

**FINANCE AND ADMINISTRATION COMMITTEE held at 7.30 pm at
COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 17
JUNE 2010**

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

Officers in attendance: S Joyce (Chief Finance Officer), J
Mitchell (Chief Executive), C Roberts (Democratic Services
Officer) and A Webb (Director of Central Services).

FA1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors J E N Davey and
A Dean.

FA2 MINUTES

The Minutes of the meeting held on 25 March 2010 were approved and
signed as a correct record.

FA3 CHAIRMAN'S VERBAL REPORT

Councillor Chambers commented that the Council would have to bear its
share of the country's financial deficit. It was necessary to give the best
service to the public whilst remaining extremely prudent with resources.

FA4 LEAD OFFICER'S REPORT

The Committee considered the report of the Director of Central Services
which updated them on the progress of the sale of the Council Offices at
Great Dunmow and likely completion date. In reply to a question from the
Chairman he provided an estimate of the likely receipts from this sale.

Councillor Jones reminded the Chairman that he had asked for the
Council to be informed what saving had arisen from the sale with respect
to the Council's carbon footprint and the Chairman indicated that this
information would be provided.

FA5 2009/10 OUTTURN

The Committee considered the report of the Chief Finance Officer
summarising the outturn position for 2009/10.

He explained that there had been variances resulting in an underspend in two of the main financial areas; the General Fund and the Capital Programme. The finally adjusted figure for the General Fund was now £483,000, not the £475,000 stated in the report and it was proposed to allocate this variance to General Fund reserves for change management, waste management and housing benefits purposes as set out in the report. There had been a variance resulting in an over spend in the Housing Revenue account due to plumbing repairs and boiler replacements in the housing stock. The detailed accounts were to be considered shortly by the Performance Select Committee.

The Chief Executive answered questions from Councillor Sell about the under spent corporate training budget and the future role of the Interim Change Manager. The Council was aware that it could improve its corporate training and a consultant had been employed on workforce planning to improve corporate training and succession planning. He hoped there would be significant improvement of staff development as well as Member training.

The Chairman commented that staff had done very well in achieving savings and efficiencies but there was a limit on how far this could be taken. He was very grateful for the excellent work carried out by staff, both those under the direction of the Chief Finance Officer and the rest of the staff who had undertaken extra work.

Councillor Ketteridge praised the achievement of the Council shown in the outturn and referred particularly to the waste and recycling cost per household which was now back to the target pre wheelie bin cost level, a very good result.

The Chief Finance Officer answered questions about savings from restructuring of the Planning Department, the under spend on concessionary fares and the prospects for the cost of the Council's pensions.

Councillors Rolfe and Lemon praised the transparency and clarity of the outturn reporting.

RESOLVED that the 2009/10 outturn position as set out in the Chief Finance Officer's report (as amended), be approved.

FA6

TREASURY MANAGEMENT AND LANDSBANKI UPDATE

The Committee considered the report of the Chief Finance Officer summarising Treasury Management activity since the last meeting and updating the Committee on the position regarding Landsbanki.

The period had seen the precautionary suspension of certain institutions from the counterparty list. At no stage had there been any concern about the security of Council funds.

There was a more optimistic estimate of Landsbanki recoveries, but litigation would continue until May 2011 and the outlook was uncertain until the litigation was completed.

FA7 **HOUSING FINANCE REFORM**

The Committee considered the report of the Chief Finance Officer about consultation of the Council regarding a Government proposed initiative to reform council housing finances by abolishing the Housing Subsidy system. It appeared likely that the reform would be to the Council's advantage. It was noted that it might become necessary for the Committee to hold an extraordinary meeting in due course once the outcome of the consultation was known.

RESOLVED to recommend that the Full Council endorses the consultation responses set out in paragraph 42 of the Chief Finance Officer's report as amended in accordance with the suggestions of the Community and Housing Committee on 10 June (a copy of these was circulated at the meeting and has been filed with the Committee papers on the Council's Committee Management Information System).

FA8 **URGENT BUSINESS**

(A) REDUCTION IN GRANTS TO LOCAL GOVERNMENT

The Committee considered the report of the Chief Finance Officer giving details of the direct and indirect effects upon the Council of those cuts in local government funding of which details had now been supplied. The Council did also rely on other Government and government agencies' grants, about which no announcements had as yet been made.

(B) HOLLOWAY CRESCENT PROJECT

The Committee considered the report of the Chief Finance Officer referring to a recommendation of the Community and Housing Committee about action which might be needed to meet the possibility of HCA grant being withdrawn in the Budget announcements to be made on 22 June 2010.

RESOLVED to approve a variation to the capital financing strategy to enable the Council to use an additional £225,000 of its own cash deposits as "internal borrowing" if required in

order to fund the capital programme for the new build bungalows at Holloway Crescent.

FA9 EXCLUSION OF THE PUBLIC

RESOLVED that under Section 100(A) of the Local Government Act 1972 the public be excluded for the following item of business on the grounds that it involved the likely disclosure of Exempt Information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

FA10 MANAGEMENT RESTRUCTURING COSTS

The Committee considered the report of the Chief Executive seeking approval for payment of severance and other costs in connection with deletion of a post to facilitate management re-structuring.

RESOLVED that the terms detailed in this report as verbally amended by the Chief Executive at the meeting be agreed and the timing of the termination of employment be delegated to the Chief Executive in consultation with the Leader of the Council and Chairman of the Finance and Administration Committee:

The meeting ended at 8.50 pm.