separately receive budget monitoring information direct. In addition, appendices to the report provided explanations of the source of figures, the principles of profiling budgets and a guide to the warning signs via the 'spaces' and profiling budget monitoring information, direct costs and direct income for each service within the Committees as well as a detailed breakdown for each service. Copies were being made available also in the Members Room. It was noted that the Committee's net spending to the end of May was underspent by £181,685 against the profiled budgets for the same period.

RESOLVED that the content of the report be noted and that officers, particularly Mr Bradley, be thanked for producing this useful report.

The meeting ended at 9.10 pm.

STATEMENT BY COUNCILLOR CHAMBERS

“I do not like having to make formal statements to Committee, but once again I must put the true facts to you about the financial situation of the Council as the previous LibDem administration are advertising complete lies about the true state of affairs.

When the Conservatives took control of the Council we knew that there were serious flaws in the sustainability of the budget.

Within the first few weeks it was evident that the Council was hundreds of thousands of pounds in deficit. We then drilled down much further and eventually discovered that the true deficit was more in the region of £1.5 million pounds.

Unlike the Liberal Democrats we immediately set about rectifying the problem.

This entailed making very difficult decisions of which you are all aware of, voluntary redundancies, stopping all non-essential spending, not filling vacancies, and eventually, 7 compulsory redundancies. If we had not carried out those decisions the Council would have been in a very difficult position.

The entire staff at Uttlesford District Council, at this very difficult time, must have thought “Am I next to go”.

To their great credit they all pulled together, helped one another and we are now firmly on track to taking Uttlesford District Council back to financial stability. I sincerely thank them for all their hard work and continued loyalty. To get to the present situation where it was predicted that we would be in deficit by £1.5 million at the closure of last year’s accounts showing only £93,000, was truly monumental.

The reason why I am making this statement is because one or two Liberal Democrats, not the new members I should add, have released a press statement more or less blaming the Conservative administration for all the financial difficulties. Not only is it a blatant lie, it is undermining all the goodwill that exists among the staff who have weathered the storm so exceptionally well.

We are now almost in a sustainable position where we can give the residents of Uttlesford a good service which they richly deserve and I hope we will be able to bolster our reserves which were eroded to the tune of nearly £15 million over the four years the Liberal Democrats were in office.

I say to the Liberal Democrats stop undermining the staff, start working to help the residents of Uttlesford.”

Robert Chambers
26th June 2008